

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yunbo Digital Synergy Group Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Dealings in the securities of the Company may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of the Prospectus Documents, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



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)

**OPEN OFFER OF NOT LESS THAN 156,250,000 AND NOT
MORE THAN 178,750,000 OFFER SHARES AT A SUBSCRIPTION
PRICE OF HK\$0.10 PER OFFER SHARE ON THE BASIS OF
ONE OFFER SHARE FOR EVERY FOUR EXISTING SHARES
HELD ON THE RECORD DATE**

Financial adviser to the Company



Terms used in this cover page have the same meanings as defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Wednesday, 5 December 2012. The procedures for application and payment for the Open Offer is set out on pages 13 to 15 of this Prospectus.

The Open Offer is conditional upon, among others, the fulfillment or waiver of the conditions set out under the section headed "Conditions of the Open Offer" and the section headed "Termination of the Underwriting Agreement" in this Prospectus.

Shareholders should note that the existing Shares have been dealt in on an ex-entitlement basis since Wednesday, 14 November 2012. If the Underwriter terminates the Underwriting Agreement, or if any of the conditions of the Open Offer is not fulfilled, the Open Offer will not proceed. Any Shareholder or other person dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled (which is expected to be on Monday, 10 December 2012) will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Shareholders and potential investors are advised to exercise due caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

21 November 2012

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Open Offer will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

Event	2012
Latest time for payment for and acceptance of the Offer Shares	4:00 p.m. on Wednesday, 5 December
Latest time for the Open Offer to become unconditional	4:00 p.m. on Monday, 10 December
Announcement of results of the Open Offer	Wednesday, 12 December
Despatch of refund cheques in respect of wholly and partially unsuccessful excess applications	Thursday, 13 December
Share certificates of the Offer Shares to be posted	Thursday, 13 December
Dealings in fully-paid Offer Shares commences	Friday, 14 December

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 5 December 2012. Instead, the Latest Time for Acceptance will be rescheduled to 12:00 noon on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 12:00 noon. If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the section headed “EXPECTED TIMETABLE” in this Prospectus may be affected. An announcement will be made by the Company in such event accordingly.

All references to times and dates in this Prospectus are references to Hong Kong local times and dates.

TERMINATION OF THE UNDERWRITING AGREEMENT

Termination of the Underwriting Agreement

The Underwriter may (after consultation with the Company and/or its advisers as the circumstances shall admit) rescind the Underwriting Agreement by notice in writing to the Company on its own behalf and on behalf of all other parties to the Underwriting Agreement at any time up to Latest Time for Termination if any of the following events occurs:

- (a) there has introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) there has been 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 thereof, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (d) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, save for antecedent breaches and liabilities as provided under the Underwriting Agreement such as breaches of representations, undertakings, warranties and indemnities given by the parties thereto. If the Underwriter exercises its right to terminate the Underwriting Agreement, the Open Offer will not proceed.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement”	the announcement of the Company dated 31 October 2012 in relation to, among other things, the Open Offer
“Application Form(s)”	the application form(s) to be used by the Qualifying Shareholders to apply for their entitlements of the Offer Shares under the Open Offer
“Board”	the board of Directors from time to time
“Business Day”	a day (other than a Saturday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted between 9:00 a.m. to 12:00 noon and is not lowered or discontinued at or before 12:00) on which banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	Companies Ordinance (Cap.32 of the Laws of Hong Kong)
“Company”	Yunbo Digital Synergy Group Limited 雲博產業集團有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“Excess Application Form(s)”	the application form(s) for use by the Qualifying Shareholders who wish to apply for Offer Shares in excess of their entitlements under the Open Offer
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the GEM Listing Committee of the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Happy On Holdings”	Happy On Holdings Limited, a controlling Shareholder, holding approximately 67.20% of the issued share capital of the Company as at the Latest Practicable Date, which is wholly-owned by Mr. Chan
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	16 November 2012, being the latest practicable date for the purpose of ascertaining certain information included in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on 5 December 2012 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on the third Business Day following the Latest Time for Acceptance, which is expected to be 10 December 2012, being the latest time for terminating the Underwriting Agreement
“Mr. Chan”	Mr. Chan Foo Wing, the ultimate beneficial owner and the sole director of Happy On Holdings
“Non-Qualifying Shareholders”	Overseas Shareholders in respect of whom the Board, based on legal opinions provided by the legal advisers, consider it necessary or expedient not to offer the Offer Shares to such Shareholders on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory bodies or stock exchanges in those places
“Offer Shares”	new Shares to be allotted and issued under the Open Offer, being not less than 156,250,000 but not more than 178,750,000 Shares

DEFINITIONS

“Open Offer”	the offer for subscription of one (1) Offer Share for every four (4) existing Shares held on the Record Date at the Subscription Price
“Outstanding Warrants”	outstanding Warrants to subscribe for a maximum of 90,000,000 Shares as at the date hereof pursuant to the Warrant Instruments
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register are in a place(s) outside Hong Kong
“Placements”	The placing of 15,000,000 new Shares and 30,000,000 non-listed Warrants completed on 4 June 2012 and the placing of 10,000,000 new Shares and 60,000,000 non-listed Warrants completed on 26 July 2012 (details of which are set out in the announcements of the Company dated 17 May 2012, 4 June 2012, 6 July 2012 and 26 July 2012)
“PRC”	the People’s Republic of China which for the purpose of this Prospectus, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus to be issued to the Shareholders containing details of the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the Excess Application Form
“Prospectus Posting Date”	21 November 2012 or such later date as may be designated by the Company, being the date of posting the Prospectus Documents to Qualifying Shareholders and the Prospectus to Non-Qualifying Shareholders (if and to the extent legally and practically permissible) for their information
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	20 November 2012 or such other date as may be agreed between the Company and the Underwriter, being the date by reference to which entitlements to the Open Offer are to be determined

DEFINITIONS

“Registrar”	Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong, being the Company’s Hong Kong branch share registrar
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.10 per Offer Share
“Underwriter”	Happy On Holdings, the underwriter for the Open Offer
“Underwriting Agreement”	the underwriting agreement dated 31 October 2012 entered into between the Company and the Underwriter in relation to the underwriting and the relevant arrangements in respect of the Open Offer
“Underwritten Shares”	not less than 51,249,500 but not more than 73,749,500 Offer Shares, being all Offer Shares deducting the Offer Shares to be allotted to the Underwriter on an assured basis, which have been undertaken to be accepted and subscribed by it pursuant to the Underwriting Agreement
“Warrant(s)”	warrant which carries the right to subscribe for Shares pursuant to the Warrant Instruments
“Warrant Instruments”	instruments dated 4 June 2012 and 26 July 2012, respectively, relating to Warrants in registered form to subscribe for Shares, details of which are set out in the announcements of the Company dated 17 May 2012 and 6 July 2012 respectively
“Warrant Shares”	up to a maximum of 90,000,000 Shares to be allotted and issued by the Company upon the exercise by the holders of the Warrants of the subscription rights attached to the Warrants
“%”	per cent.

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

For the purpose of illustration only, unless otherwise specified in this Prospectus, amounts denominated in RMB have been translated into HK\$ at the rate of RMB1 = HK\$1.2424. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.



