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Stock Code: 8075
Website: www.rojam.com

**PLACING OF NEW SHARES
UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

Financial Adviser



Placing Agent



THE PLACING

On 5 October 2009, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 380,000,000 Placing Shares at a price of HK\$0.10 per Placing Share to not fewer than six Places.

A maximum of 380,000,000 Placing Shares will be placed which represents approximately 19.73% of the existing issued share capital of the Company of 1,926,114,403 Existing Shares as at the date of this announcement and approximately 16.48% of the then issued share capital of 2,306,114,403 Existing Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$38,000,000 before the Capital Reorganization becoming effective or HK\$3,800,000 after the Capital Reorganization becoming effective.

The Placing is conditional upon, among other things, the GEM Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be HK\$38.0 million. The maximum net proceeds from the Placing will amount to approximately HK\$37.2 million. The maximum net price per Existing Share will be approximately HK\$0.0979 per Existing Share.

The Company intends to apply the net proceeds from the Placing as general working capital and/or any other new investment project in the PRC which may be identified by the Company from time to time. The exact allocation of the net proceeds among the aforesaid proposed uses has not been fixed by the Company as at the date of this announcement.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Existing Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 2 October 2009 pending the release of another announcement of the Company in relation to, among others, proposed change of domicile, proposed Capital Reorganisation and subscription of convertible bonds and options of the Company. Shareholders and the investing public are advised to refer to another announcement of the Company released today for further details. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Existing Shares with effect from 9:30 a.m. on 7 October 2009.

THE PLACING AGREEMENT

Date

5 October 2009

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 380,000,000 Placing Shares at a price of HK\$0.10 per Placing Share on a best effort basis and will receive a placing commission of 1.25% on the gross proceeds of the number of Placing Shares being placed. The placing commission was determined by reference to the range of market norms for commissions for this type of transaction. The Directors are of the view that the placing commission is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company or any Director, chief executive or substantial shareholders of any member of the Group or any associate of them or any connected persons (as defined in the GEM Listing Rules) of the Company.

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of and not connected with the Company, connected persons of the Company and any of the Directors, chief executive or substantial shareholder(s) of any members of the Group or any associate of them or any connected persons (as defined under the GEM Listing Rules) of the Company. None of the Placees will become a substantial Shareholder (as defined under the GEM Listing Rules) of the Company immediately after the Placing.

Number of Placing Shares

A maximum of 380,000,000 Placing Shares will be placed which represents approximately 19.73% of the existing issued share capital of the Company of 1,926,114,403 Existing Shares as at the date of this announcement and approximately 16.48% of the then issued share capital of 2,306,114,403 Existing Shares as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$38,000,000 before the Capital Reorganization becoming effective or HK\$3,800,000 after the Capital Reorganization becoming effective.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Existing Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.10 :

- (i) is equivalent to the par value of the Existing Shares;
- (ii) represents a premium of approximately 257.1% to the offer price in the recently completed mandatory general offer for the Existing Shares of HK\$0.028 per Existing Share;
- (iii) represents a premium of approximately 484.8% to the audited net assets value per Existing Share of approximately HK\$0.0171 as at 31 March 2009;
- (iv) represents a discount of approximately 7.4% to the closing price of the Existing Shares of HK\$0.108 as quoted on the Stock Exchange on 30 September 2009, being the last trading of the Existing Share prior to the publication of this announcement;
- (v) represents a discount of approximately 7.2% to the average of the closing prices of approximately HK\$0.1078 per Existing Share for the five trading days of the Existing Shares up to and including 30 September 2009; and
- (vi) represents a discount of approximately 14.7% to the average of the closing prices of approximately HK\$0.1172 per Existing Share for the ten trading days of the Existing Shares up to and including 30 September 2009.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent. In determining the Placing Price, the Company and the Placing Agent have taken into consideration the prevailing market price of the Existing Share and the par value of the Existing Shares. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with the Existing Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 385,222,880 Existing Shares. From the date of the AGM up to the date of this announcement, no new Existing Share has been issued under the General Mandate. Assuming the Placing Shares are placed in full, upon completion of the Placing, 380,000,000 Existing Shares will be issued under the General Mandate and 5,222,880 Existing Shares will remain outstanding under the General Mandate.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Growth Enterprise Market operated by the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in all of the Placing Shares; and
- (b) the obligations of the Placing Agent under this Placing Agreement not being terminated in accordance with the terms hereof, including provisions regarding force majeure event.

