
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Silverman Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**(1) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
SWIFT POWER LIMITED;
(2) PROPOSED CHANGE OF COMPANY NAME;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at Building A10, 50 Anjialou, Chaoyang District, Beijing, the People's Republic of China on Monday, 18 September 2017 at 2:30 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herewith. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Whether or not you are able to attend the meeting, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. Saturday, 16 September 2017 at 2:30 p.m.) before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

25 August 2017

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

“Agreement”	the sale and purchase agreement dated 5 July 2017 entered into between the Company and the Purchaser in relation to Disposal
“Announcements”	the Change of Name Announcement and the Disposal Announcement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chairman”	Mr. Liu Dong, the chairman of the Board and an executive Director
“CFO”	Mr. Song Shuli, the chief financial officer of the Group
“Change of Company Name”	the proposed change of the English name of the Company from “Silverman Holdings Limited” to “Starrise Media Holdings Limited” and the dual foreign name in Chinese of the Company from “銀仕來控股有限公司” to “星宏傳媒控股有限公司”
“Change of Name Announcement”	the announcement of the Company dated 5 July 2017 in relation to, among other things, the Change of Company Name
“Company”	Silverman Holdings Limited, a company incorporated in the Cayman Islands on 24 February 2010 as an exempted company with limited liability, whose shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal
“Completion Date”	the date of Completion
“Conditions”	the conditions precedent to the Disposal, details of which are set out in the paragraph headed “Conditions precedent to the Disposal” of this circular
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Consideration”	an aggregate sum of RMB145.2 million payable by the Purchaser to the Company pursuant to the Agreement as consideration for the Disposal
“Directors”	the directors of the Company
“Disposal”	the disposal of the entire issued share capital of the Target pursuant to the Agreement
“Disposal Announcement”	the announcement of the Company dated 5 July 2017 in relation to, among other things, the Disposal
“EGM”	the extraordinary general meeting of the Company to be held at Building A10, 50 Anjialou, Chaoyang District, Beijing, the People’s Republic of China on Monday, 18 September 2017 at 2:30 p.m. for considering and, if though fit, approve the relevant matters mentioned in this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HK Huiyin”	Huiyin (HK) Limited (匯銀(香港)有限公司), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company as at the date hereof and a member of the Target Group
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huiyin Textile”	Zibo Huiyin Textile Co., Ltd. (淄博匯銀紡織有限公司), a limited liability company established under the laws of the PRC, an indirect wholly-owned subsidiary of the Company as at the date hereof and a member of the Target Group
“Independent Third Party(ies)”	person(s) or company(ies) which is or are independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Intercompany Liability(ies)”	intercompany liability(ies) between the Target Group and the Post-close Group
“Latest Practicable Date”	5 July 2017, being the latest practicable date before the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	the parties to the Agreement, being the Company and the Purchaser
“Post-close Group”	members of the Group other than the Target Group
“Post-close Lease”	the lease of factory space by the Post-close Group to the Target Group after the Completion
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Eastfield Developments Limited, a company incorporated in the British Virgin Islands with limited liability
“Remaining Textile Business”	the textile business of the Post-close Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws 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 the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Target”	Swift Power Limited
“Target Group”	the Target and its subsidiaries
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

LETTER FROM THE BOARD



銀仕來

Silverman Holdings Limited

銀仕來控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1616)

Executive Directors:

Mr. LIU Dong (*Chairman*)

Mr. LIU Zongjun (*Chief Executive Officer*)

Ms. CHEN Chen

Mr. HE Han

Mr. TAN Bin

Registered office in the Cayman Islands:

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

Independent Non-executive Directors:

Mr. LAM Kai Yeung

Mr. GAO Gordon Xia

Mr. WANG Liangliang

Principal place of business in Hong Kong:

18/F, Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

25 August 2017

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
SWIFT POWER LIMITED;**

(2) PROPOSED CHANGE OF COMPANY NAME;

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcements in relation to the Disposal and the Change of Company Name, respectively. The purpose of this circular is to provide you with, among other things, further details of the Disposal and the Change of Company Name, and other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE DISPOSAL

On 5 July 2017 (after trading hours), the Company entered into the Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of the Target at the total consideration of RMB145.2 million. The Consideration will be settled by the Purchaser in full in cash.

A summary of the major terms and background of the Agreement is set out below.

The Agreement

Date: 5 July 2017

Parties: (1) The Company, being the vendor; and

(2) Eastfield Developments Limited, being the purchaser

The Purchaser is principally engaged in investment holding. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are Independent Third Parties not connected with the Company and its connected persons (as defined under the Listing Rules).

Background

In late March 2017, the Chairman had a number of discussions with Mr. Liu Zongjun and Ms. Chen Chen (each an executive Director) regarding the prospect of the Group's textile business. It was noted that, despite the implementation of various cost control measures, the Group's textile business had consistently underperformed and therefore it was necessary to downsize certain subsegment with limited future prospects within the Group's textile segment in order to reallocate the Group's resources towards the business segments with better prospects. In order to design a suitable strategy for such downsizing, the Chairman instructed (i) the CFO to internally review the Group's textile business with a view to formulate a suitable downsizing plan; (ii) Mr. Liu Zongjun to leverage on his connections within the textile industry to identify potential buyers if a disposal would be considered desirable; and (iii) Ms. Chen Chen to liaise with the Company's in-house legal department and the Company's professional advisors to assist in such downsizing plan.

The initial plans for the disposal of the Target Group was submitted by the CFO to the Chairman for consideration on 7 April 2017. Having considered the reasons set out in the paragraph headed "Reasons for the Disposal" in this circular, the Chairman believed that the Target Group is a suitable target for disposal. Two parties (each an Independent Third Party), including the Purchaser, were

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presented by the Mr. Liu Zongjun as potential purchasers for the disposal of the Target Group. Having considered the reputation and creditability of the owner of the Purchaser, the Chairman believes that the Purchaser is the more suitable purchaser for the Disposal.

The Purchaser is a company incorporated in the BVI with limited liability wholly owned by Mr. Huang Yabei. Mr. Huang Yabei has been heavily involved in the PRC textile industry for over 20 years through the management of various sizeable textile companies in Zibo, PRC. As confirmed by subsequent background checks conducted by the Company on Mr. Huang Yabei, he had developed a solid reputation within the PRC textile industry through those years. Mr. Huang Yabei was introduced to Mr. Liu Zongjun as a potential purchaser for the Disposal through referrals within the textile industry, where he came highly recommended.

In preparation for the disposal of the Target Group, the Chairman had instructed (i) Mr. Liu Zongjun to handle the negotiations with the Purchaser and to conduct background checks on the Purchaser with the help of the Company's in-house legal department; (ii) the CFO to handle all financial related preparatory work in relation to such disposal; and (iii) Ms. Chen Chen to prepare all necessary documents in relation to such disposal with the help of the Company's legal advisors.

In relations to the Purchaser's due diligence on the Target Group, on 14 April 2017, the Purchaser executed a non-disclosure agreement in respect of all information regarding the Target Group disclosed to it by the Group. The Purchaser's legal advisors and auditors subsequently commenced commercial, legal and financial due diligence on the Target Group on 17 April 2017

The first draft of the Agreement was prepared by the Company's in-house legal department and its external legal advisors on 17 May 2017 and formal negotiations in relation to the terms of the Agreement between the Company (as represented by the Chairman and Mr. Liu Zongjun) and the Purchaser (as represented by Mr. Huang Yabei) commenced on 24 May 2017.

The Purchaser's due diligence on the Target Group was completed on 2 June 2017 and the Company's background checks on the Purchaser were completed on 8 June 2017. The Purchaser had provided proof of its assets and available capital to allow the Directors to be reasonably assured of its ability to pay the Consideration. As the Purchaser's due diligence was completed and that the results of the background checks on the Purchaser were completed to the Chairman's satisfaction, the Chairman instructed Mr. Liu Zongjun to finalise the terms of the Agreement with the Purchaser and recommended the Disposal to the Board for approval.