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)

Executive Directors:

Mr. Yau Hoi Kin
Mr. Kwong Wai Ho Richard
Dr. Huang Youmin

Non-executive Director:

Mr. Hsu Chia-Chun

Independent non-executive Directors:

Dr. Chow Ka Ming, Jimmy
Mr. Liu Zhiquan
Dr. Wong Wing Lit

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Room 2, 27/F
Golden Centre
188 Des Voeux Road Central
Central
Hong Kong

21 November 2012

*To the Qualifying Shareholders and, for information only,
to the Non-Qualifying Shareholders*

Dear Sir or Madam,

**OPEN OFFER OF NOT LESS THAN 156,250,000 AND NOT
MORE THAN 178,750,000 OFFER SHARES AT A SUBSCRIPTION
PRICE OF HK\$0.10 PER OFFER SHARE ON THE BASIS OF
ONE OFFER SHARE FOR EVERY FOUR EXISTING SHARES
HELD ON THE RECORD DATE**

1. INTRODUCTION

On 31 October 2012, the Company announced that it proposed to make the Open Offer at the Subscription Price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every four (4) existing Shares held on the Record Date and announced the entering into of the Underwriting Agreement with the Underwriter on 31 October 2012 in relation to the Open Offer.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among other things, further details regarding the Open Offer, including (i) the procedures for application and payment for the Open Offer; (ii) certain financial information of the Group; and (iii) general information of the Group.

2. THE OPEN OFFER

Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every four (4) existing Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date:	625,000,000 Shares
Number of Offer Shares:	Not less than 156,250,000 but not more than 178,750,000 Offer Shares
Number of Offer Shares underwritten by the Underwriter:	Not less than 51,249,500 but not more than 73,749,500 Offer Shares
Subscription Price:	HK\$0.10 per Offer Share
Underwriting arrangement:	Fully underwritten by the Underwriter
Enlarged issued share capital upon completion of the Open Offer assuming no further issue of new Shares:	Not less than 781,250,000 but not more than 893,750,000 Shares (assuming fully exercise of the rights attached to the Outstanding Warrants)

As at the Latest Practicable Date, the Company has the Outstanding Warrants in issue entitling the holders to subscribe for a maximum of 30,000,000 and 60,000,000 Shares at the initial subscription price of HK\$0.185 and HK\$0.141 per Share (subject to adjustments), respectively at any time for a period of 5 years immediately after the respective date of their issue.

Save as disclosed above, the Company has no other options, warrants or other securities convertible or exchangeable into or giving rights to the holders thereof to subscribe or exchange for the Shares as at the Latest Practicable Date.

Pursuant to the Underwriting Agreement, the Underwriter has agreed and undertaken to subscribe for and Mr. Chan has agreed and undertaken to procure the subscription by the Underwriter of an aggregate of 105,000,500 Offer Shares pursuant to the full entitlement of the Underwriter under the Open Offer.

As at the Latest Practicable Date, the Board has not received any information from any substantial Shareholders, other than the Underwriter, or Directors of their intention to take up the Offer Shares.

LETTER FROM THE BOARD

Save as disclosed above, as at the Latest Practicable Date, no Shareholder has undertaken to take up his or its entitlement in full or in part of the Offer Shares under the Open Offer.

The number of Offer Shares to be issued pursuant to the terms of the Open Offer represents approximately 25% of the Company's existing issued share capital and approximately 20% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

Terms of the Open Offer

Subscription Price

The Subscription Price under the Offer Shares is HK\$0.10 per Offer Share, payable in cash and in full when a Qualifying Shareholder accepts the relevant provisional allotment under the Open Offer.

The Subscription Price of HK\$0.10 per Offer Share represents:

- (i) a discount of approximately 44.44% to the closing price of HK\$0.18 per Share as quoted on the Stock Exchange as at the date of the Announcement;
- (ii) a discount of approximately 52.56% to the average closing price of HK\$0.2108 per Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including the date of the Announcement;
- (iii) a discount of approximately 54.57% to the average closing price of HK\$0.2201 per Share for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the date of the Announcement;
- (iv) a discount of approximately 39.02% to the theoretical ex-entitlement price of HK\$0.164 per Share calculated based on the closing price per Share as quoted on the Stock Exchange as at the date of the Announcement; and
- (v) a discount of approximately 37.50% to the closing price of HK\$0.16 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the current market price, the par value of the Shares and the financial requirements of the Company. As the Offer Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Open Offer. Each Qualifying Shareholder is

LETTER FROM THE BOARD

entitled to subscribe for the Offer Shares at the same price in proportion to his shareholding in the Company on the Record Date and is also entitled to apply for excess Offer Shares in addition to their entitlements under the Open Offer. The Directors consider the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that there is no exercise of subscription rights attached to the Outstanding Warrants on or prior to the Record Date, the price after expenses per Offer Share will be approximately HK\$0.096.

Basis of allotment

The basis of the allotment shall be one (1) Offer Share for every four (4) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, shall rank pari passu in all respects with the then existing Shares in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Fractional entitlements

Fractional entitlements of Offer Shares will not be allotted and will be aggregated. Any Offer Shares created from the aggregation of fractions of Offer Shares will be taken up by the Qualifying Shareholders who have applied for the excess Offer Shares. The remaining Offer Shares not taken up by the Qualifying Shareholders shall be taken up by the Underwriter.

Share certificates for the Offer Shares and refund cheques for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer set out herein below, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Offer Shares on or before Thursday, 13 December 2012 by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) are expected to be posted on or before Thursday, 13 December 2012 by ordinary post to the applicants at their own risk.

Application for listing

The Company has applied to the GEM Listing Committee for the listing of and permission to deal in the Offer Shares in fully-paid form.

LETTER FROM THE BOARD

Dealings in the Offer Shares in fully-paid form in board lots of 2,000 Shares, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

3. QUALIFYING SHAREHOLDERS AND RIGHTS OF OVERSEAS SHAREHOLDERS AND NON-QUALIFYING SHAREHOLDERS

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company has despatched (i) the Prospectus Documents to the Qualifying Shareholders and (ii) if and to the extent legally and practically permissible, the Prospectus, for information purposes only, to the Non-Qualifying Shareholders.

Rights of Overseas Shareholders and Non-Qualifying Shareholders

The Prospectus Documents issued in connection with the Open Offer have not been registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders should note that they may or may not be entitled to the Open Offer, subject to the results of enquiries made by the Directors pursuant to Rule 17.41 (1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Based on the information provided by the Registrar, the Board confirmed that the Company had no Overseas Shareholders as at the close of business on the Record Date. Therefore, all Shareholders are eligible to take part in the Open Offer.

LETTER FROM THE BOARD

4. PROCEDURES FOR APPLICATION AND PAYMENT FOR THE OPEN OFFER

Application for Offer Shares

The Application Form enclosed with this Prospectus (which Application Form is not being sent to Non-Qualifying Shareholders) entitles the Qualifying Shareholder to whom it is addressed to apply for the number of Offer Shares on an assured basis as shown therein subject to payment in full on the Latest Time for Acceptance. Qualifying Shareholders should note that they may apply for any number of Offer Shares but are assured of an allotment only up to the number set out in their respective Application Forms.

If the Qualifying Shareholders wish to apply for all the Offer Shares offered to them as specified in the Application Forms or wish to apply for any number less than their assured entitlement under the Open Offer, they must complete, sign and lodge the Application Forms in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Share they have applied with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Wednesday, 5 December 2012. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Yunbo Digital Synergy Group Limited – PAL" and crossed "Account Payee Only".

It should be noted that unless the duly completed and signed Application Forms, together with the appropriate remittance, have been lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Wednesday, 5 December 2012, the assured entitlement under the Open Offer and all rights in relation thereto shall be deemed to have been declined and will be cancelled.

