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Yunbo Digital Synergy Group Limited

雲博產業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8050)

COMPLETION OF THE PLACING OF NEW SHARES AND NON-LISTED WARRANTS UNDER GENERAL MANDATE

The Board is pleased to announce that the completion of the Share Placing and the Warrant Placing took place on 26 July 2012. 10,000,000 Placing Shares were allotted and issued to not less than six Share Placees in accordance with the terms of the Share Placing Agreement, and 60,000,000 Warrants were issued to not less than six Warrant Placees in accordance with the terms of the Warrant Placing Agreement.

Reference is made to the announcement of Yunbo Digital Synergy Group Limited (the “**Company**”) dated 6 July 2012 in relation to the proposed placing of new shares and non-listed warrants under general mandate (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as defined in the Announcement.

COMPLETION OF THE SHARE PLACING AND THE WARRANT PLACING

The Board is pleased to announce that, with all the SP Conditions and WP Conditions having been fulfilled on 20 July 2012, completion of the Share Placing and the Warrant Placing took place on 26 July 2012. 10,000,000 Placing Shares were allotted and issued to not less than six Share Placees in accordance with the terms of the Share Placing Agreement, and 60,000,000 Warrants were issued to not less than six Warrant Placees in accordance with the terms of the Warrant Placing Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Share Placees, the Warrant Placees and their respective ultimate beneficial owners are parties independent of and not connected with, and are not acting in concert (as defined in the Takeovers Codes) with the Company and its connected persons. None of the Share Placees or the Warrant Placees has become a substantial shareholder of the Company immediately after the Share Placing or the Warrant Placing.

As disclosed in the Announcement, a majority part of the net proceeds from the Share Placing and the Warrant Placing would be applied towards the establishment of two wholly foreign owned enterprises (the “WFOEs”) in the PRC. In this connection, the Company is in the process of applying with the relevant PRC government authority for business licences to operate the two WFOEs. The scope of business of these two WFOEs is intended to include computer software or hardware system integration, external equipment, financial and electronic equipment, automated control systems and related equipment, smart modems, research and development of educational software and hardware; sale of computer software, hardware and ancillary equipment, electronic products, general machinery, specialized equipment, and procurement of technical services and support. Apart from the business expansion plan as referred to in the Announcement, the Company would also seek opportunities in entering into new business or making investments in those areas relating to the WFOEs' proposed scope of business mentioned above.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) immediately before completion of the Share Placing and the Warrant Placing; (ii) as at the date of this announcement following completion of the Share Placing and the Warrant Placing but before exercise of the subscription rights attaching to the Warrants and the May 2012 Warrants; (iii) immediately after completion of the Share Placing and the Warrant Placing and exercise of the subscription rights in full attaching to the Warrants but before exercise of the subscription rights attaching to the May 2012 Warrants; and (iv) immediately after completion of the Share Placing and Warrant Placing and exercise of the subscription rights in full attaching to the Warrants and the May 2012 Warrants (assuming that there will be no further changes in the issued share capital

of the Company prior to such exercise and no adjustment to the subscription price of the Warrants) are as follows:

	Immediately before completion of the Share Placing and the Warrant Placing		As at the date of this announcement following completion the Share Placing and Warrant Placing but before exercise of the subscription rights attaching to the Warrants and the May 2012 Warrants		Immediately after completion of the Share Placing and Warrant Placing and exercise of the subscription rights in full attaching to the Warrants and the May 2012 Warrants		Immediately after completion of the Share Placing and Warrant Placing and exercise of the subscription rights in full attaching to the Warrants and the May 2012 Warrants	
	No. of Shares	Approximate percentage of issued Shares	No. of Shares	Approximate percentage of issued Shares	No. of Shares	Approximate percentage of issued Shares	No. of Shares	Approximate percentage of issued Shares
Happy On Holdings Limited (Note)	420,002,000	68.29	420,002,000	67.20	420,002,000	61.31	420,002,000	58.74
Public								
Share Placees	–	–	10,000,000	1.60	10,000,000	1.46	10,000,000	1.40
Warrant Placees	–	–	–	–	60,000,000	8.76	60,000,000	8.39
May 2012 Warrant Placees	–	–	–	–	–	–	30,000,000	4.20
Other Public	194,998,000	31.71	194,998,000	31.20	194,998,000	28.47	194,998,000	27.27
Sub-total	194,998,000	31.71	204,998,000	32.80	264,998,000	38.69	294,998,000	41.26
Total	615,000,000	100.00	625,000,000	100.00	685,000,000	100.00	715,000,000	100.00

Note: The entire issued share capital of Happy On Holdings Limited is beneficially owned by Mr. Chan Foo Wing.

By Order of the Board
Yunbo Digital Synergy Group Limited
Yau Hoi Kin
Director

Hong Kong, 26 July 2012

As at the date of this announcement, the executive Directors are Mr. Yau Hoi Kin, Mr. Kwong Wai Ho Richard and Dr. Huang Youmin and the independent non-executive Directors are Dr. Chow Ka Ming, Jimmy, Mr. Liu Zhiquan and Dr. Wong Wing Lit.

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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at <http://ybds.com.hk>.