Having considered the background of the Purchaser and the terms of the near final draft of the Agreement, the Board (including independent non-executive Directors) approved the Disposal on 5 July 2017 and the Agreement was executed on the same day.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and Mr. Huang Yabei are (i) each an Independent Third Party; and

LETTER FROM THE BOARD

(ii) save for the Purchaser being a party to the Agreement, not engaged in or parties to any transaction, agreement, understanding, arrangement or instrument with the Company or any of its connected persons (as defined under the Listing Rules).

Subject matter of the Disposal

Pursuant to the Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire, the entire issued share capital of the Target.

Consideration for the Disposal and the payment schedule

Pursuant to the Agreement, the Consideration shall be RMB145.2 million, which shall be settled in full by payment in cash in the following manner:

- (a) First installment — within 10 days after the Completion Date (the “**First Payment Date**”), the Purchaser shall pay the first part of the Consideration, being an amount denominated in RMB which equals to 20% of the Consideration;
- (b) Second installment — the second part of the Consideration, being an amount denominated in RMB which equals to 40% of the Consideration, shall be paid by the Purchaser within three months after the First Payment Date;
- (c) Third installment — the remaining part of the Consideration, being an amount denominated in RMB which equals to 40% of the Consideration, shall be paid by the Purchaser within six months after the First Payment Date.

To ensure that the full amount of the Consideration is collectible according to the payment schedule above, the Company had required the Purchaser to (i) provide proof of its assets and available capital to allow the Directors to be reasonably assured of its ability to pay the Consideration; (ii) deposit an amount which equals to the first installment of the Consideration at a designated account of a custodian on Completion; and (iii) grant the Company a charge over the entire issued share capital of the Target on Completion and such charge shall remain effective until the full amount of the Consideration has been paid by the Purchaser to the Company. In addition, Mr. Huang Yabei, being the owner of the Purchaser, had undertaken to the Company that in the event that the Purchaser is unable to pay any part of the Consideration on time according to the above payment schedule, Mr. Huang Yabei shall immediately pay the Company all such amount which may be outstanding and payable by the Purchaser to the Company at the time pursuant to the Agreement. With the above measures (the “**Control Measures**”) in place, the Directors are of the view that the Company’s exposure to credit risks is limited.

The Agreement together with each and every one of the obligations of the Purchaser and its owner as set out above are legally binding and enforceable in accordance with its terms. They were

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derived at after arms-length negotiations. The Consideration represents an excess of approximately 8.6% over the unaudited net assets of the Target Group as at 31 December 2016 and the Company is contractually entitled to collect the full amount of the Consideration within approximately six months after Completion. Having considered that the credit risks arising out of the deferred payment arrangement were reduced by the Control Measures and that the deferred payment arrangement allows the Company to potentially gain an upside of approximately 8.6% from the Disposal within approximately six months after Completion (which far exceeds the prevailing interest rates in the PRC), the Directors believe that, despite the risks associated with the deferred payment arrangement, such arrangement is commercially sound and in the interests of the Company and its Shareholders as a whole.

Having considered (i) the reputation of the Purchaser; (ii) the Control Measures to reduce the Company's exposure to credit risks; and (iii) the fact that the Consideration represents an excess of approximately 8.6% over the unaudited net assets of the Target Group as at 31 December 2016, the Directors are of the view that the Disposal (including the deferred payment arrangement as set out above, which will only last for approximately six months), is fair and reasonable and in the interests of the Shareholders as a whole.

Intercompany Liabilities

Set out below are the Intercompany Liabilities between the Target Group and the Post-close Group which were outstanding as at 31 December 2016:

- (a) a total of approximately RMB145.7 million payable by the Target Group to the Post-close Group;
- (b) guarantees in the aggregate amount of approximately RMB50.0 million given by the Post-close Group in favour of third parties in respect of certain liabilities of the Target Group (the "**Company's Guarantees**");
- (c) a total of approximately RMB163.7 million payable by the Post-close Group to the Target Group;
- (d) guarantees in the aggregate amount of approximately RMB110.0 million given by the Target Group in favour of third parties in respect of certain liabilities of the Post-close Group (the "**Target's Guarantees**"); and

LETTER FROM THE BOARD

- (e) other guarantees (together with the Company's Guarantees and the Target's Guarantees, the "**Intercompany Guarantees**") given by the Target Group and the Post-close Group in favour of third parties in respect of other liabilities of the Post-close Group and the Target Group, respectively.

It is estimated that, upon Completion, the remaining net liability (the "**Net Liability**") of the Post-close Group towards the Target Group would amount to a total of approximately RMB18.0 million. The Parties have agreed to settle all such Net Liability within six months after the Completion Date.

As regards Intercompany Guarantees, the Company has undertaken to the Purchaser that the Company shall use its reasonable efforts to settle, waive and/or procure the waiver of the Intercompany Guarantees before the Completion Date, but the fulfilment by the Company of such undertaking shall not be a condition to the Disposal.

The Directors confirm that, save for the Intercompany Liabilities, there was no other transaction between the Target Group and the Post-close Group which was on-going as at the Latest Practicable Date.

To the extent that any of the Intercompany Guarantees remain outstanding on the Completion Date:

- (a) the Company shall procure the waiver or release of all remaining Target's Guarantees (if any) within one year after the Completion Date; and
- (b) the Purchaser shall procure the waiver or release of all remaining Company's Guarantees (if any) within six calendar months after the Completion Date.

As the waiver/settlement of the Company's Guarantees is not a Condition to the Disposal, there is a possibility that part of the Company's Guarantees will remain outstanding after Completion. If any of the Company's Guarantees remain outstanding after Completion, such guarantees (the "**Outstanding Guarantees**") would constitute "transactions" (under Rule 14.04(1)(e) of the Listing Rules) between the Company and the Target Group, as the Target Group will have already ceased to be subsidiaries of the Company. As such, the Outstanding Guarantees will be subjected to the announcement and shareholder's approval requirements under Chapter 14 of the Listing Rules based on the size of the Outstanding Guarantees.

LETTER FROM THE BOARD

The Directors confirm that if any of the applicable percentage ratios in respect of the Outstanding Guarantees exceed the relevant percentage(s) prescribed under Chapter 14 of the Listing Rules, the Company will comply with the applicable requirements of the Listing Rules in respect of the Outstanding Guarantees.

The Post-close Lease

As at the Latest Practicable Date, doobby fabrics and jacquard fabrics were separately produced by the Target Group and the Remaining Textile Business, respectively, at separate buildings on a plot of land owned by the Post-close Group. As the Target Group does not own any land properties to host its machinery and the relocation of the Target Group's production base would be a costly and time consuming process, the Target Group will enter into a tenancy agreement with the Post-close Group for the lease of the Target Group's current factory space on Completion.

The rent for the Post-close Lease will be determined with reference to the rents of similar properties in the area and the duration shall be one year. Based on the financial information of the Group for the year ended/as at 31 December 2016, the Directors expect that the applicable percentage ratios in respect of the Post-close Lease will be less than 5% and the Post-close Lease will therefore be exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Upon the expiry of the Post-close Lease, if the Target Group wishes to renew the Post-close Lease, the Post-close Group will only enter into an agreement with the Target Group to renew the Post-close Lease (the "**Renewed Lease**") if the Directors consider that it is in the interests of the Company to do so. If any of the applicable percentage ratios in respect of the Renewed Lease exceeds the relevant percentage(s) prescribed under Chapter 14 of the Listing Rules, the Company will comply with the applicable requirements of the Listing Rules in respect of the Renewed Lease.

The Directors expect that, save for any Intercompany Liability (if any) which may be outstanding as at the Completion Date and the Post-close Lease, there will not be any continuing transaction between the Target Group and the Remaining Textile Business after Completion.

Basis of Consideration

The Consideration of RMB145.2 million represents an excess of approximately RMB11.5 million or 8.6% over the unaudited net assets of the Target Group as at 31 December 2016. It was determined after arm's length negotiations between the Company and the Purchaser with reference to the unaudited net assets of the Target Group as at 31 December 2016 of approximately RMB133.7 million and the past performance of the Target Group's business.

