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## **Silverman Holdings Limited**

**銀仕來控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1616)**

### **PROPOSED ISSUANCE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

#### **PROPOSED ISSUANCE OF CONVERTIBLE BONDS**

On 3 October 2016 (after trading hours), the Company entered into the Subscription Agreement with CCBI, Mr. Liu Dong, Mr. Liu Zhihua and Excel Orient Limited, pursuant to which the Company has conditionally agreed to issue and CCBI has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK\$200 million; and Mr. Liu Dong and Mr. Liu Zhihua have agreed to guarantee the due and punctual observance and performance by the Obligators of their obligations under the Transaction Documents.

The Convertible Bonds carry the rights to convert into Conversion Shares at the Conversion Price of HK\$1.21 per Conversion Share (subject to adjustment). Assuming the Conversion Rights attaching to the Convertible Bonds are exercised in full at the Conversion Price of HK\$1.21 per Conversion Share, 165,289,256 Conversion Shares will fall to be issued to the Bondholder, representing approximately 15.81% of the issued capital of the Company as at the date of this announcement and approximately 13.65% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares.

The Conversion Shares, which fall to be allotted and issued upon the exercise of the Conversion Rights attaching to the Convertible Bonds, will be issued and allotted under the General Mandate.

## **IMPLICATIONS UNDER THE LISTING RULES**

Mr. Liu Dong is the chairman and an executive Director of the Company, and both Mr. Liu Dong and Mr. Liu Zhihua are each a substantial shareholder of the Company. Therefore, both Mr. Liu Dong and Mr. Liu Zhihua are each a connected person of the Company. The Guarantee to be provided by Mr. Liu Dong and Mr. Liu Zhihua would be a form of financial assistance to the Company, and accordingly, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the Guarantee is to be provided for the benefit of the Company on normal commercial terms or better and no security over assets of the Group is granted in respect of the Guarantee, the Guarantee is therefore exempt from the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

**Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

### **1. PROPOSED ISSUANCE OF CONVERTIBLE BONDS**

#### **Subscription Agreement**

On 3 October 2016 (after trading hours), the Company entered into a Subscription Agreement with CCBI, pursuant to which the Company has conditionally agreed to issue and CCBI has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK\$200 million.

Date	:	3 October 2016 (after trading hours)
Parties	:	Issuer: The Company
		Subscriber: CCBI
		Guarantors: Mr. Liu Dong; and Mr. Liu Zhihua

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries and as at the date of this announcement, CCBI and its ultimate beneficial owner(s) are Independent Third Parties.

Mr. Liu Dong is the chairman and an executive Director of the Company, and both Mr. Liu Dong and Mr. Liu Zhihua are each a substantial shareholder of the Company. Therefore, both Mr. Liu Dong and Mr. Liu Zhihua are each a connected person of the Company. Pursuant to the Subscription Agreement, Mr. Liu Dong

and Mr. Liu Zhihua will execute the Guarantee in favour of CCBI to guarantee the punctual observance and performance by the Obligors of their obligations under the Transaction Documents.

### **Subscription**

Subject to the fulfilment or waiver by CCBI (as the case may be) of the Conditions Precedent, the Company has agreed to issue and the CCBI has agreed to subscribe for the Convertible Bonds in the principal amount of HK\$200 million.

The Convertible Bonds carry the rights to convert into Conversion Shares at the Conversion Price of HK\$1.21 per Conversion Share (subject to adjustment). Assuming the Conversion Rights attaching to the Convertible Bonds are exercised in full at the Conversion Price of HK\$1.21 per Conversion Share, 165,289,256 Conversion Shares will fall to be issued to the Bondholder, representing approximately 15.81% of the issued capital of the Company as at the date of this announcement and approximately 13.65% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares.