Application for excess Offer Shares

The Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by Qualifying Shareholders, and Offer Shares created by aggregation of fractional Offer Shares, will be available for excess applications by the Qualifying Shareholders.

Qualifying Shareholders have the right to apply for any Offer Shares in excess of their own assured allotments under the Application Forms but are not assured of being allocated any Shares in excess of those in their assured allotments.

LETTER FROM THE BOARD

Application for excess Offer Shares should be made by completing the Excess Application Forms enclosed with this Prospectus (which the Excess Application Form is not being sent to Non-Qualifying Shareholders) and lodging the same in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of excess Offer Shares they have applied with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Wednesday, 5 December 2012. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Yunbo Digital Synergy Group Limited – EAF" and crossed "Account Payee Only". The Registrar will notify the Qualifying Shareholders of any allotment of the excess Offer Shares made to them.

It should be noted that unless a duly completed and signed Excess Application Form, together with the appropriate remittance, have been lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Wednesday, 5 December 2012, the Excess Application Form is liable to be rejected.

General

All cheques or cashier orders will be presented for payment immediately following receipt and all interest earned on such application monies will be retained for the benefit of the Company. Any Application Form or Excess Application Form in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlements of the Qualifying Shareholders or the application for excess Offer Shares (as the case may be) under the Open Offer will be deemed to have been declined and will be cancelled.

The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis in proportion to the number of excess Offer Shares being applied for under each application.

However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares. Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of excess Offer Shares will not be extended to them individually.

LETTER FROM THE BOARD

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of applying for, holding, disposing of or dealing in the Offer Shares. None of the Company, the Directors or any other parties involved in the Open Offer accepts responsibility of any tax effects or liabilities of holders of the Offer Shares resulting from the application for, holding, disposal of, or dealing in the Offer Shares.

Both the Application Form and the Excess Application Form are for the use by the person(s) named therein only and are not transferable. No receipt will be issued in respect of any application monies received.

5. CONDITIONS OF THE OPEN OFFER

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional, among other things, on each of the following conditions being fulfilled:

- (a) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof;
- (b) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance;
- (c) the posting of the Prospectus Documents to Qualifying Shareholders on or before the Prospectus Posting Date;
- (d) the GEM Listing Committee (i) granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Offer Shares (in their fully paid form) on or before the Latest Time for Acceptance; and (ii) not having withdrawn or revoked such listing of and permission to deal in all the Offer Shares before 4:00 p.m. on the third Business Day after the Latest Time for Acceptance; and
- (e) trading in the Shares on the Stock Exchange not being suspended for more than five consecutive Business Days at any time prior to the Latest Time for Termination of the Underwriting Agreement (excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer).

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Apart from condition (a) which can be waived by the Underwriter, the conditions set out above are not capable of being waived. If the conditions of the Open Offer under the Underwriting Agreement are not fulfilled (or waived, as the case may be) by the relevant dates and times specified in the Underwriting Agreement (or, in each case, such later date or time as the Underwriter may agree in writing with the Company pursuant to the Underwriting Agreement), the Underwriting Agreement shall be terminated and no party thereto shall have any claim against any other party, save for antecedent breaches and liabilities as provided under the Underwriting Agreement such as breaches of representations, undertakings, warranties and indemnities given by the parties thereto. If the Underwriting Agreement is terminated in accordance with its terms, the Open Offer will not proceed.

6. UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date:	31 October 2012
Underwriter:	Happy On Holdings
Guarantor:	Mr. Chan
Number of Offer Shares underwritten by the Underwriter:	Not less than 51,249,500 but not more than 73,749,500 Offer Shares
Commission:	Nil

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite the Underwritten Shares subject to terms and conditions set out in the Underwriting Agreement in particular the fulfillment of the conditions contained therein. The Underwriter is a controlling Shareholder, holding approximately 67.20% of the issued share capital of the Company as at the Latest Practicable Date. The ordinary course of business of the Underwriter does not include underwriting.

No underwriting fee or commission shall be payable to the Underwriter of its underwriting obligations and taking up of the Offer Shares which have not been taken up by the Qualifying Shareholders and not taken by excess application. The Company considers that no underwriting fee or commission charged by the Underwriter is beneficial to the Company and allows the Company to reduce significantly the costs and expenses in conducting the Open Offer if a registered brokerage firm or an investment bank is appointed as the underwriter.

Termination of the Underwriting Agreement

The Underwriter may (after consultation with the Company and/or its advisers as the circumstances shall admit) rescind the Underwriting Agreement by notice in writing to the Company on its own behalf and on behalf of all other parties

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to the Underwriting Agreement at any time up to Latest Time for Termination if any of the following events occurs:

- (a) there has introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) there has been 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 thereof, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (d) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, save for antecedent breaches and liabilities as provided under the Underwriting Agreement such as breaches of representations, undertakings, warranties and indemnities given by the parties thereto. If the Underwriter exercises its right to terminate the Underwriting Agreement, the Open Offer will not proceed.

7. REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in provision of system integration services and other value-added technical consultation services and hardware-related business.

As set out in the announcement of the Company dated 17 August 2012, the Group has been granted the approval from Bureau of Foreign Trade and Economic Cooperation of Guangzhou Municipality (廣州市對外貿易經濟合作局) for the establishment of a wholly

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foreign owned enterprise in the PRC, namely 廣州韻博信息科技有限公司 (GUANGZHOU YBDS IT Co., Ltd) (“**Guangzhou YBDS**”). The business licence of Guangzhou YBDS has also been granted on 18 September 2012. Guangzhou YBDS was set up by the Group and, as disclosed in the announcement of the Company dated 17 August 2012, the business scope of Guangzhou YBDS includes computer software or hardware system integration, external equipment, financial and electronic equipment, automated control systems and related equipment, new models of electronic devices, smart modems, research and development of educational software and hardware, sale of computer software, hardware and ancillary equipment, electronic products, general machinery, specialised equipment, and provision of technical services and support. The total investment and registered capital of Guangzhou YBDS are RMB40 million (equivalent to approximately HK\$49.7 million) and RMB20 million (equivalent to approximately HK\$24.8 million) respectively. According to the relevant government approval, Guangzhou YBDS is required to pay up 20% of its registered capital on or before 18 December 2012 and the remaining 80% shall be paid up on or before 18 September 2013.

The Group raised capital of approximately HK\$4.96 million through the Placements (without taking into account the exercise of the non-listed Warrants) of which approximately HK\$1.5 million has been utilized for the establishment of Guangzhou YBDS. As at the Latest Practicable Date, none of the Warrants has been exercised. The unused proceeds from the Placements (without taking into account the exercise of the non-listed Warrants) of approximately HK\$3.46 million will be used to finance the payment of the registered capital of Guangzhou YBDS. The remaining investment and registered capital of Guangzhou YBDS will be financed by the net proceeds of the Open Offer, internal resources and/or bank borrowings.

The management aspires the Company to become a software and hardware provider of information and information technologies. At present, the Group, through its subsidiary, is a provider of software specifically designed for use by schools in Hong Kong. With a view of expanding the Group’s business into the PRC market, the Company entered into a non-legally binding letter of intent with Chinasoft International Limited (Stock code: 0354) on 2 August 2012, pursuant to which the parties thereto will collaborate with each other on the bidding for specific parts of the project to be implemented by PRC telecommunication operators for the construction of a wireless city infrastructure in the PRC, details of which were disclosed in the announcement of the Company on 2 August 2012.