LETTER FROM THE BOARD

Conditions precedent to the Disposal

Completion shall be conditional upon the fulfilment of the following Conditions:

- (a) the board of directors of the Company and the Shareholders (if required under the Listing Rules) having approved the terms and authorised the execution of and performance by the Company of its obligations under the Agreement;
- (b) the board of directors of the Purchaser having approved the terms and authorised the execution of and performance by the Purchaser of its obligations under the Agreement;
- (c) all necessary consents and approvals from the Stock Exchange in relation to the transactions contemplated under the Agreement having been obtained; and
- (d) all other necessary consents, approvals, licences and permits from governmental and regulatory bodies in Hong Kong, the PRC and the British Virgin Islands in relation to the transactions contemplated under the Agreement having been obtained and made.

Each of the conditions set out above is not waivable under any circumstances. If the Conditions are not fulfilled within two months after the date of the Agreement (or such other date as the Parties may agree in writing) (the “**Long Stop Date**”), the Agreement shall terminate and neither Party shall have any obligations or liabilities under the Agreement except for antecedent breaches.

Completion of the Disposal

Completion of the Disposal shall take place within three Business Days after the fulfilment of the Conditions or at such other time and place as designated by the Company. If Completion does not take place within two months after the date of the Agreement, the Company shall make further announcement(s) and comply with the requirements of the applicable Listing Rules in respect of the extension (if any) of the Long Stop Date.

INFORMATION ON THE TARGET GROUP

The Target Group is principally engaged in the production of dobby fabrics in the PRC. Dobby fabrics are used for manufacturing a broad range of mid-end functional home textile and apparel textile products.

As at the Latest Practicable Date, the Target Group comprise the Target, HK Huiyin and Huiyin Textile.

LETTER FROM THE BOARD

The Target

The Target is a limited liability company incorporated under the laws of British Virgin Islands principally engaged in investment holding. As at the Latest Practicable Date, the entire issued share capital of the Target is held by the Company.

HK Huiyin

HK Huiyin is a limited liability company incorporated under the laws of Hong Kong principally engaged in investment holding. As at the Latest Practicable Date, the entire issued share capital of HK Huiyin is held by the Target.

Huiyin Textile

Huiyin Textile is a limited liability company established under the laws of PRC principally engaged in the production of dobby fabrics in the PRC. As at the Latest Practicable Date, the entire equity interests in Huiyin Textile is held by the HK Huiyin.

Financial information of the Target Group

Set out below is the financial information of the Target Group for the two years ended 31 December 2016:

	For the year ended 31 December 2015	For the year ended 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit/(loss) before taxation	(4,577)	102
Profit/(loss) after taxation	(5,264)	(1,077)

The Target Group recorded a decrease in loss after taxation for the year ended 31 December 2016. Such decrease was the result of various cost control measures which the Group applied to its textile business as a whole. These cost control measures include technical transformation, reduction of energy consumption, staff downsizing and improvement of the overall production efficiency of the Group's textile business. Despite such measures, the Target Group still recorded loss after taxation of approximately RMB1.1 million for the year ended 31 December 2016 and the Board considers such results to be unsatisfactory for the Company.

LETTER FROM THE BOARD

Set out below is the financial position of the Target Group as at 31 December 2015 and 2016:

	As at 31 December 2015	As at 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net assets	134,876	133,725

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, members of the Target Group will cease to be subsidiaries of the Company and the financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

Based on (i) the unaudited net assets of the Target Group as at 31 December 2016 of approximately RMB133.7 million; and (ii) the estimated net proceeds of approximately RMB144.2 million from the Disposal, it is expected that the Group will recognise a gain of approximately RMB10.5 million as a result of the Disposal.

It is expected that upon completion of the Disposal (and after receiving all of the Consideration), the total assets of the Group will be decreased by approximately RMB52.5 million and the total liabilities of the Group will be decreased by approximately RMB63.0 million.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of the Target Group on the date of completion of Disposal and review by the Group's auditors upon finalisation of the consolidated financial statements of the Group.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal of approximately RMB144.2 million will be used for general working capital purpose as well as for future business development. However, the Directors have not identified any target for acquisition or any concrete investment plan as at the Latest Practicable Date.

CURRENT BUSINESSES OF THE GROUP

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

LETTER FROM THE BOARD

Set out in the table below is a breakdown of the major assets and liabilities of the Target Group, the Remaining Textile Business and the Group's media business, respectively, as at 31 December 2016:

	Target Group	Remaining Textile Business	Television Media Business
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Fixed assets	42,417 ^(Note 1)	474,116 ^(Note 2)	3,496
Intangible assets	11	43	3,424
Goodwill	—	6,394	493,077
Other non-current assets	—	1,990	10,311
	42,428	482,543	510,308
Current assets			
Inventories	44,684	120,254	—
Television drama series	—	—	118,892
Trade and other receivables	204,465	94,942	105,083
Other current assets	68,881	34,799	31,662
	318,030	249,995	255,637
Current liabilities			
Trade and other payables	176,256	440,544	140,731
Bank loans	50,000	110,000	35,000
Other current liabilities	402	11,145	6,524
	226,658	561,689	182,255
Net current assets/(liabilities)	91,372	(311,694)	73,382
Total assets less current liabilities	133,800	170,849	583,690
Non-current liabilities	75	120	19,617
Net assets	133,725	170,729	564,073

LETTER FROM THE BOARD

Notes:

1. The fixed assets of the Target Group mainly comprised air-jet dobby looms and dobby looms, which were the key equipment used in the production of dobby fabrics.
2. The fixed assets of the Remaining Textile Business mainly comprised specialised jacquard looms for the production of jacquard fabrics and factory space owned by the Post-close Group.

Set out in the table below is a breakdown of the principal components of the profit and loss accounts of the Target Group, the Remaining Textile Business and the Group's media business, respectively, for the year ended 31 December 2016:

	Target Group	Remaining Textile Business	Television Media Business
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	312,486	378,527	120,311
Cost of sales and services	(281,939)	(309,591)	(56,041)
Gross profit	30,547	68,936	64,270
Net expenses	(30,445)	(68,777)	(22,239)
Profit before taxation	102	159	42,031
Income tax	(1,179)	(1,092)	(915)
Profit/(loss) after taxation	(1,077)	(933)	41,116

Textile segment

In the recent years, the Board saw trends of weakening demand and increasingly fierce competition within the textiles industry. The sluggish global economy, declining market demand for textile products both within and outside of PRC, and increasing domestic production costs have together created severe challenges for the PRC textiles industry. With a view to overcome such challenges, the Group implemented various cost control measures including technical transformation, reduction of energy consumption, staff downsizing and improving the overall production efficiency of the Group's textile business. Despite the implementation of such measures, due to the increasing raw material price and other costs such as staff and logistics costs, the Group's textile business had consistently underperformed as compared to the Group's media business. The adjusted earnings before taxes of the Group's textile segment recorded a decline of approximately RMB9.6 million, from approximately RMB9.9 million for the year ended 31 December 2015 to approximately RMB0.3 million for the year ended 31 December 2016, representing a decrease of approximately 97.0%.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the principle products of the Group's textile business can be broadly divided, by their weaving constructions, into two categories, namely, dobby fabrics and jacquard fabrics, which were separately produced under the Target Group and the Remaining Textile Business, respectively.

The Target Group

The principle products of the Target Group are dobby fabrics. Unlike jacquard fabrics, dobby fabrics are suitable for functional home textile products such as mid-end bed linen as well as functional apparel textile products such as mid-end garment.

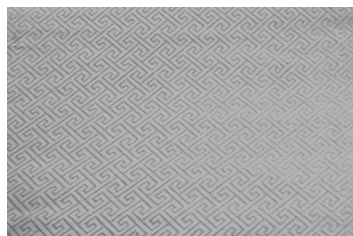
Dobby fabrics are woven fabrics which are manufactured through processing selected groups of yarns with selected colour combinations on air-jet dobby looms or dobby looms which were mainly imported from Japan. Similar to jacquard fabrics, dobby fabrics have woven pattern designs but such woven patterns are generally primitive and simple with limited aesthetic qualities. Shown in the photo below are examples of the key equipment used in the production of dobby fabrics by the Target Group:



According to customer's specifications, the Target Group weaves dobby fabrics with maximum width of up to 3.45 metres, maximum yarn counts of up to 200 stitches and maximum thread density of up to 6,300 thread/10cm, and uses pure cotton, tencel and/or other new materials and fibers as raw materials in the weaving process so that such dobby fabrics will have the required textures and functions. As the woven pattern designs of dobby fabrics are generally primitive and simple, they are more suitable for manufacturing merely functional home and apparel textile product.