If the above conditions are not satisfied and/or waived in whole or in part by the Placing Agent prior to 10:00 a.m. on the Completion Date, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties to the Placing Agreement will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches hereof).

Termination

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 10:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation, suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 10:00 a.m. on the Completion Date:

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of this announcement; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement. Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place on or before the fourth business day after the fulfillment of the condition set out in the Placing Agreement but not later than 31 December 2009 (or such later date as may be agreed by the Company and the Placing Agent).

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares.

APPLICATION FOR LISTING

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaging in the development and licensing of software and technology for use in connection with the provision of value-added telecommunication services in the PRC.

According to the audited results of the Company for the year ended 31 March 2009, the audited consolidated revenue and net loss of the Group amounted to approximately HK\$2,706,000 and HK\$47,822,000 respectively. According to the Company's first quarterly report for the three months ended 30 June 2009, the Group recorded an unaudited turnover of approximately HK\$781,000 and an unaudited loss of approximately HK\$2,589,000. The deterioration of the operating environment has affected the Group's business resulting in persistent negative cashflow and weakened the Group's financial position.

As stated in the offer document dated 1 September 2009 issued by the existing Controlling Shareholder, it will, among others, conduct a more detailed review on the operations of the Group with a view to developing a comprehensive corporate strategy to broaden the income stream of the Group. In the long-term spectrum, it will explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth.

The Directors consider that the issue of the Placing represents an opportunity to raise additional capital for the Company and to strengthen its financial position.

The maximum gross proceeds from the Placing will be HK\$38.0 million. The maximum net proceeds (after deducting the placing commission and other expenses incidental to the Placing) from the Placing will amount to approximately HK\$37.2 million. The maximum net price per Existing Share will be approximately HK\$0.0979 per Existing Share.

The Company intends to apply the net proceeds from the Placing as general working capital and/or any other new investment project in the PRC which may be identified by the Company from time to time. The exact allocation of the net proceeds among the aforesaid proposed uses has not been fixed by the Company as at the date of this announcement.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summaries the capital raising activities of the Group for the 12 months up to the date of this announcement.

| Date of announcement | Event | Net proceeds | Intended use of proceeds | Actual use of proceeds as at the date of this announcement |
|----------------------|--|---|--|--|
| 6 October 2009 | Subscription of Convertible Bonds which are convertible into 500,000,000 New Shares at the initial Conversion Price of HK\$0.05 and the grant of Options to subscribe for 250,000,000 Options Shares at the Option Price | Approximately HK\$26.0 million from the issue of Convertible Bonds and the granting of Options; and approximately HK\$12.4 million if the Options are exercised in full at the initial Option Price | As general working capital and/or any other new investment project in the PRC which may be identified by the Company from time to time | Not applicable, pending for completion |

EFFECTS ON SHAREHOLDING STRUCTURE

Assuming no additional new Existing Shares are issued by the Company save for the Placing Shares, the issue of conversion shares upon exercise of the conversion rights attached to the Convertible Bonds and the issue of option shares upon exercise of the Options, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of Placing; and (iii) immediately after completion of the Placing, Capital Reorganisation becoming effective, conversion of the Convertible Bonds at the initial Conversion Price in full and exercise of the Options at the initial Option Price in full :

| | (i) As at the date of this announcement | | (ii) Immediately after completion of the Placing | | (iii) Immediately after - completion of the Placing - the Capital Reorganisation - conversion of the Convertible Bonds at the initial Conversion Price in full; and exercise of the Options at the initial Option Price in full | |
|---|---|---------------|--|---------------|---|---------------|
| | Number of Existing Shares | % | Number of Existing Shares | % | Number of New Shares | % |
| Marvel Bonus Holdings Limited (Note) The subscriber of the Convertible Bonds and Options | 1,234,715,251 | 64.10 | 1,234,715,251 | 53.54 | 1,234,715,251 | 40.40 |
| | - | - | - | - | 750,000,000 | 24.54 |
| Public Shareholders | | | | | | |
| Placees | - | | 380,000,000 | 16.48 | 380,000,000 | 12.43 |
| Other public Shareholders | 691,399,152 | 35.90 | 691,399,152 | 29.98 | 691,399,152 | 22.63 |
| Total | <u>1,926,114,403</u> | <u>100.00</u> | <u>2,306,114,403</u> | <u>100.00</u> | <u>3,056,114,403</u> | <u>100.00</u> |