### **Conditions Precedent**

Completion of the Subscription is conditional upon the fulfilment of the following Conditions Precedent:

- (a) all corporate and other proceedings in connection with the transactions contemplated under the Transaction Documents and all documents and instruments incidental to such transactions being satisfactory in substance and form to CCBI;
- (b) the current listing of the Shares on the Stock Exchange not having been cancelled or withdrawn, the Shares having been traded on the Stock Exchange at all times from the date hereof to and including the Completion Date (save for any temporary suspension for not more than ten (10) consecutive Business Days or such other period as agreed between the Company and CCBI) and neither the Stock Exchange nor the SFC have indicated that it will or may qualify, object to, suspend, cancel or withdraw such listing and/or dealings in the Shares;
- (c) the Stock Exchange having granted the listing of, and the permission to deal in, the Conversion Shares with respect to the Convertible Bonds, and all requirements, if any, imposed by the Stock Exchange and the SFC, in connection with the contemplated transactions under the Transaction Documents, shall have been obtained and/or complied with in full;

- (d) all Warranties being true, correct, accurate, complete in all aspects and not misleading in any aspect as at the date of this announcement, and remaining true, correct, accurate, complete in all aspects and not misleading in any aspect at the Completion Date;
- (e) each of the Obligors having performed and complied with all covenants, agreements, obligations and conditions contained in the Transaction Documents that are required to be performed or complied with by him/it on or before the Completion Date, and obtained and delivered to CCBI all Approvals necessary to complete the transactions contemplated under the Transaction Documents;
- (f) the Obligors having delivered to CCBI each of the Transaction Documents duly executed by the parties thereto;
- (g) the Obligors having obtained any and all Approvals or other document, opinion or assurance which CCBI reasonably considers to be necessary for consummation of the transactions contemplated under the Transaction Documents on or prior to the Completion Date;
- (h) CCBI being satisfied with the results of their investigation in connection with “know your customer”, anti-money laundering, counter-terrorist financing or breach of economic or trade law sanctions in respect of the Obligors or the Group;
- (i) CCBI being satisfied with the results of its commercial, financial and legal due diligence on the Obligors and the Group;
- (j) CCBI having obtained from the investment committee (or other decision-making organ with similar functions) of its parent company or affiliate the approval for entering into the Transaction Documents and the consummation of the transactions proposed therein;
- (k) there shall not have been Governmental Authority or other Person that has:
  - (i) requested any information in connection with or instituted or to the knowledge of the Obligors, threatened any action or investigation to restrain, prohibit or otherwise challenge the issue of the Convertible Bonds to CCBI or the other transactions contemplated by the Transaction Documents to which CCBI is a party;
  - (ii) threatened to take any action as a result of or in anticipation of the issue of the Convertible Bonds to CCBI or the other transactions contemplated by the Transaction Documents to which CCBI is a party; or

- (iii) proposed or enacted any applicable laws or issued any injunction, restraining order or other order or any other legal or regulatory restraint or prohibition which would prohibit, restrict or materially delay the issue of the Convertible Bonds to CCBI, the other transactions contemplated by the Transaction Documents to which CCBI is a party, or the operation of the Company after the Completion;
- (l) there shall not have occurred (i) any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls, (ii) a general moratorium on commercial banking activities in Hong Kong, the Cayman Islands or the PRC by any Governmental Authority, or (iii) an outbreak or escalation of hostilities or act of terrorism, in each case that has had a Material Adverse Effect;
- (m) there shall not, since the date of the Subscription Agreement, have been any adverse change to the condition (financial or otherwise), results of operations, assets, regulatory status, business and prospects of the Company, any other Obligors or the Group taken as a whole or the financial markets or economic conditions in general that has had a Material Adverse Effect;
- (n) there shall not have occurred any event that would (had any Convertible Bonds already been issued) constitute an event of default;
- (o) save with the prior consent of CCBI, Mr. Liu Dong being at all times control, directly or indirectly, all issued shares of Excel Orient Limited;
- (p) Excel Orient Limited not having any financial indebtedness outstanding;
- (q) the net asset value (by reference to the Company's latest interim or annual reports) of the Company is not less than RMB1,000,000,000; and
- (r) all Excel Orient Shares having been deposited in Securities Account and remaining beneficially owned by Excel Orient Limited without subject to any Encumbrance.

CCBI may waive any or all of the Conditions Precedent. If the Conditions Precedent are not fulfilled or waived on or before the Long Stop Date, CCBI may at its option defer the Completion to a later date, proceed to Completion subject to such conditions as CCBI may determine at its sole discretion or terminate the Subscription Agreement.