LETTER FROM THE BOARD

Shown below are examples of the Target Group's doobby fabric designs:



The Remaining Textile Business

The principle products produced under the Remaining Textile Business are jacquard fabrics. Unlike doobby fabrics which are suitable for merely functional home textile products such as bed linen as well as functional apparel textile products such as garment, jacquard fabrics are primarily used for manufacturing high-end home textile products and apparel products with high aesthetic qualities such as high-end bed linen for hotel guest rooms and luxurious clothing.

The Remaining Textile Business is principally engaged in the design, manufacturing and sale of jacquard fabric. The Remaining Textile Business sources raw materials such as cotton yarns, tencel yarns and fibers from its supplies, and generates revenue through the production and sale of jacquard fabrics to its customers. The Directors expect that the business model of the Remaining Textile Business will remain substantially the same after Completion.

Jacquard fabric is a type of woven fabric manufactured through processing and designing different structures and sequences with different raw materials, colour combinations and density requirements using specialised jacquard loom. In a knit-float-knit sequence of warp and weft, various intricate woven patterns such as flowers, birds, fishes, insects and animals can be incorporated into the weave. Compared with doobby fabrics, jacquard fabrics have much larger and finer woven patterns with pure colours and clear layers. The structures or patterns of jacquard fabrics are produced by weaving instead of printing. Shown in the photos below are examples of the key equipment used in the production of jacquard fabrics by the Remaining Textile Business:



LETTER FROM THE BOARD

The jacquard fabrics of the Remaining Textile Business had been the focus of the Group's development in its textile business due to their high-end and high value-added properties. The jacquard looms used by the Remaining Textile Business to produce jacquard fabrics were mainly imported from either Belgium, France or Italy, and have control systems which integrate modern microelectronic, electromagnetic and photoelectric technologies supported by computer-aided design (CAD) systems. By making use of these electronic jacquard looms, the Post-close Group had been able to weave high-count and high-density jacquard fabrics with the maximum yarn counts of up to 200 stitches and maximum thread density of up to 6,300 threads/10cm, which the Directors believed to be far above the ordinary thread density of high-count and high-density grey fabric products of 709 threads/10 cm in the PRC market. High-count and high-density fabrics have durable, soft, smooth and lustrous characteristics which the Directors believe can command higher selling price and gross margins. As a result of their distinguishing features, jacquard fabrics are suitable for manufacturing a broad range of high-end home textile products such as high-end bed linen for domestic use and for hotel guest rooms, and high-end apparel products such as luxurious clothing.

Shown below are examples of the jacquard fabric designs of the Remaining Textile Business:



The Directors believe that, despite the downturn in the PRC textile market, the demand for high-end jacquard fabrics in the PRC will remain stable and that the expected profit margins from the sale of jacquard fabrics will continue to be higher than the sale of dobby fabrics. The Directors therefore believe that the Target Group, being subsidiaries of the Group which were established for the production of dobby fabrics, would be a more suitable target for disposal in order to properly downsize the Group's textile business.

LETTER FROM THE BOARD

Media Segment

In contrast to its textile segment, the Group has made good progress in its media business since the commencement of such business in 2015. For the year ended 31 December 2016, the Group generated revenue of approximately RMB120.3 million and gross profit of approximately RMB64.3 million from its television and film media segment.

Since the commencement of the television media business, the Group identified a number of television dramas with high potential. The Group had seized the opportunity to invest in these television dramas and achieved positive results. Among these television dramas were The Great Eastern Battlefield (東方戰場), Yichang Defense (宜昌保衛戰) and The Adoption (領養). According to the statistics of a nationwide satellite television channel based in Jiangsu, the popularity rating of The Great Eastern Battlefield (東方戰場) was ranked top three nationally within the PRC. As for Yichang Defense (宜昌保衛戰), according to the statistics of the largest state-owned media in the PRC, the television drama series recorded an average audience share of 5.81% and ranked number one throughout the 12-day period from the start to the end of its broadcasting. The Adoption, which was the first television drama in the PRC based on the theme of international adoption, has won the “Golden Angels Award for Outstanding Chinese TV Drama (優秀中國電視劇金天使獎)” at The 12th China US Film Festival held in October 2016 and will be premiered on CCTV-8 in August 2017. In addition, a number of the Group’s films, including Care and Fear (提著心，吊著膽), Li Lei and Han Meimei (李雷與韓梅梅), Goodbye to Time (再見時光), and The Heavenly Emperor (禦天神帝) were released with generally positive reception from the market.

LETTER FROM THE BOARD

Set out below are the statuses of the Group’s television dramas and films as at the Latest Practicable Date and the Group’s current or planned involvement:

Television dramas

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
The Great Eastern Battlefield (東方戰場)	Historical drama	A large-scale epic drama which depicts China’s 14-year war of resistance against Japanese aggression	Broadcasted	23 June 2016, on Jiangsu Television and Hubei Television	As an investor and the producer
Yichang Defense (宜昌保衛戰)	Historical story drama	A period drama set during the “Big Retreat from Yichang” of 1938 and the “Great Battle of Shibei” of 1943 which depicts the history of war resistance in Yichang, Hubei	Broadcasted	19 September 2016, on CCTV-8	As an investor and the producer
The Adoption (領養)	Urban emotional drama	An urban drama which follows the story of a divorced mother who has an adopted daughter with leukemia travels across countries to look for the adopted daughter’s biological parents	Pending release	August 2017, on CCTV-8	As an investor and the producer
The Unforgettable Years (念念不忘的歲月)	Urban emotional drama	A period drama set during the 1980s which follows the ups and downs of the two generations of two families in a factory located in southwestern China	Post-production completed	To be confirmed	As an investor and the producer

LETTER FROM THE BOARD

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
Qiao's Grand Courtyard 2 (喬家大院 2)	Historical story drama	A period drama set during the outbreak of the Xinhai Revolution which follows the story of the attempt by Qiao Yingxia, a member of the fifth generation of the famous Qiao Family, to put Chinese banks on the path towards development and to save the nation	Post-production completed	To be confirmed	As an investor and the producer
Goddess From The Future (燃血女神)	Youth web drama	A sci-fi drama set in 2065 which features the journey made by a cyborg travelling 50 years back in time	Post-production completed	September 2017, on Youku and Tudou	As an investor and the producer
Wudang Yijian (武當一劍)	Kung fu drama	A television adaption of the novel of the same name written by Mr. Liang Yusheng which follows the story of how Geng Yujing, an orphan in the late Ming Dynasty who found out about the truth of his parents' death and discovered Nurhaci's wild ambition of invading the Central Plains. He revealed the truth of the mystery and punished the hidden traitors, and eventually became a knight-errant.	In post-production	To be confirmed	As an investor and the producer

LETTER FROM THE BOARD

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
The Echoes Of Xibaipo (西柏坡的回聲)	Crime thriller	A historical period drama based on a revolutionary event namely the “first major corruption case in new China” which features the story of how the Communist Party of China, in line with the spirit of the Xibaipo Conference, gained its victory in the first anti-corruption movement since the founding of the People’s Republic of China and earned trust and support from its people	Filming in progress	Fourth quarter of 2017, on CCTV-1	As an investor and the producer
Those Voices (幻聽者)	Science fiction web drama	A web drama which follows the story of a college student who, under the guidance by a professor, discovered that his “auditory hallucination” was in fact a superpower, and how he utilised the superpower in resolving a murder case	Script completed	To be confirmed	As an investor and the producer
When Love Fades Away (當愛已成往事)	Science fiction romance web drama	A sci-fi drama which follows the story of a restaurant which serves dishes that helps customers forget certain people in their lives	Script completed	To be confirmed	As an investor and the producer