The Group had established Guangzhou YBDS in September 2012 to facilitate the evolution of the Company into a service orientated organization, focusing on the provision of software and hardware of information and information technologies within the communication industry in the PRC. The Group is also considering to set up joint venture arrangements(s) with multinational companies for the introduction and procurement of mobile application services within the telecommunication industry in the PRC through Guangzhou YBDS.

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In order to obtain liquidity of and to fully utilise its injected registered capital prior to applying them in the above projects and businesses, Guangzhou YBDS has placed an order ("**Purchase Order**") for the purchase of certain wireless internet network equipment which Guangzhou YBDS in turn will sell such products to its customers. The Purchase Order in the amount of approximately HK\$14 million is expected to be completed by January 2013.

As at the Latest Practicable Date, the Company is in the initial stage of negotiation with potential joint venture partners, however no specific terms have been reached. Further announcement will be made by the Company in accordance with the requirements under the GEM Listing Rules, if required.

The gross proceeds of the Open Offer will be not less than approximately HK\$15.6 million and not more than approximately HK\$17.9 million. It is expected that the aggregate expenses of the Company to be incurred in connection with the Open Offer will be approximately HK\$667,000. The Company plans to use the net cash proceeds from the Open Offer of not less than approximately HK\$14.96 million and not more than approximately HK\$17.21 million for paying up the registered capital of Guangzhou YBDS, of which approximately HK\$14 million is expected to be used for settling the Purchase Order and the balance will be retained as general working capital. As at 30 September 2012, the cash and cash equivalents of the Group amounted to approximately HK\$7.2 million, which has been earmarked for general working capital purpose.

The Directors are of the view that the Open Offer will enable the Company to raise funds for the abovementioned purposes which may otherwise require the drawdown of interest bearing bank facilities, and to provide an opportunity to all Shareholders to participate in the growth of the Company in proportion to their shareholdings. In considering methods of financing in the form of equity of the Group, the Board has considered the possibility of rights issue which allows the Shareholders to trade their nil-paid entitlements in the market in nil-paid form. The trading of nil-paid entitlements in the market in nil-paid form pursuant to rights issue was not proposed by the Board based on the reasons that rights issue will increase administrative costs and expenses of the Company in arranging for trading of the nil-paid rights and additional time for trading of nil-paid rights shares.

Having considered other fund raising alternatives for the Group, such as placing of new Shares or other convertible securities, and taking into account the benefits and cost of each of the alternatives, the Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company at the same price and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so.

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8. GEM LISTING RULES IMPLICATIONS

The Underwriter is a controlling Shareholder and thus, a connected person of the Company as defined under the GEM Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction of the Company. Pursuant to Rule 20.31(3)(c) of the GEM Listing Rules, if arrangements have been made in relation to excess applications in compliance with Rule 10.42 of the GEM Listing Rules, the transactions contemplated under the Underwriting Agreement will be exempted from all the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As the Company has made arrangements to dispose of Offer Shares not validly applied for by Qualifying Shareholders in excess of their assured allotments under the Open Offer, Rule 10.42 of the GEM Listing Rules has been complied with and the transactions contemplated under the Underwriting Agreement are exempt from the reporting, announcement and independent shareholders' approval requirements. As the Open Offer will increase the issued share capital and the market capitalisation of the Company by less than 50%, the Open Offer is not required to be subject to shareholders' approval under the GEM Listing Rules.

9. SHAREHOLDING IN THE COMPANY

The table below depicts the possible shareholding structure of the Company as at the Latest Practicable Date and the possible changes upon completion of the Open Offer, on the basis of the public information available to the Company as of the Latest Practicable Date, after the Directors having made reasonable enquiries and assuming there is no other changes in the shareholding structure of the Company since the Latest Practicable Date:

Shareholders	As at the Latest Practicable Date		Upon completion of the Open Offer							
			Assuming no Qualifying Shareholders take up their respective entitlements under the Open Offer and no subscription of Warrants Shares		Assuming full subscription by the Qualifying Shareholders as to their respective entitlements under the Open Offer but no subscription of Warrants Shares		Assuming no Qualifying Shareholders take up their respective entitlements under the Open Offer and full subscription of Warrants Shares by the relevant holders		Assuming full subscription by the Qualifying Shareholders as to their respective entitlements under the Open Offer and full subscription of Warrants Shares by the relevant holders	
	Number of Approximate Shares	%	Number of Approximate Shares	%	Number of Approximate Shares	%	Number of Approximate Shares	%	Number of Approximate Shares	%
Happy On Holdings	420,002,000	67.20	576,252,000	73.76	525,002,500	67.20	598,752,000	66.99	525,002,500	58.74
Public Shareholders	204,998,000	32.80	204,998,000	26.24	256,247,500	32.80	294,998,000	33.01	368,747,500	41.26
Total	625,000,000	100.00	781,250,000	100.00	781,250,000	100.00	893,750,000	100.00	893,750,000	100.00

As at the Latest Practicable Date, save for the underwriting obligations of the Underwriters under the Underwriting Agreement and the Underwriter has agreed and undertaken to subscribe for 105,000,500 Offer Shares pursuant to the full entitlement of the Underwriter under the Open Offer, no Shareholders have indicated they will take up their assured entitlements under the Open Offer or not.

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10. WARNING OF THE RISKS OF DEALING IN SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the conditions set out herein under the section headed “Conditions of the Open Offer”. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events as mentioned herein under the section headed “Termination of the Underwriting Agreement”. The Open Offer is also subject to the Underwriting Agreement not being terminated by the Underwriter. Accordingly, the Open Offer may or may not proceed.

Any dealing in the Shares from the Latest Practicable Date up to the date on which all the conditions of the Open Offer are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.

11. PREVIOUS FUND RAISING EXERCISE OF THE COMPANY

The following are fund raising activities of the Company during the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds
17 May 2012	Placing 15,000,000 new Shares and 30,000,000 non-listed Warrants both under the general mandate	Approximately HK\$2,705,625 and HK\$292,500 respectively for the placing and approximately HK\$5,550,000 upon exercise of 30,000,000 Warrants	Establishment of two wholly foreign owned enterprises in the PRC	Approximately HK\$1.5 million has been utilised as intended
6 July 2012	Placing 10,000,000 new Shares and 60,000,000 non-listed Warrants both under the general mandate	Approximately HK\$1,374,750 and HK\$585,000 respectively for the placing and approximately HK\$8,460,000 upon exercise of 60,000,000 Warrants	Establishment of two wholly foreign owned enterprises in the PRC	Not yet utilised

Save as disclosed above and the proposed placing of up to a maximum of 30,000,000 new Shares at a placing price of HK\$0.27 per placing share and the proposed placing of up to a maximum of 90,000,000 non-listed warrants at a warrant issue price of HK\$0.02 per

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warrant both under the general mandate which had lapsed on 1 May 2012 as disclosed in the announcements of the Company dated 28 March 2012 and 1 May 2012, the Company did not raise any other funds by issue of equity securities during the 12 months immediately preceding the Latest Practicable Date.

12. RISK FACTORS

Shareholders and prospective investors should consider carefully all the information set out in this Prospectus and, in particular, should evaluate the following risks in connection with an investment in the Company before making any investment decision in relation to the Company.

Risks relating to the group's business

Reliance on major customers

According to the management account of the Company, for the six months ended 30 September 2012, the largest customer of the Group accounted for approximately 24% of the Group's turnover. During the same period, the five largest customers of the Group accounted for approximately 63% of the Group's total revenue.

