

Unless otherwise defined, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “**Prospectus**”) of GME Group Holdings Limited (the “**Company**”) dated 14 February 2017.

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

GME Group Holdings Limited
駿傑集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

Number of Placing Shares : 125,000,000 Shares
Placing Price : HK\$0.54 per Placing Share (excluding
brokerage of 1.0%, SFC transaction levy of
0.0027% and Stock Exchange trading fee of
0.005%) (payable in full on application in
Hong Kong dollars)
Nominal Value : HK\$0.01 per Share
Stock Code : 8188

Sponsor

ALTUS CAPITAL LIMITED

Sole Lead Manager



- The Placing Price has been determined at HK\$0.54 per Placing Share (excluding brokerage of 1.00%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.54 per Placing Share, the net proceeds to be received by the Company from the Placing, after deducting the underwriting fees and other expenses, are approximately HK\$45.9 million.
- Applications for a total of 174,128,000 Placing Shares have been received, equivalent to approximately 1.39 times the total number of 125,000,000 Placing Shares initially available for subscription under the Placing. The 125,000,000 Placing Shares offered under the Placing have been slightly over-subscribed and have been conditionally allocated to a total of 167 individual, professional and institutional investors.
- A total of 30 placees have been allotted four board lots of the Placing Shares, representing approximately 17.96% of the total number of placees under the Placing. These placees have been allotted in aggregate 480,000 Placing Shares, representing approximately 0.38% of the 125,000,000 Placing Shares being offered under the Placing.
- A total of 30 placees have been allotted five board lots of the Placing Shares, representing approximately 17.96% of the total number of placees under the Placing. These placees have been allotted in aggregate 600,000 Placing Shares, representing approximately 0.48% of the 125,000,000 Placing Shares being offered under the Placing.
- Out of the 125,000,000 Placing Shares, an aggregate of 5,000,000 Placing Shares, representing 4.00% of the total number of the Placing Shares and 1.00% of the enlarged issued share capital of the Company immediately after the Capitalisation Issue and the completion of the Placing, have been allocated to Tam Cheuk Hang, a substantial shareholder of China Times Securities Ltd. (“**China Times**”), a distributor under the Placing, and thus is a connected client (as defined under note 2 to Rule 10.12(4) of the GEM Listing Rules) of China Times.

- Save as disclosed above, the Directors confirm that, to the best of their knowledge and belief, all the placees and their respective ultimate beneficial owners (where placees are corporations) under the Placing (the “**Placees**”) are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders and connected persons (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the Placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder, substantial shareholder, significant shareholder or connected person of the Company or any of its subsidiaries or a close associate of any of them, and none of the Placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder, substantial shareholder, significant shareholder or the connected person of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of shares of the Company registered in his/her/its name or otherwise held by him/her/it. No Placees will individually be placed over 10% of the enlarged issued share capital of the Company immediately after the Capitalisation Issue and the completion of the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after the Capitalisation Issue and the completion of the Placing.
- The Directors confirm that, immediately after the Capitalisation Issue and the completion of the Placing, the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be beneficially owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Wednesday, 22 February 2017. Shares will be traded in board lots of 4,000 Shares. The stock code for the Shares is 8188.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price has been determined at HK\$0.54 per Placing Share (excluding brokerage fee of 1.00%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%). The net proceeds to be received by the Company from the Placing, after deducting underwriting fees and other expenses, are approximately HK\$45.9 million. The Directors intend to use such net proceeds in accordance with the purposes set forth in the section headed “Future plans and use of proceeds” in the Prospectus in the following manner:

- approximately HK\$16.9 million (approximately 36.8% of the net proceeds) will be used to purchase machinery for the tunnel construction site operations as well as to support the marine construction works projects which the Company intends to extend into;
- approximately HK\$12.7 million (approximately 27.7% of the net proceeds) will be used to recruit additional prospective and/or experienced employees to increase the capacity of the Company in order to tender for more projects and strengthen the reputation of the Company as an integrated tunnel construction services provider as well as extending into high-value construction services, such as marine construction works;
- approximately HK\$9.5 million (approximately 20.7% of the net proceeds) will be used for repayment of overdraft facilities from a bank of which interest is charged at the bank’s prime rate. The utilised overdraft facilities with no maturity date is repayable on demand by the bank. The capital obtained from the overdraft facilities was used for the Group’s general working capital;
- approximately HK\$1.3 million (approximately 2.8% of the net proceeds) will be used for the rental expense of the newly rented office space of the Group which is to cope with the business plan to expand the local business operations and approximately HK\$1.2 million (approximately 2.6% of the net proceeds) will be used to refurbish and decorate the new office space; and
- approximately HK\$1.3 million (approximately 2.8% of the net proceeds) will be used to upgrade the information technology and project management systems of the Company.