LETTER FROM THE BOARD

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
Boyfriend Upgrade (男友升級站)	Science fiction romance web drama	A sci-fi drama which follows the story of an alien living on Earth who conducted a series of experiments to improve her friends' relationships with their boyfriends using alien technology, through which she realised the true meaning of human love relationships and ultimately decided to give up on the transformation plans	Script completed	To be confirmed	As an investor and the producer
Detectives For Shiling (食靈神探)	Science fiction thriller	A sci-fi drama which follows the story of how a gastronome who had the ability to retrieve "memory" in food at crime scenes to solve mysteries	Script Completed	To be confirmed	As an investor and the producer
Ma Beier (馬背兒)	Republic period drama	A drama series set in 1930s which revolved around two talented jockeys who were raised in the Hankou Racecourse	Preparing script	To be confirmed	As an investor and the producer
Wudang (天下武當)	Republic period drama	A period drama set during the republic period of China which follows the story of how martial artists defended China against the Imperial Japanese conspiracy to ruin Chinese culture	Preparing script	To be confirmed	As an investor and the producer
The New Big Head Son And The Little Head Father (新大頭兒子和小頭爸爸)	Situation comedy	An animation series which tells small stories that revolve around a family of three, namely the big-head son, small-head father and apron mother, which is an epitome of a typical modern family in China	Preparing script	To be confirmed	As an investor and the producer

LETTER FROM THE BOARD

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
Jigong Mountain 1938 (雞公山1938)	Espionage thriller	A drama series which depicts a secret war fought in Jigong Mountain in Autumn 1938 during the Battle of Wuhan, a battle which determined the future of the nation	Preparing script	To be confirmed	As an investor and the producer
The Myth Of Wudang (神話武當)	Mythology and fantasy drama	A drama series based on the myth of Wudang which follows the story of Yuan, the prince of the Kingdom of Jing Le who has become a pharmacist	Preparing script	To be confirmed	As an investor and the producer
The Financial Empire (金融帝國)	Historical drama	A drama series which follows the story of a young man's adventure to step out of poverty	Preparing script	To be confirmed	As an investor and the producer
Qiao's Grand Courtyard 3 (喬家大院3)	Historical story drama	A historical drama set during the Mukden Incident in 1931 which revolves around Qiao Yingxia from the famous Qiao Family in the late Qing Dynasty and the crisis faced by her family's banking business	Preparing script	To be confirmed	As an investor and the producer
The Days We Went Through Together (一起混過的日子)	Youth nostalgic web drama	A web drama set in 2008 which follows the story of a group of freshers in their first year of college	Script completed	To be confirmed	As an investor and the producer

LETTER FROM THE BOARD

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
Fighting! Soul Of The Basketball (激鬥！魂 之籃球)	Youth drama	A web drama which features two basketball stars who were friends and competitors at the same time	Preparing script	To be confirmed	As an investor
In Love With The Better You (愛上更好的你)	Urban romance drama	An urban drama series which follows the story of how a young girl, who was a nobody in the first place, strikes to become a super model and a famous designer	Script completed	To be confirmed	As an investor

Films

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
Care And Fear (提著心， 吊著膽)	Surreal comedy film	A non-linear narrative film which follows a series of bizarre incidents happened in Xiankelai Grand Hotel connecting four groups of characters and changing their fates	Broadcasted	12 May 2017, in cinemas	As an investor
Li Lei And Han Meimei (李 雷與韓梅 梅)	Youth nostalgic film	A teen film which features the adolescence of Li Lei and Han Meimei	Broadcasted	9 June 2017, in cinemas	As an investor

LETTER FROM THE BOARD

Name	Theme	Features and contents	Status	Broadcast date and platform (or expected)	Mode of participation by the Group
Goodbye To Time (再見時光)	Youth nostalgic film	A teen film which features the lives of four high school students and the friendships and love relationships among them	Broadcasted	30 June 2017, in cinemas	As an investor
The Heavenly Emperor (禦天神帝)	Mythology and fantasy web drama	A fantasy-themed drama set after the beginning of Archean which follows the legendary rise of Ye Qingyu, a youth of marines, from the Luming County universe and the Bailu School universe to becoming the heavenly emperor with unsurpassed martial arts abilities	Broadcasted	13 July 2017, on Youku and Tudou	As an investor
Love @ You (愛@你)	Urban romance film	An urban film which follows the love story of Wei Lai, an ambitious advertising director and a workaholic, and Huang Wei, her new colleague	Post-production completed	December 2017, on movie channels	As an investor
Once Upon A Time In The Northeast - Love Song 1996 (東北往事之戀曲1996)	Youth nostalgic film	A nostalgic film set in 1990s which follows the story of Mei San, a young man worked in a cabaret as the security guard trying to protect a female singer from threats by local gangsters	In post-production	February 2018, in all cinemas nationwide	As an investor

REASONS FOR THE DISPOSAL

Given the success of the Group's television dramas and films, the Directors believed that the Group should seize the opportunity to further develop its television and film media business. The Board is of the view that it is necessary to restructure and/ or downsize loss-making business and place more emphasis on businesses with positive prospects.

LETTER FROM THE BOARD

The Board believes that the Target Group (instead of the Remaining Textile Business) is the most suitable target for such downsizing due to the following reasons:

(a) *Limited competitiveness of doobby fabrics*

The principle products of the Target Group are doobby fabrics. Although, similar to jacquard fabrics, doobby fabrics have woven pattern designs but such woven patterns are generally primitive and simple with limited aesthetic qualities. The manufacturing process of doobby fabrics generally requires only relative less sophisticated machines, such as air-jet doobby looms and doobby looms, and relatively low skilled labour. The entry barrier for doobby fabrics production is therefore relatively low.

As the manufacturing of doobby fabrics is a labour intensive process, PRC doobby fabric manufacturers generally suffer from increasing labour costs in China. In addition, as a type product which is relatively easy to produce with low entry barrier, competition is fierce and doobby fabrics manufactures are generally unable to command higher selling price. The Directors believe that the increasing labour costs in China together with the fierce competition faced by the Group has been and will continue to be a major factor which leads to low profit margin for the Target Group's doobby fabric production business. For the year ended 31 December 2016, the gross profit margin of the Target Group's business was approximately 10% while the gross profit margin of the Remaining Textile Business was approximately 18%.

(b) *Potential for jacquard fabrics remains*

The principle products produced under the Remaining Textile Business are jacquard fabric. Unlike the woven patterns on doobby fabrics which are generally primitive and simple with limited aesthetic qualities, jacquard fabrics have much larger and finer woven patterns with pure colours and clear layers, and are produced by weaving instead of printing. The manufacturing process of jacquard fabrics requires highly skilled labour and specialised equipment such as specialised jacquard loom, in order to process and design different structures and sequences, with different raw materials, colour combinations and density requirements. Accordingly, the entry barrier to the jacquard fabrics market is relatively high. As the production of jacquard fabrics is a highly specialised process with high entry barrier, the Remaining Textile Business has been able to command higher prices for its jacquard fabric and has therefore achieved higher profit margins. For the year ended 31 December 2016, the gross profit margin of the Remaining Textile Business was approximately 18% while the gross profit margin of the Target Group's business was only approximately 10%.

LETTER FROM THE BOARD

As a relatively sophisticated textile product with high aesthetic qualities, jacquard fabrics are primarily used for manufacturing high-end textile products such as high-end bed linen for hotel guest rooms, and high-end apparel products such as luxurious clothing. With the developing Chinese economy, the Directors believe that the number of end-users in China who can afford and demand high-end textile products will at least maintain at substantially high levels. The Directors therefore believe that the demand for the jacquard fabrics of the Remaining Textile Business will remain stable.