## **Undertakings to CCBI**

Pursuant to the Subscription Agreement, Excel Orient Limited would, among other things, make sure that:

- (a) all Excel Orient Shares shall be deposited into the Securities Account;
- (b) no Encumbrance exists over all or any of the Excel Orient Shares other than any Encumbrance expressly permitted under the Transaction Documents or with prior written consent of CCBI; and
- (c) copy(ies) of the latest monthly statement(s) of each Securities Account(s) shall be provided to CCBI as soon as practicable after the same are made available to Excel Orient Limited but in any event no later than the 15th day of each calendar month.

## **Guarantee**

Pursuant to the Subscription Agreement, Mr. Liu Dong and Mr. Liu Zhihua will execute the Guarantee. Pursuant to the Guarantee, Mr. Liu Dong and Mr. Liu Zhihua would jointly and severally, among other things:

- (a) guarantee to CCBI the due and punctual observance and performance by each Obligor of all moneys, obligations and liabilities owing or payable or expressed to be owing or payable by the Obligors to CCBI under or in connection with the Subscription Agreement or any other Transaction Documents;
- (b) undertake to pay to CCBI from time to time, upon demand by CCBI, any and all sums of money which any Obligor is at any time liable, or expressed to be liable, to pay to CCBI under or pursuant to any or all of the Transaction Documents and which have become, or are expressed to have become, due and payable but have not been paid at the time such demand is made as if he was the principal obligor in respect to that amount; and
- (c) agree with CCBI that if, for any reason, any amount claimed by CCBI pursuant to the Subscription Agreement and/or any other Transaction Documents is not recoverable from the Guarantors on the basis of a guarantee, then the Guarantors will be liable as principal debtors and primary obligors to indemnify CCBI in respect of any loss it incurs as a result of any Obligor failing to pay any amount expressed to be payable by it under a Transaction Document on the date when it ought to have been paid.

The Guarantee would be a continuing guarantee and indemnity, and would be extend to the ultimate balance of all sums payable by the Obligors under the Transaction Documents, regardless of any intermediate payment or discharge in part, until all moneys, obligations and liabilities owing or payable or expressed to be owing or payable by the Obligors to CCBI under or in connection with the Subscription Agreement or any other Transaction Documents have been irrevocably repaid and discharged in whole.

### **Completion of the Subscription**

Completion of the Subscription Agreement shall take place on a date no later than five (5) Business Days after the fulfilment or waiver of the Conditions Precedent (other than those conditions which can be satisfied at the Completion or with respect to actions the relevant party shall take at the Completion itself) or at such other place and time as the Company and CCBI may mutually agree.

### **Principal Terms of the Convertible Bonds**

The principal terms of the Convertible Bonds were arrived at after arm's length negotiations between the Company and CCBI and are summarised below:

Principal amount	:	A principal amount of HK\$200 million.
Maturity Date	:	Being the second anniversary of the Issue Date or, (if the Convertible Bonds are extended pursuant to their terms) the third anniversary of the Issue Date.
Conversion Price	:	HK\$1.21 per Conversion Share (subject to adjustment).
Interests	:	7% per annum payable in arrears every six (6) calendar months.
Default interests	:	If an event of default occurs, interest shall accrue on then outstanding principal amount of the Convertible Bonds from and including the date of occurrence of such event of default at an interest rate of twenty five per cent (25%) per annum and shall be payable on demand by the Bondholder.
Conversion Period	:	The period from the date of issuance of the Convertible Bonds up to the Maturity Date (both days inclusive).

- Conversion Rights : Subject to the terms and conditions of the Convertible Bonds, Bondholder shall have the right, exercisable during the Conversion Period, to convert the whole or any part (in integral multiples of HK\$5,000,000) of the outstanding principal amount of the Convertible Bonds held by such bondholder into such number of Conversion Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the date of conversion.
- Ranking : Shares converted upon exercise of the Conversion Rights shall rank *pari passu* in all respects with all other Shares in issue at the date of conversion and all Conversion Shares shall include rights to participate in all dividends and other distributions.
- Transferability : The Convertible Bonds are non-transferable in whole or in part.
- Adjustment of the Conversion Price : The Conversion Price shall from time to time be adjusted upon the occurrence of the followings:
- (i) consolidation or sub-division;
  - (ii) capitalisation of profits or reserves;
  - (iii) capital distributions;
  - (iv) rights issues of Shares or options over Shares;
  - (v) issues Shares, any options, warrants or other rights to subscribe for or purchase Shares wholly for cash at less than the 90% of the Current Market Price; or
  - (vi) other Issues of Shares at less than 90% of the Current Market Price.



