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HMV Digital China Group Limited

HMV 數碼中國集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8078)

**(1) POLL RESULTS OF NEW SPECIAL GENERAL MEETING
HELD ON 22 MAY 2019; AND
(2) CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE**

The Board is pleased to announce that the special resolution set out in the New SGM Notice dated 29 April 2019 was duly passed by the Shareholders by way of poll at the New SGM held on 22 May 2019.

All conditions precedent of the Capital Reorganisation have been fulfilled as at Wednesday, 22 May 2019.

Upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange will be changed from 20,000 Existing Shares to 8,000 Adjusted Shares. Upon the Capital Reorganisation becoming effective, adjustments will be made in relation to the conversion price and the number of Shares falling to be issued upon conversion of the Convertible Bonds A. Details of the adjustments are set out in this announcement.

References are made to the circular (the “**New SGM Circular**”) of HMV Digital China Group Limited (the “**Company**”) and the notice of new special general meeting (the “**New SGM Notice**”) dated 29 April 2019 in relation to the Capital Reorganisation and Change in Board Lot Size. Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the New SGM Circular.

POLL RESULTS OF THE SGM

The Board is pleased to announce that the proposed resolution at the New SGM held on 22 May 2019 was duly passed by the Shareholders by way of poll.

As at the date of the New SGM, there were a total of 13,570,388,971 Existing Shares in issue, which was the total number of Existing Shares entitling the Shareholders to attend and vote on the proposed resolution at the New SGM. To the best of the Directors' knowledge, information and belief, no Shareholders were required under the GEM Listing Rules to abstain from voting on the proposed resolution at the New SGM. There were no Existing Shares entitling the holders to attend and abstain from voting in favour of the proposed resolution at the New SGM as set out in Rule 17.47A of the GEM Listing Rules.

Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, was appointed as the scrutineer for the purpose of counting the votes at the New SGM.

The poll results in respect of the proposed resolution are set out as follows:

Special resolution	No. of votes cast and percentage of total no. of votes cast		Total no. of votes cast
	For	Against	
To approve the Capital Reorganisation#.	6,175,626,446 (99.98%)	1,152,800 (0.02%)	6,176,779,246

The full text of the special resolution is set out in the New SGM Notice.

Given that more than 75% of the votes were cast in favour of the above resolution, the resolution was duly passed as a special resolution of the Company.

CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

All conditions precedent of the Capital Reorganisation have been fulfilled as at Wednesday, 22 May 2019. Pursuant to the expected timetable set out in the New SGM Circular, the Capital Reorganisation will take effect on Thursday, 23 May 2019, which is also the first day for the free exchange of existing share certificates for new share certificates for the Adjusted Shares. The last day for the free exchange of existing share certificates for new share certificates for the Adjusted Shares will be Tuesday, 2 July 2019. Shareholders may between 9:00 a.m. and 4:30 p.m. on any business day during the aforesaid period submit share certificates for the Existing Shares to the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange for new share certificates for the Adjusted Shares at the expense of the Company. The new share certificates will be issued in blue colour in order to distinguish them from existing share certificates which are in green colour.

Upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange will be changed from 20,000 Existing Shares to 8,000 Adjusted Shares. Please refer to the expected timetable set out in the New SGM Circular for details of the trading arrangement.

ADJUSTMENTS TO CONVERSION PRICE AND NUMBER OF SHARES FALLING TO BE ISSUED UPON CONVERSION OF THE CONVERTIBLE BONDS

As a result of Capital Reorganisation, adjustments shall be made to the conversion price of the Convertible Bonds A issued by the Company in accordance with the terms and conditions of such Convertible Bonds A. The adjustments to the conversion price and the number of Shares falling to be issued upon conversion of the Convertible Bonds A set out below will take effect from 23 May 2019.

	Before the Capital Reorganisation becoming effective		After the Capital Reorganisation becoming effective	
	Conversion Price (HK\$)	Number of Shares falling to be issued upon conversion of Convertible Bonds A	Conversion Price (HK\$)	Number of Shares falling to be issued upon conversion of Convertible Bonds A
Convertible Bonds A	0.305	163,934,426	15.25	3,278,688

Save for the above adjustments, all other terms and conditions of the above Convertible Bonds A remain unchanged. ZHONGHUI ANDA CPA Limited, Certified Public Accountants (Practising) being the reporting accountant of the Company, has reviewed and confirmed in writing the adjustment to the conversion price and the number of Shares falling to be issued upon conversion of the above Convertible Bonds A.

As at the date of this announcement, the Company is still negotiating with the holder of the Convertible Bonds B for any further actions, including but not limited to repayment, re-financing and extension of the Convertible Bonds B. As such, subject to the negotiation progress with the holders of the Convertible Bonds B and the compliance of the GEM Listing Rules, the conversion price and the number of shares of the Company falling to be issued upon the exercise of the conversion right attaching to the Convertible Bonds B may or may not be adjusted.

Save for the above Convertible Bonds A and Convertible Bonds B, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as the date of this announcement.

By order of the Board
HMV Digital China Group Limited
Shiu Stephen Junior
Chairman

Hong Kong, 22 May 2019

As at the date of this announcement, the Board comprises Mr. Shiu Stephen Junior (Chairman), Mr. Sun Lap Key, Christopher, Mr. Lee Wing Ho, Albert as executive Directors; Mr. Lee Wing Lun, Mr. Kam Tik Lun and Ms. Yang Yusi as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the day of its posting and on the website of the Company at www.china3d8078.com.