(c) The Group's solid market position in the area of jacquard fabrics production

As stated in the prospectus of the Company, the Group was ranked as one of the largest PRC manufacturers of high-end jacquard fabrics (above the designated size for use in the home textile industry) in terms of the manufacturer sales value in 2010 in the PRC. The Directors believe that the Group had maintained substantially the same market share for high-end jacquard fabrics products over the years but the market share for its doobby fabrics had gradually been declining. Accordingly, the Directors believe that, while the demand for the jacquard fabrics of the Remaining Textile Business remains, the Target Group would be a more suitable target for disposal in order to properly downsize the Group's textile business.

(d) Ownership of key intellectual property rights relating to the Group's textile business

Substantially all of the intellectual property rights relating to the Group's textile business were registered under the Remaining Textile Business. That includes the Group's trademarks (including the trademark shown on the cover of this circular) and the patents which are material to the production of the Group's textile products, especially those which enable the Group to carry out the sophisticated process which is vital to the production of high-end jacquard fabrics.

Given the consistently poor performance and the limited future prospects of the Target Group, the results of the Target Group are no longer satisfactory for the Company. Having considered the uncertainties and negative prospects of the PRC textiles industry as a whole, the Board is of the view that the Disposal is in the interests of the Company and its Shareholders as a whole. Further, the Board also believes that the net proceeds from the Disposal can further assist the Group's television drama production activities, which are generally capital intensive in nature.

LETTER FROM THE BOARD

In addition, due to the reasons set out below, the Directors believe that the Remaining Textile Business can operate independently of the Target Group and expect that, save for any Intercompany Liability (if any) which may be outstanding on Completion and the Post-close Lease, there will not be any continuing transaction between the Target Group and the Remaining Business after Completion:

- (a) The products offered by the Remaining Textile Business are materially different from that of the Target Group. The principle product of the Remaining Textile Business is jacquard fabrics whereas the Target Group focuses on dobby fabrics.
- (b) The targeted end-users of the jacquard fabrics produced by the Remaining Textile Business are materially different from the targeted end-users of the dobby fabrics produced by the Target Group. As a relatively sophisticated textile product with high aesthetic qualities, jacquard fabrics are primarily used for manufacturing high-end home textile products and apparel products, whereas dobby fabrics, being a relatively less sophisticated textile product with limited aesthetic qualities, are mainly used for manufacturing merely functional home and apparel textile products.
- (c) The manufacturing process of the Remaining Textile Business is materially different from the manufacturing process of the Target Group. The manufacturing process of jacquard fabrics involves the processing and designing of different structures and sequences to create knit-float-knit sequence of warp and weft, where various intricate woven patterns such as flowers, birds, fishes, insects and animals can be incorporated into the weave. In contrast, dobby fabrics of the Target Group are manufactured through processing selected groups of yarns with selected colour combinations to create relatively simple patterns.
- (d) The key equipment involved in the production of the products of the Remaining Textile Business are materially different from the key equipment used in the production of the Target Group's products. The key equipment used in the production of jacquard fabrics are specialised jacquard loom whereas dobby fabrics can be produced using merely air-jet dobby looms or dobby looms.
- (e) All of the key equipment required for the production of jacquard fabrics are owned by the Post-close Group, and the Post-close Group does not require any material assistance from the Target Group at any stage of the manufacturing process of the Remaining Textile Business.
- (f) All of the existing major customers and suppliers of the Remaining Textile Business were sourced by the Post-close Group and the Post-close Group does not require any assistance from the Target Group to source customers and suppliers for the Remaining Textile Business.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are greater than 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief, no Shareholder has a material interest in the Disposal and therefore no Shareholder is required to abstain from voting at the EGM to approve the ordinary resolution in respect of the Agreement and the transactions contemplated thereunder.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the ordinary resolutions in respect of the Disposal. A notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from "Silverman Holdings Limited" to "Starrise Media Holdings Limited" and the Chinese name of the Company from "銀仕來控股有限公司" to "星宏傳媒控股有限公司".

Reasons for the Change of Company Name

The Board considers that the Change of Company Name will better reflect the current status of the Group and its direction of future developments. The Board believes that the new English and Chinese names of the Company will provide the Company with a new corporate image which will benefit the Company's future business developments. As such, the Board is of the view that the Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

Conditions to the Change of Company Name

The Change of Company Name will be subject to the following conditions:

- (1) the passing of a special resolution by the Shareholders at the EGM to approve the Change of Company Name; and
- (2) the Registrar of Companies of the Cayman Islands granting the approval for the Change of Company Name.

LETTER FROM THE BOARD

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date of issuance of a certificate of incorporation on change of name issued by the Registrar of Companies of the Cayman Islands. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

Effect of the Change of Company Name

The Change of Company Name will not affect any rights of the holders of the securities of the Company. The existing certificates of the securities in issue bearing the present name of the Company shall, after the Change of Company Name becomes effective, continue to be evidence of title to such securities and will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for exchange of the existing certificates of securities for new certificates bearing the new name of the Company. Once the Change of Company Name becomes effective, new certificates of securities of the Company will be issued only in the new name of the Company.

In addition, subject to the confirmation of the Stock Exchange, the stock short names of the Company will also be changed after the Change of Company Name becoming effective. Further announcement(s) will be made by the Company to inform the Shareholders of the effective date of the Change of Company Name and the change of stock short names in English and Chinese, and the arrangement for the trading and dealings in the Shares (including the date on which the Shares will be traded under the new name of the Company on the Stock Exchange).

RECOMMENDATIONS

The Disposal

The Board considers that the Agreement has been entered into on normal commercial terms after arm's length negotiation and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Disposal.

Change of Company Name

The Board considers that the Change of Company Name is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the special resolution to be proposed at the EGM to approve the Change of Company Name.

LETTER FROM THE BOARD

EGM AND PROXY ARRANGEMENT

The EGM will be held at Building A10, 50 Anjialou, Chaoyang District, Beijing, the People's Republic of China on Monday, 18 September 2017 at 2:30 p.m. for the Shareholders to consider and, if thought fit, approve, among other things, the ordinary resolutions in respect of the Disposal and the special resolutions in respect of the Change of Company Name. The notice of EGM is set out on pages EGM-1 and EGM-3 of this circular. Pursuant to the articles of association of the Company and the Listing Rules, voting by poll is required for any resolution put to vote at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the ordinary and special resolutions regarding the Disposal and the Change of Company Name, respectively, at the EGM. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours (i.e. Saturday, 16 September 2017 at 2:30 p.m.) before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

CLOSURE OF REGISTER OF MEMBERS FOR EGM

The register of members of the Company will be closed from Thursday, 14 September 2017 to Monday, 18 September 2017, both days inclusive, during which period no share transfers can be registered. In order to be eligible for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4: 30 p.m. on Wednesday, 13 September 2017.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Silverman Holdings Limited
LIU Dong
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2014, 31 December 2015 and 31 December 2016 are disclosed on pages 45 to 98 of the 2014 annual report published on 24 April 2015, pages 55 to 125 of the 2015 annual report published on 26 April 2016 and pages 63 to 140 of the 2016 annual report published on 26 April 2017, respectively, which have been published and are available on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.ysltex.com>). Please refer to the hyperlinks as stated below:

2014 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0424/LTN20150424540.pdf>

2015 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0426/LTN20160426394.pdf>

2016 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0426/LTN20170426487.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2017, being the latest practicable date for the purpose of determining this statement of indebtedness prior to the date of this circular, the Group had outstanding borrowings of approximately RMB253.3 million and convertible bonds of approximately RMB399.1 million, details of which are set out as follows:

Borrowings

As at the close of business on 30 June 2017, being the latest practicable date for the purpose of determining this statement of indebtedness, the Group had outstanding borrowings of approximately RMB253.3 million, which comprised (i) secured and guaranteed bank loans of approximately RMB20.0 million; (ii) secured and unguaranteed bank loans of approximately RMB110.0 million; (iii) secured and unguaranteed other borrowings of approximately RMB23.3 million; and (iv) unsecured and unguaranteed bank loans of approximately RMB100.0 million.