Note: Marvel Bonus Holdings Limited is owned by Integrated Asset Management (Asia) Limited and Shanghai Assets (BVI) Limited in equal shares. Integrated Asset Management (Asia) Limited is wholly and beneficially owned by Mr. Yam Tak Cheung. Shanghai Assets (BVI) Limited is wholly and beneficially owned by Mr. Ting Pang Wan, Raymond.

RESUMPTION OF TRADING

At the request of the Company, trading in the Existing Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 2 October 2009 pending the release of another announcement of the Company in relation to, among others, proposed change of domicile, proposed Capital Reorganisation and subscription of convertible bonds and options of the Company. Shareholders and the investing public are advised to refer to another announcement of the Company released today for further details. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Existing Shares with effect from 9:30 a.m. on 7 October 2009.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

| | |
|---------------------------|---|
| “AGM” | the annual general meeting of the Company held on 30 September 2009; |
| “Board” | the board of Directors; |
| “Capital Reorganisation” | the proposed reorganisation of the capital structure of the Company by way of capital reduction and share subdivision, which details were set out in another announcement of the Company dated 6 October 2009; |
| “Company” | Rojam Entertainment Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the GEM; |
| “Completion Date” | the date of completion of the Placing in accordance with the terms and conditions of the Placing Agreement; |
| “connected person(s)” | has the same meaning ascribed to it under the GEM Listing Rules; |
| “Controlling Shareholder” | any person who is or group of persons who are together entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of the Company or who is or are in a position to control the composition of a majority of the Board; |

| | |
|---------------------|---|
| “Convertible Bonds” | convertible bonds in the principal amount of HK\$25,000,000 due 3 years from the date of issue, details of which were set out in another announcement of the Company dated 6 October 2009; |
| “Conversion Price” | initial conversion price of the Convertible Bonds of HK\$0.05 per New Share (subject to adjustment); |
| “Director(s)” | director(s) of the Company; |
| “Existing Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company; |
| “GEM” | the Growth Enterprise Market of the Stock Exchange; |
| “GEM Listing Rules” | The Rules Governing the Listing of Securities on the GEM; |
| “General Mandate” | the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC; |
| “New Shares” | shares of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation, details of which were set out in another announcement of the Company dated 6 October 2009, becoming effective; |
| “Options” | the right to subscribe for the 250,000,000 New Shares during the option period, which shall commence on the date of grant of the Options and ending on the date falling the end of third year from the date of grant of the Options, details of which were set out in another announcement of the Company dated 6 October 2009; |
| “Option Price” | HK\$0.05 per Option Share (subject to adjustment); |
| “Placing” | the placing of a maximum number of 380,000,000 new Shares pursuant to the terms of the Placing Agreement; |
| “Placing Agreement” | the conditional placing agreement entered into between the Company and the Placing Agent dated 5 October 2009 in relation to the Placing; |
| “Placing Price” | HK\$0.10 per Placing Share; |

| | |
|--------------------|--|
| “Placing Share(s)” | a maximum number of 380,000,000 new Shares to be placed pursuant to the Placing Agreement; |
| “Placee(s)” | any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement; |
| “Placing Agent” | Kingston Securities Limited, a licensed corporation to carry on type I (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “PRC” | The People’s Republic of China; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Share(s)” | the Existing Share(s) or the New Share(s), as the case may be; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; and |
| “%” | per cent. |

By order of the Board
Etsuko Hoshiyama
Executive Director

Hong Kong, 6 October 2009

As at the date of this announcement, the board of directors comprises three executive directors, namely Ms. Etsuko Hoshiyama, Mr. Chan Chi Ming, Alvin, and Mr. Luk Hong Man, Hammond and two independent non-executive directors, namely Mr. Chan Chi Yuen and Mr. Zhang Xi.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.rojam.com.