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China Digital Licensing (Group) Limited
中國數碼版權(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8175)

PROFIT GUARANTEE

Reference is made to the announcement of the Company dated 3 June 2008 in relation to the acquisition of 51% equity interest in the Target. The Board announces that the Guaranteed Profit has not been met and the Vendor and the Guarantor have fulfilled their obligation in accordance with the Agreement in relation to the Profit Guarantee.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 3 June 2008 in relation to the acquisition of 51% equity interests in the Target. Definitions and terms used in this announcement, unless otherwise stated, shall bear the same meanings as defined in the Announcement.

Pursuant to the Agreement, the Vendor and the Guarantor have irrevocably guaranteed and warranted to the Purchaser that the audited consolidated net profit after taxation and extraordinary or exceptional items of the Target for the year ended 31 August 2009 (the “**Net Profit**”) shall not be less than HK\$3 million (the “**Guaranteed Profit**”). In the event the Guaranteed Profit is not achieved, the amount of total consideration will be adjusted downwards by setting off against the payment obligations of the Purchaser under the Convertible Bond on a dollar to dollar basis in an amount equivalent to the shortfall which will be equal to the difference between the actual Net Profit and the Guaranteed Profit times 51%. In the event that the compensation amount under the Profit Guarantee exceeds the payment obligations of the Purchaser under the Convertible Bond, the Vendor and the Guarantor shall be obligated to pay any such shortfall to the Purchaser in cash.

The Board announces that the actual audited consolidated net profit after taxation and extraordinary or exceptional items of the Target for the year ended 31 August 2009 was HK\$1,204,980 and therefore the Guaranteed Profit of HK\$3,000,000 has not been met. Accordingly, the Vendor and the Guarantor are obliged to compensate for the shortfall of HK\$915,460.20 ((HK\$3,000,000-HK\$1,204,980)*51%). As at 30 November 2009, the Convertible Bond of HK\$3,000,000 is held under escrow by the Purchaser. In accordance with the terms stipulated in the Agreement, such balance has been set off against the shortfall of HK\$915,460.20. On 30 November 2009, the Company has issued the new Convertible Bond certificate of HK\$2,084,539.80 to the Vendor. Accordingly, the Vendor and the Guarantor have fulfilled his obligations in accordance with the Agreement in relation to the Profit Guarantee.

By order of the Board
CHINA DIGITAL LICENSING (GROUP) LIMITED
Pang Hong Tao
Chairman

Hong Kong, 30 November 2009

As at the date of this announcement, the executive Directors are Mr. Hsu Tung Sheng, Mr. Pang Hong Tao, and Ms. Au Shui Ming, Anna. The non-executive Director is Mr. Ma She Shing, Albert. The independent non-executive Directors are Mr. Lee Kun Hung and Mr. Kwok Chi Sun, Vincent.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.chinadigitallic.com.