

## **FUNG CHOI MEDIA GROUP LIMITED**

(Incorporated in Bermuda)

### **UPDATE AND VOLUNTARY SUSPENSION**

The board of directors (the "**Board**") of Fung Choi Media Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement made on 11 September 2014 (the "**11 September Announcement**"). Following further developments since the 11 September Announcement, the Board wishes to provide further information and updates on the recent events leading up to and surrounding the receivership declared over the Company's wholly owned subsidiary incorporated in Hong Kong, Fung Choi Printing Limited ("**FCPL**"). The Company will also be requesting for a voluntary suspension of trading.

All capitalised terms used in this announcement, unless otherwise defined, shall have the meanings ascribed to them in the 11 September Announcement.

#### **Further Details on the Enforcement Notice and Receivership**

Pursuant to the Enforcement Notice issued by the Bondholder on 7 August 2014, the Bondholder alleged that an event of default had occurred under the Bonds, namely that the Company had failed to pay interest for the interest period from 1 April 2014 to 30 June 2014, and claimed for the redemption amount and the default interest payable under the terms of the Bonds.

The Board understands that this alleged default had culminated in the appointment of Receivers by the Bondholder over FCPL on 2 September 2014. The Board is currently taking legal advice on the effect of the appointment of Receivers over FCPL and its underlying companies.

In addition, in connection with the Bonds, corporate guarantees were provided to the Bondholder by RainbowChina Media Holdings Company Limited and High Rank Development Limited, each a wholly-owned subsidiary company of the Company. RainbowChina Media Holdings Company Limited is the holding company of Guangzhou Fung Choi Weixun Culture and Broadcasting Co., Ltd. and Guangzhou Fung Choi Gaozhi Advertising Media Co., Ltd., each a principal subsidiary of the Company. High Rank Development Limited holds all of the shares of FCPL.

#### **Appointment of Legal Counsel**

The Company has appointed external legal counsel and the Company is in the midst of assessing the most appropriate remedies and avenues available in enforcing and defending its rights.

#### **Voluntary Suspension**

The Company is currently in the process of actively obtaining more information and being advised by its legal counsel. In the circumstances, the Company has decided to request for a trading suspension of the shares of the Company pending the confirmation of such information and advice.

The Company is using its best endeavours in expediting the above process and aims to issue an announcement to update the shareholders as well as to seek to lift the trading suspension as soon as possible having regard to the interests of shareholders.

The Company will announce any material updates relating to this matter as and when appropriate.

**Shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests and to exercise caution when dealing in such shares.**

By Order of the Board  
LAI Yuen Ling

President & Executive Director  
15 September 2014