Listing : No application has been or will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares.

Redemption : **Maturity:** Unless (i) the maturity of the Convertible Bonds is accelerated upon the occurrence of an event of default, or (ii) the Convertible Bonds are redeemed prior to the Maturity Date, the Company shall redeem all outstanding Convertible Bonds on the Maturity Date in the following manners:

(1) if the Bondholder has not exercised any of the Conversion Rights before the Maturity Date, the Bondholder shall redeem all of the outstanding Convertible Bonds at the Base Redemption Amount; or

(2) if the Bondholder has exercised all or a portion of the Conversion Rights before the Maturity Date, the Bondholder shall redeem all such outstanding Convertible Bonds at the Base Redemption Amount (but excluding the Premium).

**No redemption in the first year:** The Convertible Bonds may not be redeemed by the Company at any time prior to the first anniversary of the Issue Date.

**Redemption in the second year:** At any time after the first anniversary of the Issue Date but prior to the second anniversary of the Issue Date, upon the Company giving prior notice to the Bondholder and subject to the prior consent of the Bondholder, the Company may redeem all such outstanding Convertible Bonds at the Early Redemption Amount.

**Mandatory redemption:** Notwithstanding the other provisions of this condition, if either of the Guarantors:

- (1) deceases or is incapacitated or prevented by reason of mental or physical ill health, injury or accident from performing his duties as director of the Company; or
- (2) becomes of unsound mind, or is or becomes a patient for any purpose of any law relating to mental health;

the Company shall redeem all of the outstanding Convertible Bonds at the Base Redemption Amount after prior notice has been given by the Bondholder not less than twenty (20) Business Days prior to the intended date of redemption.

**Extension of maturity:** The Maturity Date shall be extended to the third anniversary of the Issue Date if agreed by the Company and the Bondholder in writing on or before the second anniversary of the Issue Date.

**Event of default redemption.** Upon the occurrence of any of event of default, the Bondholder shall be entitled to require the Convertible Bonds registered in its name to be redeemed at the Base Redemption Amount.

Event of default : If any event of default set out in the terms and conditions of the Convertible Bonds occurs, the Bondholder may give notice to the Company that the Convertible Bonds together with any amount payable by the Company pursuant to the terms of the Convertible Bonds will become immediately due and repayable.

- Undertaking : (a) the Company will notify the Bondholder in writing immediately upon becoming aware of the occurrence of any event of default;
- (b) the Company shall at all times use its reasonable endeavours to ensure that the minimum public shareholding requirement of the Listing Rules is complied with;
- (c) the Company shall at all times maintain its net asset value (by reference to the Company's latest interim or annual reports) of the Company not less than RMB1,000,000,000; and
- (d) all Excel Orient Shares shall remain beneficially owned by Excel Orient Limited without subject to any Encumbrance.

### **Ranking of the Convertible Bonds**

Save and except secured by the Guarantee, the Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company.

### **Conversion Price:**

The Conversion Price of HK\$1.21 per Conversion Share, representing:

- (1) a premium of approximately 15.24% to the closing price of HK\$1.05 per Share as quoted at 4:00 p.m. on the Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 13.08% to the average closing price of HK\$1.07 per Share as quoted on the Stock Exchange for the last five trading days immediately to and including the Last Trading Day; and
- (3) a premium of approximately 10.00% to the average closing price of HK\$1.10 per Share as quoted on the Stock Exchange for the last ten trading days immediately to and including the Last Trading Day.

The Conversion Price was arrived at after arm's length negotiations between the Company and CCBI with reference to the prevailing market prices of the Shares as shown above. The Directors consider the Conversion Price and the terms and

conditions of the Subscription Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and Shareholders as a whole.