If any of these customers ceases to do business with the Group, or substantially reduces the volume of its business with the Group and if the Group is unable to secure new customers with similar sales volume and profit margin, this aspect of the Group's business, results of operations and financial position may be materially and adversely affected.

Reliance on limited number of suppliers

According to the management account of the Company, for the six months ended 30 September 2012, the largest supplier of the Group accounted for approximately 36% of the Group's total purchases, while the five largest suppliers of the Group accounted for approximately 51% of the Group's total purchases.

In the event that the Group's suppliers who have entered into supplier agreements do not renew the agreements on favourable terms or at all, or if the Group's suppliers do not continue to supply to the Group at favourable or similar prices or at all, the Group may not be able to find another suitable replacement supplier in a timely manner or on terms acceptable to the Group or at all, and the Group's business, results of operations and financial condition could be adversely affected.

Reliance on key executives

The Group's success is attributable to, amongst other things, the business relationships of the executive Directors such as Mr. Yau Hoi Kin and Mr. Kwong Wai Ho Richard and the expertise and experience in the system integration services and

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technical consultation services industry of the Group's management and their relationships with our customers and suppliers. Although each of the executive Directors has signed a service agreement with the Group, the loss of the services of any of the executive Directors or members of the Group's senior management in the absence of any suitable replacements could have a material adverse effect on the Group's operations and future profitability.

Risk relating to the Group's ability to keep up with technological changes in the market in order to remain competitive

The Group's performance depends on the Group's ability to continually adapt its existing services and technological know-how, timely recruitment of personnel with the relevant skills and deployment of technologies which keep up with the latest technological trends in relation to product specifications. In order to remain competitive, the Group has to invest funds and resources, to the continued research and development of existing and potential services. However, the effect of emerging and future technological changes in relation to product specifications to the Group's development plans or the Group's competitiveness is unpredictable. The inability to respond to the technological developments and requirements in the market may lead to the loss of customers, hence adversely affecting the Group's business operations and profitability. If the Group is not able to respond to new developments successfully or do not respond in a cost-effective way, the Group's operations and financial results could be materially adversely affected.

Risk relating to the industry

Adverse changes in the industry

The Group's sales volume largely depends on the demand from system integration services and technical consultation service industry in Hong Kong. There is no assurance that the growth will continue or the growth rate will maintain or increase in the future. If the demand for the services of the Group declines, the Group's operating results and profitability could be adversely affected.

Risks relating to the PRC

Reliance on the PRC market

The Group is expanding into the PRC in the areas of manufacturing of ancillary high-tech software and hardware products and services; developing and establishing an integrated platform for distribution of mobile products and provision of value-added services; and setting up joint ventures with multinational companies to introduce and procure mobile application services, among others. If there is any adverse change in the financial, economic, industrial, political, fiscal, social, legal or regulatory conditions in the PRC, the Group's performance may be adversely affected.

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Adverse changes in the PRC's economic conditions

The growth of the PRC technology industry is linked to the PRC's economic conditions. In the event of an economic hard-landing in the PRC or that the growth of the economy in the PRC is at a lesser pace than anticipated, the demand for services may decline or grow at a lesser pace than anticipated and, therefore, the Group's operating results and profitability could be adversely affected.

Risk relating to the open offer

Termination of the Underwriting Agreement

Shareholders and prospective investors of the Offer Shares should note that the Underwriter is entitled to terminate its obligations under the Underwriting Agreement giving notice in writing to the Company upon the occurrence of any of the events stated in the section headed "Termination of the Underwriting Agreement" of this Prospectus on or before the Latest Time for Termination.

Protection to minority shareholders under Cayman Islands law

As a company incorporated in the Cayman Islands, the Company's corporate affairs are governed by the memorandum and the articles of association of the Company, the Companies Law and common law of the Cayman Islands. Cayman Islands law relating to the protection of the interests of minority shareholders differs in certain respects from those established under statutes and under judicial precedents in Hong Kong or other jurisdictions. Such difference may mean that the remedies available to the Company's minority shareholders may be different from those they would otherwise have or are familiar with under the laws of Hong Kong or other jurisdictions.

13. ADJUSTMENTS IN RELATION TO THE WARRANTS

As at the Latest Practicable Date, the Company has Outstanding Warrants which in aggregate entitle holders thereof to subscribe for 90,000,000 Shares. The Board confirmed that, according to the terms of the Warrant Instruments, the issue of the Offer Shares will not cause adjustments to the subscription price of the Warrants.

14. FURTHER INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board
Yunbo Digital Synergy Group Limited
Yau Hoi Kin
Director

1. FINANCIAL INFORMATION

The audited financial information of the Group for each of the three years ended 31 March 2010, 2011 and 2012 can be referred to the annual reports of the Company for the years ended 31 March 2010 (pages 22 to 76), 2011 (pages 20 to 76) and 2012 (pages 24 to 78) respectively. The unaudited financial information of the Group for the six months ended 30 September 2010, 2011 and 2012 can be referred to the interim reports of the Company for the six months ended 30 September 2010 (pages 2 to 13), 2011 (pages 2 to 12) and 2012 (pages 2 to 18). The above-mentioned financial information has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://ybds.com.hk>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 September 2012, being the latest practicable date of this indebtedness statement, the Group had total future minimum lease payments under non-cancelable operating leases in respect of rented premises amounting to approximately HK\$748,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, at the close of business on 30 September 2012, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

Taking into account the assumed successful completion of the Open Offer and after taking into account the financial resources available to the Group including its internally generated funds, the Directors are of the opinion that the Group has sufficient working capital to satisfy its requirements for at least the next 12 months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save for the loss of approximately HK\$4.5 million for the six months ended 30 September 2012, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

To capitalise increase in the number of business opportunities in the market due to the gradual improvement in overall business environment, the Group reinforced its sales efforts and deployed additional resources to enhance our product offerings. However, intense competition and inflationary pressure constituted unforeseen difficulties which inhibited the Group's ability to continue to grow and improve profits. In response, the Group disposed of the business of development and sale of enterprise software and provision of maintenance services and re-directed its resources towards the business of provision of system integration services and other value-added technical consultation services and hardware-related business.

The senior management of the Company have conducted a detailed review of the operations of the Group with a view to developing a corporate strategy to broaden its income base and enhance the growth potential of the Group. To achieve this target, it is believed that the Company should consider expanding into the PRC market in the areas of manufacturing of ancillary high-tech software products specifically designed for smart phones; developing and establishing an integrated platform for distribution of mobile products and provision of value-added services; and setting up joint ventures with multinational companies to introduce and procure mobile application services, among others.

In September 2012, Guangzhou YBDS was set up by the Group with business scope includes computer software or hardware system integration, external equipment, financial and electronic equipment, automated control systems and related equipment, new models of electronic devices, smart modems, research and development of educational software and hardware, sale of computer software, hardware and ancillary equipment, electronic products, general machinery, specialised equipment, and provision of technical services and support. The Group will also consider to set up joint venture arrangements(s) with multinational companies for the introduction and procurement of mobile application services within the telecommunication industry in the PRC through Guangzhou YBDS.

Further efforts are ongoing to enhance the operating structure and strengthen the financial position of the Group. Subsequent to these strategic changes the Company will be better positioned to exploit opportunities in the dynamic PRC market.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information prepared in accordance with Paragraph 31 of Chapter 7 of the GEM Listing Rules is for illustrative purposes only, and is set out here to provide Shareholders with further information about how the Open Offer might have affected the net tangible assets of the Group after completion of the Open Offer as if the Open Offer had taken place on 30 September 2012. Although reasonable care has been exercised in preparing the said information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and, because of their nature, they may not give a true picture of the Group's financial position after completion of the Open Offer.

1. UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative unaudited pro forma statement of consolidated net tangible assets attributable to equity holders of the Company (the "Unaudited Pro Forma Financial Information") which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Open Offer as if it had taken place on 30 September 2012. The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2012 and is adjusted for the effect of the Open Offer.

The unaudited pro forma statement of consolidated net tangible assets attributable to equity holders of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets attributable to equity holders of the Group following the Open Offer or as at 30 September 2012 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 September 2012 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma consolidated net tangible assets of the Group attributable to equity holders of the Company <i>HK\$'000</i>	Unaudited consolidated net tangible assets per share as prior to completion of the Open Offer <i>In HK cents</i> <i>(Note 3)</i>	Unaudited pro forma consolidated net tangible assets per share after completion of the Open Offer <i>In HK cents</i> <i>(Note 4)</i>
Based on 156,250,000 Offer Shares issued ("Minimum Open Offer")	5,077	14,958	20,035	0.81	2.56
Based on 178,750,000 Offer Shares issued ("Maximum Open Offer")	5,077	17,208	22,285	0.81	4.06

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Notes:

- (1) The unaudited consolidated net tangible assets attributable to the equity holders of the Company as at 30 September 2012 has been extracted from the published interim report of the Company for the six months ended 30 September 2012.
- (2) The estimated net proceeds from the Open Offer of
 - (i) approximately HK\$14,958,000 are based on the minimum number of 156,250,000 Offer Shares to be issued at the Subscription Price of HK\$0.10 per Offer Share (assuming Outstanding Warrants are not exercised on or before the Record Date) and after deducting estimated expenses of approximately HK\$667,000 attributable to the Open Offer.
 - (ii) approximately HK\$17,208,000 are based on maximum number of 178,750,000 Offer Shares to be issued at the Subscription Price of HK\$0.10 per Offer Share (assuming Outstanding Warrants are not exercised on or before the Record Date) and after deducting estimated expenses of approximately HK\$667,000 attributable to the Open Offer.
- (3) The calculation of the unaudited consolidated net tangible assets attributable to equity holders per share prior to the completion of the Open Offer is based on 625,000,000 shares in issue as at 30 September 2012.
- (4) For Minimum Open Offer, the calculation of the unaudited pro forma consolidated net tangible assets per share is based on 781,250,000 shares which comprise 625,000,000 shares in issue as at 30 September 2012 and 156,250,000 Offer Shares assuming no exercise of the Outstanding Warrants, after the completion of the Open Offer. For Maximum Open Offer, the calculation of the unaudited pro forma consolidated net tangible assets per share is based on 893,750,000 shares which comprise 625,000,000 shares in issue as at 30 September 2012, full exercise of Outstanding Warrants with proceeds of HK\$14,010,000 and 178,750,000 Offer shares, after the completion of the Open Offer.

2. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP



The Board of Directors
Yunbo Digital Synergy Group Limited

Dear Sirs,

We report on the unaudited pro forma statement of net tangible assets (the "Unaudited Pro Forma Financial Information") of Yunbo Digital Synergy Group Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group"), which has been prepared by the directors of the Company (the "Directors") for illustrative purposes only, to provide information about how the open offer of not less than 156,250,000 offer shares and not more than 178,750,000 offer shares at a subscription price of HK\$0.10 each on the basis of one offer share for every four existing shares (the "Open Offer") might have affected the financial information presented, for the inclusion in Appendix II to the prospectus of the Company dated 21 November 2012 (the "Prospectus"). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Section I of Appendix II to the Prospectus.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND REPORTING ACCOUNTANTS

It is the responsibilities solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source

documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31 (1) of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2012 or any future date.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

Grant Thornton Hong Kong Limited

Certified Public Accountants

20th Floor
Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

21 November 2012

Shaw Chi Kit
Practising Certificate No.: P04834

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately after completion of the Open Offer, will be as follows:

<i>Authorised:</i>		<i>HK\$</i>
2,000,000,000	Shares as at the Latest Practicable Date and upon completion of the Open Offer	200,000,000

Issued and fully paid or credited as fully paid assuming no subscription of Warrants Shares:

625,000,000	Shares as at the Latest Practicable Date	62,500,000
156,250,000	Offer Shares to be issued under the Open Offer	15,625,000
<u>781,250,000</u>	Shares upon completion of the Open Offer	<u>78,125,000</u>

Issued and fully paid or credited as fully paid assuming full subscription of Warrants Shares by relevant holders:

715,000,000	Shares as at the Latest Practicable Date	71,500,000
178,750,000	Offer Shares to be issued under the Open Offer	17,875,000
<u>893,750,000</u>	Shares upon completion of the Open Offer	<u>89,375,000</u>

When allotted, issued and fully-paid up, the Offer Shares will rank pari passu in all respects, including the rights as to voting, dividends, distributions and returns of capital, with the existing Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Offer Shares. The Shares in issue are listed on GEM and, subject to the granting of listing of and permission to deal in the Offer Shares by the GEM Listing Committee, the Offer Shares to be issued will also be listed on GEM. No part of the securities, including debt securities, of the Company is listed on, dealt in, nor is the listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchanges.

There is no arrangement under which future dividends are/will be waived or agreed to be waived.

As at the Latest Practicable Date, the Company has the Outstanding Warrants in issue entitling the holders to subscribe for a maximum of 30,000,000 and 60,000,000 Shares at the initial subscription price of HK\$0.185 and HK\$0.141 per Share (subject to adjustments), respectively at any time for a period of 5 years immediately after the respective date of their issue.

Save as disclosed above, the Company has no other options, warrants or other securities convertible or exchangeable into or giving rights to the holders thereof to subscribe or exchange for the Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(i) Interests of Directors

As at the Latest Practicable Date, none of the Directors of the Company had any interests and short positions in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Interests of connected company (where the Director is a director or employee of such company)

None of the Directors is a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(iii) Interests of substantial Shareholders and other persons

As at the Latest Practicable Date, so far as is known to any Director of the Company, the following persons (other than a Director) had, or were deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were or were expected, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company:

Long positions in the Shares

Name of shareholder	Capacity	Number of Shares interested	Approximate percentage of the enlarged issued share capital of the Company (Note 1)
The Underwriter	Beneficial Interest	598,752,000 (Note 2)	66.99%
Mr. Chan (Note 3)	Interest in controlled corporation	598,752,000 (Note 2)	66.99%

Notes:

1. The percentage is calculated based on the total issued share capital of the Company as enlarged by allotment and issue of the Offer Shares assuming full subscription of the Warrant Shares by the relevant holders.
2. Of the 598,752,000 Shares the Underwriter is interested, the Underwriter beneficially owns as to 420,002,000 Shares and is deemed to be interested in all the 178,750,000 Offer Shares owing to its obligations under the Underwriting Agreement.
3. Mr. Chan is the sole beneficial shareholder of the Underwriter, and is therefore deemed to be interested in the 598,752,000 Shares interested by the Underwriter.