Convertible bonds

As at the close of business on 30 June 2017, being the latest practicable date for the purpose of determining this statement of indebtedness, the Group had outstanding convertible bonds with aggregate carrying amount of approximately RMB399.1 million, of which (i) approximately RMB163.7 million carry a nominal interest rate of 7% per annum and shall mature on 14 October 2018; and (ii) approximately RMB235.4 million carry a nominal interest rate of 5% per annum and shall mature on 28 February 2019.

Contingent liabilities

As at the close of business on 30 June 2017, being the latest practicable date for the purpose of determining this statement of indebtedness, the Group had no contingent liabilities.

Pledge of Assets

As at 30 June 2017, the Group pledged its machinery and equipment with a net book value of approximately RMB19.7 million and bank deposits of approximately RMB23.7 million to the banks and finance providers as securities for the borrowings.

Save as disclosed above and apart from the intra-group liabilities and normal trade and other payables, as at the close of business on 30 June 2017, the Group did not have any other debt securities issued or outstanding, and authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, mortgages and charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Group's existing cash and bank balances, the available credit facilities, the expected internally generated funds from ordinary business operations and the net proceeds from the Disposal, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 December 2016, being the date to which the latest audited consolidated financial statement of the Group were made up.

5. FINANCIAL AND BUSINESS PROSPECTS OF THE GROUP

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

Over the recent years, the Board saw trends of weakening demand and increasingly fierce competition within the textiles industry. The sluggish global economy, declining market demand for textile products both within and outside of PRC, and increasing domestic production costs have together created severe challenges for the PRC textiles industry. Despite the implementation of various cost control measures by the Group, due to the increasing raw material price and other costs such as staff and logistics costs, the Group's textile business has consistently underperformed. The adjusted earnings before taxes of the Group's textile segment recorded a decline of approximately RMB9.6 million, from approximately RMB9.9 million for the year ended 31 December 2015 to approximately RMB0.3 million for the year ended 31 December 2016, representing a decrease of approximately 97.0%. For the remainder of the current financial year, the Directors expect that the performance of the Post-close Group's textile business will continue to perform poorly.

As regards the Group's television media business, the Group has made good progress since the commencement of such business segment in 2015. For the year ended 31 December 2016, the Group has generated revenue of approximately RMB120.3 million and gross profit of approximately RMB64.3 million from its television media segment. As further particularised in the paragraph headed "Current businesses of the Group — Media Segment" of this circular, a number of the Group's television dramas had achieved positive results. With the implementation of the "13th Five-year Plan" by the PRC central government which deemed the film and television media industry as a "pillar industry in national economy" and the favourable government policies which came along with such five-year plan, the Directors expect the Group's television and film media business will continue to generate good results for the Group for the remainder of the current financial year.

The Directors believe that the Disposal will enable the Group to restructure and/or downsize loss-making business and place more emphasis on businesses with positive prospects as the net proceeds from the Disposal can further assist the Group's television drama production activities, which are generally capital intensive in nature. For the remainder of the current financial year, the Directors expect the Post-close Group's financial position will remain stable and the Disposal will not have any material adverse impact on the Post-close Group's revenue after the Completion.

Save for the Disposal, the Company currently has no intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on any disposal, termination, scaling down of the Company's existing businesses or injection of any new business into the Company after the Disposal. However, the Group will closely monitor the market situations and trends and will continue to strengthen its established markets. If suitable opportunities arise, the Group will seek cooperation and development opportunities with an aim to maximise the investment returns for its Shareholders.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS*Interests of Directors*

As at the Latest Practicable Date, the interests of the Directors, chief executive and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as 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/she/it is taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”), were as follows:

Long positions in shares

Name	Capacity	Note	Number of shares	Approximate % of shareholding
Mr. LIU Dong	Interest of a controlled corporation	1	273,609,836	26.16
Mr. HE Han	Beneficial owner	2	14,008,000	1.34

Note:

- The shares are held by Excel Orient Limited, a limited liability company incorporated in the BVI wholly owned by Mr. Liu Dong, an executive Director. By virtue of the SFO, Mr. Liu Dong is deemed to be interested in all the Shares held by Excel Orient Limited.
- Mr. He Han is an executive Director.

As at the Latest Practicable Date, save as disclosed above, none of the Directors or the chief executive of the Company or their respective spouse or children under 18 years of age had any interests or short positions in the equity or debt securities of the Company or its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests of Substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of SFO, the following persons and companies (other than the Directors or chief executive of the Company) had an interest or short position in the shares and the underlying shares of the Company which fell to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO:

Long positions in shares

Name	Capacity	Note	Number of shares	Approximate % of shareholding
Excel Orient Limited	Beneficial owner	1	273,609,836	26.16
Ms. Wang Lingli	Family interests	1	273,609,836	26.16
Dragon Capital Entertainment Fund One LP	Beneficial owner	2	247,933,884	23.71
Dragon GP Partner Co	Interests of a controlled corporation	2	247,933,884	23.71
China Huarong International Holdings Limited	Interests of a controlled corporation	3	247,933,884	23.71
Huarong Real Estate Co. Ltd.	Interests of a controlled corporation	4	247,933,884	23.71

APPENDIX II**GENERAL INFORMATION**

Name	Capacity	Note	Number of shares	Approximate % of shareholding
China Huarong Asset Management Co., Ltd.	Interests of a controlled corporation	5	247,933,884	23.71
Ministry of Finance of the PRC	Interests of a controlled corporation	6	247,933,884	23.71
Aim Right Ventures Limited	Beneficial owner	7	202,472,656	19.36
Mr. Liu Zhihua	Interests of a controlled corporation	7	202,472,656	19.36
Ms. Zou Guoling	Interests of spouse	8	202,472,656	19.36
CCB International Overseas Limited	Beneficial owner	9	165,289,256	15.81
CCB International (Holdings) Limited	Interests of a controlled corporation	9	165,289,256	15.81
CCB Financial Holdings Limited	Interests of a controlled corporation	10	165,289,256	15.81
CCB International Group Holdings Limited	Interests of a controlled corporation	11	165,289,256	15.81
China Construction Bank Corporation	Interests of a controlled corporation	12	165,289,256	15.81
Central Huijin Investment Ltd.	Interests of a controlled corporation	13	165,289,256	15.81

Note:

1. The shares are held by Excel Orient Limited, a limited liability company incorporated in the BVI wholly owned by Mr. Liu Dong. By virtue of the SFO, Mr. Liu Dong is deemed to be interested in all the Shares held by Excel Orient Limited. Ms. Wang Lingli is the spouse of Mr. Liu Dong. By virtue of the SFO, Ms. Wang Lingli is deemed to be interested in all the Shares which Mr. Liu Dong is interested in.
2. Pursuant to the terms of the conversion bonds issued to Dragon Capital Entertainment Fund One LP on 28 February 2017, assuming the conversion rights attached to the convertible bonds are exercised in full at the conversion price of HK\$1.21 per conversion share, 247,933,884 new Shares will fall to be issued to Dragon Capital Entertainment Fund One LP. Dragon Capital Entertainment Fund One LP is an exempted limited partnership registered in the Cayman Islands controlled by Dragon GP Partner Co. By virtue of the SFO, Dragon GP Partner Co. is deemed to be interested in all the Shares held by Dragon Capital Entertainment Fund One LP.
3. Dragon GP Partner Co. is controlled by China Huarong International Holdings Limited. By virtue of the SFO, China Huarong International Holdings Limited is deemed to be interested in all the Shares which Dragon GP Partner Co. is interested in.
4. China Huarong International Holdings Limited is a limited liability company registered in the PRC owned as to 88.1% by Huarong Real Estate Co., Ltd. By virtue of the SFO, Huarong Real Estate Co., Ltd. is deemed to be interested in all the Shares which China Huarong International Holdings Limited is interested in.
5. Huarong Real Estate Co., Ltd. is a limited liability company registered in the PRC wholly owned by China Huarong Asset Management Co., Ltd. By virtue of the SFO, China Huarong Asset Management Co., Ltd. is deemed to be interested in all the Shares which Huarong Real Estate Co., Ltd. is interested in.
6. China Huarong Asset Management Co., Ltd. is a limited liability company registered in the PRC owned as to 63.36% by the Ministry of Finance of the People's Republic of China. By virtue of the SFO, Ministry of Finance of the People's Republic of China is deemed to be interested in all the Shares which China Huarong Asset Management Co., Ltd. is interested in.
7. The shares are held by Aim Right Ventures Limited, a limited liability company incorporated in the BVI wholly owned by Mr. Liu Zhihua. By virtue of the SFO, Mr. Liu Zhihua is deemed to be interested in all the Shares held by Aim Right Ventures Limited.
8. Ms. Zou Guoling is the spouse of Mr. Liu Zhihua. By virtue of the SFO, Ms. Zou Guoling is deemed to be interested in all the Shares which Mr. Liu Zhihua is interested in.
9. Pursuant to the terms of the conversion bonds issued to CCB International Overseas Limited on 14 October 2016, assuming the conversion rights attached to the convertible bonds are exercised in full at the conversion price of HK\$1.21 per conversion share, 165,289,256 new Shares will fall to be issued to CCB International Overseas Limited. CCB International Overseas Limited is a limited liability company incorporated in Hong Kong wholly owned by CCB International (Holdings) Limited. By virtue of the SFO, CCB International (Holdings) Limited is deemed to be interested in all the Shares held by CCB International Overseas Limited.
10. CCB International (Holdings) Limited is a limited liability company incorporated in Hong Kong and is wholly owned by CCB Financial Holdings Limited. By virtue of the SFO, CCB Financial Holdings Limited is deemed to be interested in all the Shares which CCB International (Holdings) Limited is interested in.

