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*(incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1360)

**(1) PLACING OF NEW SHARES UNDER  
GENERAL MANDATE;  
AND  
(2) PLACING OF SHARES BY  
CONTROLLING SHAREHOLDER**

**Placing Agent**



**金利豐證券**

**KINGSTON SECURITIES**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 11 May 2015 (after trading hours), the Placing Agent and the Company entered into the GM Placing Agreement pursuant to which the Placing Agent agreed to place, on a best effort basis, 38,000,000 GM Placing Shares to currently expected not less than six Places who are Independent Third Parties.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the GM Placing, the 38,000,000 Placing Shares under the GM Placing represent (i) approximately 15.83% of the existing issued share capital of the Company of 240,000,000 Shares as at the date of this announcement; and (ii) approximately 13.67% of the issued share capital of the Company as enlarged by the allotment and issue of the GM Placing Shares. The aggregate nominal value of the Placing Shares under the GM Placing will be HK\$380,000.

The Placing Price of HK\$4.00 per Placing Share represents a discount of approximately 6.98% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$4.30 per Share as quoted on the Stock Exchange on the date of the GM Placing Agreement; and (ii) the average closing price of HK\$3.92 per Share in the last 5 trading days prior to the date of the GM Placing Agreement.

The GM Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the GM Placing Shares.

The gross proceeds from the GM Placing will be HK\$152 million. The net proceeds from the GM Placing will amount to approximately HK\$147 million which is intended to be used for general working capital of the Group. The net price raised per GM Placing Share will be approximately HK\$3.87 per Share.

## **PLACING OF SHARES BY CONTROLLING SHAREHOLDER**

On 11 May 2015 (after trading hours), the Company was informed by Business Good that, after trading hours on 11 May 2015, Business Good entered into the BG Placing Agreement with the Placing Agent for the BG Placing of a total of 71,800,000 Shares owned by Business Good, on a best effort basis at the Placing Price of HK\$4.00 per Share.

**The GM Placing and the BG Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

### **Date**

11 May 2015 (after trading hours)

### **Parties**

The Company and the Placing Agent

## **Placing Agent**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with any directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

## **Placees**

The Placing Agent will place the GM Placing Shares to currently expected not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. If any of the Placees becomes a substantial Shareholders (as defined under the Listing Rules) after the completion of the GM Placing, a further announcement will be made by the Company.

## **Number of GM Placing Shares**

38,000,000 GM Placing Shares will be placed by the Placing Agent on a best effort basis. Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the GM Placing, the 38,000,000 Placing Shares under the GM Placing represent (i) approximately 15.83% of the existing issued share capital of the Company of 240,000,000 Shares as at the date of this announcement; and (ii) approximately 13.67% of the issued share capital of the Company as enlarged by the allotment and issue of the GM Placing Shares. The aggregate nominal value of the Placing Shares under the GM Placing will be HK\$380,000.

## **Ranking of GM Placing Shares**

The Placing Shares under the GM Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the GM Placing Shares.

## **Placing Price**

The Placing Price of HK\$4.00 per Placing Share represents a discount of approximately 6.98% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$4.30 per Share as quoted on the Stock Exchange on the date of the GM Placing Agreement; and (ii) the average closing price of HK\$3.92 per Share in the last 5 trading days prior to the date of the GM Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the GM Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the GM Placing is in the interests of the Company and the Shareholders as a whole.

## **General Mandate to Allot and Issue the GM Placing Shares**

The GM Placing Shares will be issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 40,000,000 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the issue of the GM Placing Shares is not subject to the approval of the Shareholders.

## **Conditions of the GM Placing Agreement**

Completion of the GM Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the GM Placing; and
- (ii) the obligations of the Placing Agent under the GM Placing Agreement not being terminated in accordance with the terms of the GM Placing Agreement, including provisions regarding force majeure events.

## **Completion of the GM Placing**

Completion of the GM Placing, in any event, will take place within four business days after the fulfillment of the conditions as set out in paragraph headed “Conditions of the GM Placing Agreement” above or such other date to be agreed between the Company and the Placing Agent in writing (the “Completion Date”). If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on 26 May 2015 or such later date to be agreed between the Company and the Placing Agent in writing, the GM Placing will be terminated and the GM Placing will not proceed and all obligations and liabilities of the parties hereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches of the GM Placing Agreement).

## **Termination and force majeure**

The Placing Agent may terminate the GM Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the GM Placing would be materially and adversely affected by any force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the GM Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which

may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the GM Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the GM Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the GM Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the GM Placing.

If, at or prior to 9:00 a.m. on the Completion Date;

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the GM Placing Agreement; or
- (ii) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the GM Placing Agreement or any announcements or circulars relating to the GM Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the GM Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the GM Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the GM Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the GM Placing Agreement, save for any antecedent breaches.

## **REASONS FOR THE GM PLACING AND USE OF PROCEEDS**

The principal activities of the Group are the organisation and management of trade exhibitions and the provision of various exhibition management services for other exhibition organisers or project managers.

The maximum gross proceeds from the GM Placing will be HK\$152 million. The maximum net proceeds from the GM Placing will amount to approximately HK\$147 million which is intended to be used for the general working capital of the Group. The net proceeds raised per GM Placing Share will be approximately HK\$3.87 per Share.