The remaining balance of approximately HK\$3.0 million, representing approximately 6.6% of the net proceeds, will be used for the funding of the working capital and general corporate purposes of the Group.

LEVEL OF INDICATION OF INTEREST UNDER THE PLACING

Applications for a total of 174,128,000 Placing Shares have been received, equivalent to approximately 1.39 times the total number of 125,000,000 Placing Shares initially available for subscription under the Placing. The 125,000,000 Placing Shares offered under the Placing have been moderately over-subscribed.

A total of 30 placees have been allotted four board lots of the Placing Shares, representing approximately 17.96% of the total number of placees under the Placing. These placees have been allotted in aggregate 480,000 Placing Shares, representing approximately 0.38% of the 125,000,000 Placing Shares being offered under the Placing.

A total of 30 placees have been allotted five board lots of the Placing Shares, representing approximately 17.96% of the total number of placees under the Placing. These placees have been allotted in aggregate 600,000 Placing Shares, representing approximately 0.48% of the 125,000,000 Placing Shares being offered under the Placing.

RESULTS OF ALLOCATION

Pursuant to the Placing, 125,000,000 Shares have been conditionally allocated to a total of 167 individual, professional and institutional investors. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top Placee	7,000,000	5.60%	1.40%
Top 5 Placees	27,000,000	21.60%	5.40%
Top 10 Placees	45,700,000	36.56%	9.14%
Top 25 Placees	76,400,000	61.12%	15.28%

Number of Placing Shares allocated	Number of Placees
16,000 to 100,000	85
100,001 to 500,000	22
500,001 to 1,000,000	28
1,000,001 to 2,000,000	21
2,000,001 to 5,000,000	10
5,000,001 and above	<u>1</u>
 Total:	 <u><u>167</u></u>

Out of the 125,000,000 Placing Shares, an aggregate of 5,000,000 Placing Shares, representing 4.00% of the total number of the Placing Shares and 1.00% of the enlarged issued share capital of the Company immediately after the Capitalisation Issue and the completion of the Placing, have been allocated to Tam Cheuk Hang, a substantial shareholder of China Times, a distributor under the Placing, and thus is a connected client (as defined under note 2 to Rule 10.12(4) of the GEM Listing Rules) of China Times.

Save as disclosed above, the Directors confirm that, to the best of their knowledge and belief, all the Placees are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders, significant shareholders and connected persons (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the Placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder, substantial shareholder, significant shareholder or connected person of the Company or any of its subsidiaries or a close associate of any of them, and none of the Placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder, substantial shareholder, significant shareholder or connected person of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of shares of the Company registered in his/her/its name or otherwise held by him/her/it. No Placees will individually be placed over 10% of the enlarged issued share capital of the Company immediately after the Capitalisation Issue and the completion of the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after the Capitalisation Issue and the completion of the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be beneficially owned by the three largest public Shareholders. Immediately after the Capitalisation Issue and the Placing, the Directors confirm that the public float of the Company will be at least 25% of the issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders at the time of the Listing.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Wednesday, 22 February 2017) or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day (as defined in the GEM Listing Rules) after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

The share certificates for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on Tuesday, 21 February 2017 for credit to the relevant CCASS Participants' stock accounts or the relevant CCASS Investor Participants' stock accounts designated by the Sole Lead Manager, the placing agents, the placees or their respective agents (as the case may be) based on its instruction.

Prospective investors of the Placing Shares should note that the Underwriter is, in its discretion, entitled to terminate its obligations under the Underwriting Agreement by Sole Lead Manager (for itself and on behalf of the Underwriter) by giving notice in writing to the Company upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Wednesday, 22 February 2017). In the event that the Underwriting Agreement is terminated, the Placing will lapse and thereafter, all money received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.gmehk.com on the next business day immediately following the date of such lapse.

All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms and conditions prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Wednesday, 22 February 2017).

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Wednesday, 22 February 2017. Shares will be traded in board lots of 4,000 Shares each. The stock code for the Shares is 8188. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.gmehk.com.

By order of the Board
GME Group Holdings Limited
Chuang Chun Ngok Boris
Chairman and executive Director

Hong Kong, 21 February 2017

As at the date of this announcement, the executive Directors are Mr. Chuang Chun Ngok Boris and Mr. Chuang Wei Chu, and the independent non-executive Directors are Mr. Lam Man Bun Alan, Mr. Lau Chun Fai Douglas and Ir. Ng Wai Ming Patrick.

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 Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) 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 and a copy of the Prospectus will remain on the GEM website at www.hkgem.com and the Stock Exchange's website at www.hkexnews.hk and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the day of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.gmehk.com.