Save as disclosed above, as at the Latest Practicable Date, the Directors of the Company were not aware of any other person (not being a Director) who had, or was deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO and section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Company or had any options in respect of such shares.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with any member of the Group which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2012, the date to which the latest audited consolidated financial statements of the Group were made up.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group since 31 March 2012, being the date to which the latest audited consolidated financial statements of the Group were made up, and which was significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the controlling Shareholders or their respective associates had any interests in businesses which competed or might compete with the business of the Group or had any other conflict of interests which any such person had or might have with the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved or might become a party in any material litigation.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus and are or may be material:

- (i) On 5 January 2011, the Company entered into a disposal agreement with SomaFlex Holdings Inc. ("**SomaFlex Holdings**") pursuant to which SomaFlex Holdings had conditionally agreed to purchase and the Company had conditionally agreed to sell the entire issued share capital of SomaFlex International Inc. at a consideration of HK\$40 million, details of which are set out in the announcement of the Company dated 18 February 2011;

- (ii) On 28 March 2012, the Company entered into a share placing agreement (“**Share Placing Agreement 1**”) with Quam Securities Company Limited, pursuant to which the Company had appointed Quam Securities Company Limited as its agent to procure not less than six places on a best effect basis to subscribe for up to a maximum of 30,000,000 placing shares at the price of HK\$0.27 per placing share. The Share Placing Agreement 1 had lapsed on 1 May 2012, details of which are set out in the announcements of the Company dated 28 March 2012 and 1 May 2012;
- (iii) On 28 March 2012, the Company entered into a warrant placing agreement (“**Warrant Placing Agreement 1**”) with Quam Securities Company Limited, pursuant to which the Company had appointed Quam Securities Company Limited as its agent to procure not less than six places on a best effect basis to subscribe for up to a maximum of 90,000,000 warrants at the price of HK\$0.02 per warrant, entitling the holders to subscribe for a maximum of 90,000,000 warrant shares at the initial subscription price of HK\$0.35 per warrant share (subject to adjustments) at any time for a period of 5 years immediately after the date of the issue of the warrants. The Warrant Placing Agreement 1 had lapsed on 1 May 2012, details of which are set in the announcements of the Company dated 28 March 2012 and 1 May 2012;
- (iv) On 17 May 2012, the Company entered into a share placing agreement (“**Share Placing Agreement 2**”) with KGI Asia Limited. Pursuant to the Share Placing Agreement 2, the Company had appointed KGI Asia Limited as its agent to procure not less than six places on a best effort basis to subscribe for up to a maximum of 15,000,000 placing shares at the price of HK\$0.185 per placing share, details of which are set out in the announcement of the Company dated 17 May 2012;
- (v) On 17 May 2012, the Company and KGI Asia Limited entered into a warrant placing agreement (“**Warrant Placing Agreement 2**”), whereby the Company had appointed KGI Asia Limited to the exclusion of all others during the term of the Warrant Placing Agreement 2 as its agent to procure not less than six places on a best effort basis to subscribe for up to a maximum of 30,000,000 warrants at the price of HK\$0.01 per warrant, entitling the holders to subscribe for a maximum of 30,000,000 warrant shares at the initial subscription price of HK\$0.185 per warrant share (subject to adjustments) at any time for a period of 5 years immediately after the date of the issue of the warrants, details of which are set out in the announcement of the Company dated 17 May 2012;
- (vi) On 6 July 2012, the Company entered into a share placing agreement (“**Share Placing Agreement 3**”) with KGI Asia Limited. Pursuant to the Share Placing Agreement 3, the Company had appointed KGI Asia Limited as its agent to procure not less than six places on a best effort basis to subscribe for up to a

maximum of 10,000,000 placing shares at the price of HK\$0.141 per placing share, details of which are set out in the announcement of the Company dated 6 July 2012;

(vii) On 6 July 2012, the Company and KGI Asia Limited entered into the warrant placing agreement (“**Warrant Placing Agreement 3**”), whereby the Company had appointed KGI Asia Limited to the exclusion of all others during the term of the Warrant Placing Agreement 3 as its agent to procure not less than six places on a best effort basis to subscribe for up to a maximum of 60,000,000 warrants at the price of HK\$0.01 per warrant, entitling the holders to subscribe for a maximum of 60,000,000 warrant shares at the initial subscription price of HK\$0.141 per warrant share (subject to adjustments) at any time for a period of 5 years immediately after the date of the issue of the warrants, details of which are set out in the announcement of the Company dated 6 July 2012; and

(viii) the Underwriting Agreement.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of Grant Thornton Hong Kong Limited (“**Grant Thornton**”) who had given opinion or advice which is contained in this Prospectus:

Name	Qualification
Grant Thornton	Certified Public Accountants

Grant Thornton had given and had not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and reference to its name and opinions in the form and context in which they appear in this Prospectus.

As at the Latest Practicable Date, Grant Thornton did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Grant Thornton did not have any interest, either directly or indirectly, in any assets which have been since 31 March 2012 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. DIRECTORS, CORPORATE INFORMATION AND PARTIES INVOLVED IN OPEN OFFER**(a) The business address of the Directors are set out below:**

Mr. Yau Hoi Kin <i>Executive Director</i>	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central Hong Kong
Mr. Kwong Wai Ho Richard <i>Executive Director</i>	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central Hong Kong
Dr. Huang Youmin <i>Executive Director</i>	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central Hong Kong
Mr. Hsu Chia-Chun <i>Non-executive Director</i>	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central Hong Kong
Dr. Chow Ka Ming, Jimmy <i>Independent non-executive Director</i>	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central Hong Kong
Mr. Liu Zhiquan <i>Independent non-executive Director</i>	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central Hong Kong
Dr. Wong Wing Lit <i>Independent non-executive Director</i>	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central Hong Kong

(b) Particulars of the Directors

The brief biographical details of the Directors are set out below:

Executive Directors

Mr. Yau Hoi Kin (游海建) (“Mr. Yau”), aged 46, was appointed as an executive Director on 30 January 2012 and re-elected on 12 April 2012. He is also appointed as a director of certain subsidiaries of the Group. Mr. Yau has a wealth of practical experience and extensive knowledge of the business practices, and the legal and regulatory frameworks in the PRC. He had previously held senior positions in major international houses and spearheaded the listing of various State- and privately-owned companies in the PRC. Before that, Mr. Yau was an executive with the investment window company of the Guangzhou City Municipal Government. He had previously held an executive director position at a company listed in Hong Kong. Mr. Yau graduated with a degree in industrial enterprises management from 武漢水運工程學院 (now known as 武漢理工大學 or Wuhan University of Technology) and received his post-graduate certificate in business administration from the Hong Kong Open University. Save as disclosed above, Mr. Yau does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Yau is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Mr. Kwong Wai Ho, Richard (龐偉豪) (“Mr. Kwong”), aged 49, was appointed as an executive Director on 30 January 2012 and re-elected on 12 April 2012. He is also appointed as a director of certain subsidiaries of the Group. Mr. Kwong has expertise and extensive experience in the banking, international finance, and project advisory fields. Previously at a major international bank, he was instrumental in sourcing funding for many large scale infrastructure projects undertaken by window companies of the Guangzhou City Municipal Government, among others. Prior to joining the Company, he was a financial advisor to a number of private and listed companies in the Asia Pacific Region. Mr. Kwong had previously held executive director positions for companies listed on the GEM including Pan Asia Mining Limited for the period from 18 February 2008 to 26 January 2010. Mr. Kwong graduated from New York University with a degree of Bachelor of Science in finance. Save as disclosed above, Mr. Kwong does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Kwong is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Dr. Huang Youmin (黄友民) (“Dr. Huang”), aged 63, was appointed as an executive Director on 30 January 2012 and re-elected on 12 April 2012. He is also appointed as a director of certain subsidiaries of the Group. Prior to joining the Company, Dr. Huang was the principal investor and managing partner of a joint venture with the Ministry of Electronics Industry in the PRC. He spearheaded the research and development of automatic fare collection systems with embedded security features uniquely designed for the PRC’s various public transport systems. Dr. Huang previously held various senior managerial positions in window companies of the Guangzhou City Municipal Government that invested and operated large scale infrastructure projects in telecommunications, highways and airports. Before that, he taught chemistry at his alma mater. Dr. Huang graduated from Jinan University with a Bachelor’s degree in organic chemistry. He went to study at the University of California, Los Angeles before earning his Philosophy of Doctorate degree in physical organic chemistry at The University of Hong Kong. Save as disclosed above, Dr. Huang does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Dr. Huang is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Non-executive Director