The Directors have considered various ways of raising funds and believe that the GM Placing represents an opportunity to raise capital for the Group while broadening its Shareholder and capital base. Accordingly, the Directors are of the view that the GM Placing is in the best interest of the Company and its Shareholders as a whole.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
12 November 2014	Placing of new shares under general mandate	approximately HK\$51 million	for general working capital	used as intended

Save as disclosed above, the Company has not conducted any equity fund raising activities during the past twelve months immediately preceding the date of this announcement.

## **PLACING OF SHARES BY CONTROLLING SHAREHOLDER**

On 11 May 2015 (after trading hours), the Company was informed by Business Good that, after trading hours on 11 May 2015, it entered into the BG Placing Agreement with the Placing Agent for the BG Placing of a total of 71,800,000 BG Placing Shares, and such Shares are registered in the name of Business Good. Business Good is owned by Mr. Lee Chi Sang as to 93.2% and Business Good held as to 140,000,000 Shares (inclusive of 71,800,000 BG Placing Shares) as at the date of this announcement. Pursuant to the BG Placing Agreement, the Placing Agent shall place all the BG Placing Shares on a best effort basis at the Placing Price of HK\$4.00 per BG Placing Share.

As informed by Business Good, 38,000,000 GM Placing Shares shall be placed with first priority, followed by 71,800,000 BG Placing Shares. The BG Placing is conditional upon (i) the completion of placing of all 38,000,000 GM Placing Shares; and (ii) placing of all 71,800,000 BG Placing Shares and which shall be completed on or before 28 May 2015, or such of the date as Business Good and Placing Agent shall agree. After completion of the BG Placing (assuming all the GM Placing Shares and the BG Placing Shares are placed in full), Business Good will cease to be the controlling Shareholder but remain as the substantial Shareholder.

## **EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY**

The following table sets out the shareholding structure of the Company:

- (i) as at the date of this announcement;
- (ii) upon completion of the GM Placing (assuming all the GM Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the issue of the GM Placing Shares under the GM Placing); and

(iii) upon completion of the GM Placing and the BG Placing (assuming all the Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the issue of the Placing Shares under both the GM Placing and the BG Placing).

	As at the date of the Announcement		Upon completion of the GM Placing (Note 2)		Upon completion of the GM Placing and the BG Placing (Note 3)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Shareholders</b>						
Business Good (Note 1)	140,000,000	58.33%	140,000,000	50.36%	68,200,000	24.53%
<b>Public</b>						
The Places of the GM Placing	–	–	38,000,000	13.67%	38,000,000	13.67%
The Places of the BG Placing					71,800,000	25.83%
Other public Shareholders	100,000,000	41.67%	100,000,000	35.97%	100,000,000	35.97%
Total	<u>240,000,000</u>	<u>100.00%</u>	<u>278,000,000</u>	<u>100.00%</u>	<u>278,000,000</u>	<u>100.00%</u>

*Notes:*

1. The Shares are registered in the name of Business Good, of which Mr. Lee Chi Sang, an executive Director of the Company, held 93.2% of the entire share capital.
2. This assumes the GM Placing Shares are fully placed.
3. This assumes the GM Placing Shares and the BG Placing Shares are fully placed.
4. The percentage figures are rounded to two decimal places.

## GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the GM Placing Shares.

**The GM Placing and the BG Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **TERMS AND DEFINITIONS**

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

“AGM”	the annual general meeting of the Company held on 14 November 2014
“Board”	the board of Directors
“BG Placing”	the placing of 71,800,000 BG Placing Shares pursuant to the terms of the BG Placing Agreement
“BG Placing Agreement”	the conditional placing agreement entered into between Business Good and the Placing Agent dated 11 May 2015 in relation to the BG Placing
“BG Placing Share(s)”	up to 71,800,000 issued Shares to be placed pursuant to the BG Placing Agreement
“Business Good”	Business Good Holdings Limited (商佳控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 3 April 2012 and was owned by Mr. Lee Chi Sang as to 93.2%, and it held as to 140,000,000 Shares as at the date of this announcement
“Company”	Mega Expo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1360)
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Board
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“GM Placing”	the placing of up to 38,000,000 GM Placing Shares pursuant to the terms of the GM Placing Agreement
“GM Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 11 May 2015 in relation to the GM Placing
“GM Placing Share(s)”	up to 38,000,000 new Shares to be placed pursuant to the GM Placing Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of, not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Price”	HK\$4.00 per Placing Share
“Placing Share(s)”	the GM Placing Share(s) and/or the BG Placing Share(s)

“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the GM Placing Agreement and/or the BG Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By the order of the Board  
**Mega Expo Holdings Limited**  
**Lee Chi Sang**  
*Chairman*

Hong Kong, 11 May 2015

*As at the date of this announcement, the Board comprises Mr. Lee Chi Sang and Mr. Si Tze Fung as executive Directors; Mr. Chu Kwok Man, Mr. Law Sung Ching, Gavin and Mr. Yeung Chun Yue, David as independent non-executive Directors.*