## 2. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,045,749,656 Shares in issue. The shareholding interests of the Company as at (i) the date of this announcement; (ii) immediately after the completion of the issue of the Conversion Shares assuming the Conversion Rights are exercised in full at the Conversion Price of HK\$1.21:

	As of the date of this announcement		Immediately after the completion of the issue of the Conversion Shares assuming the Conversion Rights are exercised in full at the Conversion Price of HK\$1.21	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholders</b>				
Excel Orient Limited ( <i>Note 1</i> )	273,609,836	26.16	273,609,836	22.59
Liu Dong ( <i>Note 1</i> )	273,609,836	26.16	273,609,836	22.59
Aim Right Ventures Limited ( <i>Note 2</i> )	200,114,656	19.14	200,114,656	16.52
Liu Zhihua ( <i>Note 2</i> )	200,114,656	19.14	200,114,656	16.52
Zou Guoling ( <i>Note 3</i> )	200,114,656	19.14	200,114,656	16.52
Bondholders			165,289,256	13.65
<b>Public Shareholders</b>	<u>572,025,164</u>	<u>54.70</u>	<u>572,025,164</u>	<u>47.24</u>
<b>Total</b>	<b><u>1,045,749,656</u></b>	<b><u>100.00</u></b>	<b><u>1,211,038,912</u></b>	<b><u>100.00</u></b>

*Notes:*

- 273,609,836 Shares are held in the name of Excel Orient Limited, which is wholly owned by Mr. Liu Dong.
- 200,114,656 Shares are held in the name of Aim Right Ventures Limited, a limited liability company incorporated in the BVI wholly owned by Mr. Liu Zhihua.
- Ms. Zou Guoling is the spouse of Mr. Liu Zhihua is therefore deemed to be interested in all shares in which Mr. Liu Zhihua is interested under the Securities and Futures Ordinance (Cap. 571).

### **3. GENERAL MANDATE TO ISSUE THE CONVERTIBLE BONDS AND TO ALLOT AND ISSUE THE CONVERSION SHARES UPON CONVERSION OF THE CONVERTIBLE BONDS**

At the annual general meeting of the Company held on 17 June 2016, a resolution of the Shareholders was passed to grant to the Directors the General Mandate to, among other things, allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution. The Company is authorized to issue 209,149,931 Shares under the General Mandate.

As at the date of this announcement, the Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Subscription. Upon the exercise of the conversion rights of the Convertible Bonds, the Conversion Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the issuance of the Convertible Bonds and the Conversion Shares (upon conversion of the Convertible Bonds) is not subject to Shareholders' approval.

### **4. REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF NET PROCEEDS**

The principal business activity of the Company is investment holding. The Group is principally engaged in the businesses of (i) manufacturing of textile products and provision of related processing service; and (ii) television drama series production and distribution.

The Group commenced its television media business with the acquisition of Huasheng Media in December 2015. Since the commencement of the Group's television media business, three of the Group's multi-episodes television drama series are broadcasted or scheduled to be premiered on PRC television channels and two other drama series have entered production stage.

The Directors believe that the Group can continue to leverage on the booming development of films and television dramas market in the PRC and see the Subscription as a good opportunity to raise additional funds for the Company for such purpose.

The net proceeds from the Subscription are expected to be allocated for the Group's television dramas in the following manner:

<u>Title</u>	<u>Theme</u>	<u>Shooting commencement date (or expected)</u>	<u>Status</u>	<u>Amount to be allocated</u> <i>(approximate HK\$' million)</i>	<u>Percentage of the net proceeds from the Subscription</u> <i>(approximate %)</i>
March in River City (江城三月)	Modern city drama	August 2016	Shooting in progress	42.0	21.1
The New Big Head Son and The Little Head Father (新大頭兒子和小頭爸爸)	Situation comedy	November 2016	Preparing script	48.0	24.1
Wudang Yijian (武當一劍)	Kung fu drama	First half of 2017	Script completed	49.5	24.8
Total				<u>139.5</u>	<u>70.0</u>

In addition, approximately HK\$59.9 million or 30.0% of the net proceeds from the Subscription are expected to be used as working capital for the development of the above mentioned television series should additional funding be required and/or as general working capital for the Group's television media business.

## 5. FUND RAISING ACTIVITY DURING THE PAST 12 MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Company has conducted the following fund raising activities in the past 12 months immediately before this announcement:

<u>Date of initial announcement</u>	<u>Fund raising activities</u>	<u>Net proceeds (approximately)</u>	<u>Intended use of proceeds</u>	<u>Actual use of proceeds</u>
4 February 2016	Placing of new shares under specific mandate	HK\$215.9 million	(i) HK\$200 million for settlement of the promissory note issued as partial consideration for the acquisition of Huasheng Media; and  (ii) Approximately HK\$15.9 million for general working capital.	All used as intended

Apart from the above capital raising activity, the Company did not conduct any other fund raising on issue of equity securities in the last 12 months immediately preceding the date of this announcement.

## 6. IMPLICATIONS UNDER THE LISTING RULES

Mr. Liu Dong is the chairman and an executive Director of the Company, and both Mr. Liu Dong and Mr. Liu Zhihua are each a substantial shareholder of the Company. Therefore, both Mr. Liu Dong and Mr. Liu Zhihua are each a connected person of the Company. The Guarantee to be provided by Mr. Liu Dong and Mr. Liu Zhihua would be a form of financial assistance to the Company, and accordingly, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the Guarantee is to be provided for the benefit of the Company on normal commercial terms or better and no security over assets of the Group is granted in respect of the Guarantee, the Guarantee is therefore exempt from the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

**Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## 7. DEFINITIONS

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

“Approvals”	any approval, license, authorisation, release, order, or consent required to be obtained from, or any registration, qualification, designation, declaration, filing, notice, statement or other communication required to be filed with or delivered to, any Governmental Authority or any other Person, or any waiver of any of the foregoing
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Base Redemption Amount”	<p>in respect of any principal amount of the outstanding Convertible Bonds and to be redeemed by the Company (other than in an early redemption due to the occurrence of event of default), an amount equal to the aggregate of:</p> <ol style="list-style-type: none"> <li>(1) 100% of the principal amount of the outstanding Convertible Bonds;</li> <li>(2) interest accrued and unpaid (including any interest accruing on overdue but unpaid amounts);</li> <li>(3) the Premium;</li> <li>(4) any default interest accrued and outstanding to the Bondholder; and</li> <li>(5) any other payment accrued and outstanding to the Bondholder pursuant to the terms and conditions of the Convertible Bonds</li> </ol>
“Board”	the board of Directors of the Company
“Bondholder”	a holder of the Convertible Bonds
“Business Day”	a day (other a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00a.m. and 5:00p.m.) on which banks are opened for business in Hong Kong
“CCBI”	CCB International Overseas Limited, being the subscriber to subscribe for the Convertible Bonds under the Subscription Agreement
“Company”	Silverman Holdings Limited (Stock Code: 1616), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange



“Completion”	the completion of the Subscription
“Completion Date”	the date of Completion
“Conditions Precedent”	the conditions precedent to the Completion details of which are set out in the paragraph headed “Conditions Precedent” of this announcement
“connected persons”	has the meaning ascribed to it under in the Listing Rules
“Conversion Period”	means the period from the date of issuance of the Convertible Bonds up to the Maturity Date (both days inclusive)
“Conversion Price”	the conversion price of HK\$1.21 per Conversion Share
“Conversion Right(s)”	the right(s) of a Bondholder to convert the whole or part of the principal amount of any Convertible Bond into Shares subject to and in accordance with the terms and conditions of the Convertible Bonds
“Conversion Shares”	Shares which may fall to be allotted and issued upon exercise of any Conversion Rights attaching to the Convertible Bonds by the Bondholder
“Convertible Bonds”	convertible bonds of a principal amount of HK\$200 million, to be issued by the Company, in the denomination and integral amounts of HK\$5.0 million, pursuant to the Subscription Agreement
“Current Market Price”	in respect of a Share at a particular date, means the average of the closing price for the five (5) consecutive Trading Days ending on the Trading Day immediately preceding such date
“Director(s)”	director(s) of the Company

“Early Redemption Amount”	in respect of any principal amount of the outstanding Convertible Bonds and to be redeemed by the Company, an amount equal to the aggregate of: <ul style="list-style-type: none"> <li>(i) the Base Redemption Amount;</li> <li>(ii) such additional amount which equals to 0.75% of the principal amount of such outstanding Convertible Bonds; and</li> <li>(iii) any other payment accrued and outstanding to the Bondholder in respect of taxation</li> </ul>
“Encumbrance(s)”	any interest or equity of any Person (including any right to acquire, option or right of pre-emption or first offer or first refusal) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or other security agreement or arrangement or any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership
“Excel Orient Limited”	a company incorporated in the British Virgin Islands with limited liability wholly owned by Mr. Liu Dong
“Excel Orient Shares”	all Shares from time to time registered in the name and/or otherwise held by Excel Orient Limited
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 17 June 2016 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at 17 June 2016

“Governmental Authority”	any nation or government or any federation, province or state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission, instrumentality, securities exchange, supervisory or regulatory body of any country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organisation
“Group”	the Company and its subsidiaries
“Guarantee”	the deed of guarantee executed by Mr. Liu Dong and Mr. Liu Zhihua on the Completion Date in respect of the continuing guarantee over all sums due and payable to CCBI under the Subscription Agreement and other Transaction Documents
“Guarantors”	Mr. Liu Dong and Mr. Liu Zhihua
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huasheng Media”	北京華晟泰通傳媒投資有限公司 (Beijing Huasheng Taitong Media Investment Company Limited*), a limited company established in the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) of the Company

“Instrument”	an instrument by way of deed poll to be executed by the Obligors in respect of the issue of the Convertible Bonds
“Issue Date”	the date of the Instrument
“Last Trading Day”	30 September 2016, being the last trading day before the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	3 January 2017
“Material Adverse Effect”	material adverse effect on: <ul style="list-style-type: none"> <li>(i) the validity or enforceability of any of the Transaction Documents;</li> <li>(ii) the business, operations, assets, liabilities, property, condition (financial or otherwise) of the Company, any other Obligor and any subsidiary of the Group taken as a whole;</li> <li>(iii) the ability of an Obligor to perform its obligations under any of the Transaction Documents; or</li> <li>(iv) the rights and remedies of CCBI under any of the Transaction Documents</li> </ul>
“Maturity Date”	the second anniversary of the Issue Date, or the third anniversary of the Issue Date if extended pursuant to the terms of the Convertible Bonds on or before the second anniversary of the Issue Date
“Mr. Liu Dong”	Mr. Liu Dong (劉東), the chairman, an executive Director and a substantial shareholder of the Company

“Mr. Liu Zhihua”	Mr. Liu Zhihua (劉志華), a substantial shareholder of the Company
“Obligors”	the Company, Excel Orient Limited, Mr. Liu Dong and Mr. Liu Zhihua
“Person”	any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity
“PRC”	The People’s Republic of China. which for the purpose of this announcement excludes Hong Kong, Taiwan and the Macau Special Administrative Region
“Premium”	such additional amount which would make up a return of 9% per annum on the principal amount of any outstanding Convertible Bonds, calculated from the Issue Date to the date of the redemption of the same, taking into account all interest paid on the Convertible Bonds prior to or on the date of such redemption
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Account”	the securities account opened by and beneficially owned by Excel Orient Limited
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Convertible Bonds by CCBI pursuant to the Subscription Agreement

“Subscription Agreement”	the conditional subscription agreement dated 3 October 2016 and entered into between the Company, Mr. Liu Dong, Mr. Liu Zhihua and Excel Orient Limited and CCBI in respect of the Subscription
“Trading Day”	a day when the Stock Exchange is open for business of dealing in securities
“Transaction Documents”	the Subscription Agreement, the Instrument, the Guarantee, the Warning Notice and any other documents relating to the transactions contemplated therein which may be entered into from time to time
“US\$”	United States dollar, the lawful currency of the United States of America
“Warning Notice	the warning notice from CCBI and addressed to Mr. Liu Dong and Mr. Liu Zhihua in relation to the Guarantee
“Warranties”	the representations and warranties given or procured to be given by the Obligor as set out in the Subscription Agreement
“%”	per cent

By Order of the Board  
**Silverman Holdings Limited**  
**LIU Dong**  
*Chairman*

Shandong, the PRC, 3 October 2016

*As at the date of this announcement, the Board comprises six Directors, namely Mr. LIU Dong, Mr. LIU Zongjun and Ms. CHEN Chen as executive Directors; and Mr. PAN Hongye, Mr. LAM Kai Yeung and Mr. GAO Gordon Xia as independent non-executive Directors.*

*This announcement is prepared in both Chinese and English. In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text.*

\* *For identification purpose only*