11. CCB Financial Holdings Limited is a limited liability company incorporated in Hong Kong and is wholly owned by CCB International Group Holdings Limited. By virtue of the SFO, CCB International Group Holdings Limited is deemed to be interested in all the Shares which CCB Financial Holdings Limited is interested in.
12. CCB International Group Holdings Limited is a limited liability company incorporated in Hong Kong and is wholly owned by China Construction Bank Corporation. By virtue of the SFO, China Construction Bank Corporation is deemed to be interested in all the Shares which CCB International Group Holdings Limited is interested in.
13. China Construction Bank Corporation is a joint stock limited company incorporated in the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange with the stock code 0939. China Construction Bank Corporation is owned as to 57.31% by Central Huijin Investment Ltd. By virtue of the SFO, Central Huijin Investment Ltd is deemed to be interested in all the Shares which China Construction Bank Corporation is interested in.

Save as disclosed above, to the best of the Directors' knowledge and belief, as at the Latest Practicable Date, no other person (other than the Directors and chief executive of the Company) had an interest or short position in the Shares and the underlying Shares which fell to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation other than statutory compensation).

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2016, 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 Company.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

5. MATERIAL CONTRACTS

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

- (i) the sale and purchase agreement dated 3 December 2015 entered into between the Company as the purchaser and Aim Right Ventures Limited as the vendor in respect of the acquisition of the entire issued share capital of Solid Will Limited at the consideration of HK\$555,000,000;
- (ii) the placing agreement dated 4 February 2016 entered into between the Company as the issuer and Guotai Junan Securities (Hong Kong) Limited as the placing agent in relation to the placing of up to a total of 320,000,000 new Shares at the placing price of not less than HK\$2.5 per placing share;
- (iii) the subscription agreement dated 3 October 2016 entered into between the Company as the issuer, CCB International Overseas Limited as the subscriber, Mr. Liu Dong and Mr. Liu Zhihua as the guarantors, and Excel Orient Limited, and the bond instrument executed by the Company on 14 October 2016, in respect of the issuance of 7% convertible bonds in an aggregate principal amount of HK\$200,000,000 at the conversion price of HK\$1.21 per share and with a maturity date on 14 October 2018;
- (iv) the subscription agreement dated 21 December 2016 entered into between the Company as the issuer, Dragon Capital Entertainment Fund One LP as the subscriber and Aim Right Ventures Limited and Mr. Liu Zhihua as the guarantors, and the bond instrument executed by the Company on 28 February 2017, in respect of the issuance of 5% convertible bonds in an aggregate principal amount of HK\$300,000,000 at the conversion price of 1.21 per share, with a maturity date on 28 February 2019; and
- (v) a series of contracts dated 22 December 2016 entered into among Beijing Star Will Pictures Cultural Co., Ltd, an indirect non-wholly owned subsidiary of the Company, Beijing Starrise Pictures Company Limited (“**Starrise Pictures**”) and the registered shareholders of Starrise Pictures for the purpose of establishing the Group’s control over Starrise Pictures through contractual arrangements. Such contracts comprised an exclusive technology and services agreement, an exclusive option agreement, an equity pledge agreement and a power of attorney.

6. LITIGATION

As at the Latest Practicable Date, the Directors were not aware of any pending or threatened litigation or claim of material importance against any member of the Group.

7. COMPETING BUSINESS INTEREST

As at the Latest Practicable Date, none of the Directors or any of their respective close associates had any interest in any business which competes or likely to compete, either directly or indirectly, with the business of the Group.

8. MISCELLANEOUS

- (i) The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.
- (ii) The principal place of business is 18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iii) The secretary of the Company is Ms. CHAN Yin Wah, who is a member of The Hong Kong Institute of Chartered Secretaries and the Association of Chartered Certified Public Accountants in the United Kingdom.
- (iv) The branch share registrar of the Company is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (v) In the event of inconsistency, the English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong from the date of this circular up and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (iii) the annual reports of the Company for the financial years ended 31 December 2014, 2015 and 2016; and
- (iv) this circular.

NOTICE OF EGM



Silverman Holdings Limited

銀仕來控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1616)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Silverman Holdings Limited (the “**Company**”) will be held at Building A10, 50 Anjialou, Chaoyang District, Beijing, the People’s Republic of China on Monday, 18 September 2017 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

ORDINARY RESOLUTION

1. “**THAT** the terms and conditions of the Agreement (as defined in the circular of the Company dated 25 August 2017), the execution of the Agreement by a director of the Company (“**Director**”) and all transactions contemplated under and in connection with the Agreement be and are hereby approved, confirmed and ratified; and any one Director be and is hereby authorised to sign, seal, execute, perfect, and deliver all such documents, deeds, agreements, and instruments and do all such acts, matters, as the case may be, as he/she shall, in his/her absolute discretion, deem necessary, desirable or expedient to give effect to the Agreement (and the transactions contemplated thereunder) and to agree to any variations, amendments, supplements or waivers of matters relating thereto as he/she may in his/her absolute and unfettered discretion consider desirable and in the interests of the Company.”

NOTICE OF EGM

SPECIAL RESOLUTION

2. “**THAT** subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands, the English name of the Company be changed from “Silverman Holdings Limited” to “Starrise Media Holdings Limited” and the dual foreign name in Chinese of the Company be and is hereby changed from “銀仕來控股有限公司” to “星宏傳媒控股有限公司” (the “**Proposed Change of Company Name**”); and that any one Director or the secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements as he/she shall in his/her absolute and unfettered discretion deem necessary, desirable or expedient to give effect to the Proposed Change of Company Name and to attend any necessary registration and/or filing for and on behalf of the Company.”

By order of the Board
Silverman Holdings Limited
Liu Dong
Chairman

Shandong, the PRC, 25 August 2017

Registered office in the Cayman Islands:
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal place of business in Hong Kong:
18/F, Tesbury Centre
28 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF EGM

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
- (3) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours (i.e. Saturday, 16 September 2017 at 2:30 p.m.) before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
- (4) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoke.
- (5) Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
- (6) The register of members of the Company will be closed from Thursday, 14 September 2017 to Monday, 18 September 2017, both days inclusive, during which period no share transfers can be registered. In order to be eligible for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4: 30 p.m. on Wednesday, 13 September 2017.

As at the date of this notice, the Board comprises eight Directors, namely Mr. LIU Dong, Mr. LIU Zongjun, Ms. CHEN Chen, Mr. HE Han and Mr. TAN Bin as executive Directors; and Mr. WANG Liangliang, Mr. LAM Kai Yeung and Mr. GAO Gordon Xia as independent non-executive Directors.