Mr. Hsu Chia-Chun (徐嘉駿) (“Mr. Hsu”), aged 29, was appointed as a non-executive Director on 24 August 2012. He is engaged in film, television, and media-related production in both China and United States. He has been a producer of a 3D movie in Los Angeles while pursuing postgraduate studies of Cinematic Arts Film and Television Production at University of Southern California in United States. Mr. Hsu obtained his Bachelor of Arts Degree in English and Chinese Literature from College of Liberal Arts of National Central University in Taiwan. Save as disclosed above, Mr. Hsu does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Hsu is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Independent non-executive Directors

Dr. Chow Ka Ming, Jimmy (周嘉明) (“Dr. Chow”), aged 38, was appointed as an independent non-executive Director on 30 January 2012 and re-elected on 12 April 2012. He is currently the Chairman of the Hong Kong Information and System Security Professional Association, and also a member of the British Computer Society. Dr. Chow has more than 10 years of managerial experience in the information technology, engineering and education fields. His current research interests include mobile robotics, soft-computing, computer networking and Information security and he has published a number of international journal papers in his research fields. Dr. Chow received his BEng (Hons) in Electrical Engineering (First Class Honor) and Doctor of Philosophy in Electrical Engineering from The Hong Kong Polytechnic University in 1997 and 2001 respectively. He was also one of the awardees of the Sir Edward Youde Memorial Scholarships and Sir Edward Youde Memorial Fellowships during his undergraduate and doctoral degree studies respectively. Save as disclosed above, Dr. Chow does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Dr. Chow is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Mr. Liu Zhiquan (劉志全) (“Mr. Liu”), aged 46, was appointed as an independent non-executive Director on 17 February 2012 and re-elected on 12 April 2012. He is the secretary of the board of directors of Guangdong Nan Yue Logistics Company Limited, the shares of which are listed on the Stock Exchange (stock code: 3399). Mr. Liu is the managing director of Guangdong Nan Yue Logistics (HK) Limited since July 2009. He obtained an executive master’s degree of business management in 1999. He graduated from the course of Advanced Study for Secretary of Board of Directors provided by the training centre of the Ministry of Commerce of the PRC in 2004. Mr. Liu is currently a member of the Hong Kong Institute of Chartered Secretaries and possesses professional technical qualification as an economist. Save as disclosed above, Mr. Liu does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Liu is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Dr. Wong Wing Lit (黃榮烈) (“Dr. Wong”), aged 50, was appointed as an independent non-executive Director on 17 February 2012 and re-elected on 12 April 2012. He is currently teaching actuary science and statistics in a university in Hong Kong. He is the Chairman of The Hong Kong Mathematical Olympiad Association, a statistician and associate actuary. Dr.

Wong is a member of a number of professional bodies in Hong Kong including but not limited to Actuarial Society of Hong Kong and Hong Kong Statistical Society, and was conferred the title of Associate of The Society of Actuaries (ASA) in USA since 1993. Dr. Wong graduated from The Chinese University of Hong Kong with a Master of Philosophy degree and a Bachelor's degree in Statistics. He furthered his studies at the University of Pittsburgh, where he received his Doctorate and Master degree in Statistics and Mathematics. Save as disclosed above, Dr. Wong does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Dr. Wong is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

(c) **Corporation information of the Company and parties involved in the Open Offer**

Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	Room 2, 27/F, Golden Centre 188 Des Voeux Road Central Central, Hong Kong
Auditor	Grant Thornton Hong Kong Limited <i>Certified Public Accountants</i> 20th Floor, Sunning Plaza 10 Hysan Avenue Causeway Bay Hong Kong
Financial adviser	Quam Capital Limited 18/F-19/F Aon China Building 29 Queen's Road Central Hong Kong

Underwriter	Happy On Holdings Limited Akara Building 24 De Castro Street Wickhams Cay 1 Road Town, Tortola British Virgin Islands
Legal adviser to the Company	Tung & Co. Office 1601, 16/F LHT Tower 31 Queen's Road Central Hong Kong
Principal Bankers	Standard Chartered Bank 32/F, 4-4A Des Voeux Road Central Hong Kong Shanghai Commercial Bank 35/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Branch share registrar and transfer office of the Company	Tricor Secretaries Limited 26/F Tesbury Centre 28 Queen's Road East Hong Kong
Authorised representatives	Mr. Yau Hoi Kin Mr. Kwong Wai Ho Richard
Company secretary	Mr. Tung Tat Chiu, Michael, a practicing solicitor in Hong Kong

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m. (Saturdays, Sundays and public holidays excepted) at the head office and principal place of business of the Company in Hong Kong at Room 2, 27/F, Golden Centre, 188 Des Voeux Road Central, Central, Hong Kong from the date of this Prospectus up to and including the Latest Time for Termination:

- (i) the memorandum and amended and restated articles of association of the Company;
- (ii) the annual reports of the Company for the three years ended 31 March 2010, 2011 and 2012;
- (iii) the interim reports of the Company for the six months ended 30 September 2010, 2011 and 2012;
- (iv) the report from Grant Thornton on the unaudited pro forma statement of consolidated net tangible assets of the Group, the text of which is set out in appendix II to this Prospectus;
- (v) the written consent from the expert referred to in paragraph headed "Qualification and consent of expert" in this appendix;
- (vi) the material contracts referred to in paragraph headed "Material contracts" in this appendix; and
- (vii) this Prospectus.

12. GENERAL

- (a) The translation into Chinese language of this Prospectus is for reference only. In the event of any inconsistency, the English text of this Prospectus shall prevail over the Chinese language text.
- (b) As at the Latest Practicable Date, the Audit Committee of the Board comprises three members, including Mr. Liu Zhiquan (Chairman), Dr. Chow Ka Ming, Jimmy, Dr. Wong Wing Lit, all are independent non-executive Directors. The primary duties of the Audit Committee of the Board are to review the Group's audit findings, accounting policies and standards, changes of accounting rules (if any), compliance with the GEM Listing Rules, internal and audit control, and cash flow forecast. The biographical details of the members of the Audit Committee of the Board are set out in paragraph headed "10. DIRECTORS, CORPORATE INFORMATION AND PARTIES INVOLVED IN OPEN OFFER" above.

- (c) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong. Save and except for RMB, the Group has no exposure to foreign exchange liabilities. The Group will have sufficient foreign exchange, generated from the operation of the PRC subsidiaries to pay forecasted or planned dividends and to meet its foreign exchange liabilities as they become due. The Company will pay its dividends, if any, in HK\$.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of the Prospectus Documents and the consent letter referred to in paragraph headed “Qualification and consent of expert” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance.