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

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

 **KINGSTON SECURITIES**

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 19 May 2017 (after trading hours of the Stock Exchange), the Company and the placing Agent entered into the Placing Agreement, whereby the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, of up to 84,000,000 Placing Shares to currently expected not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties at the Placing Price of HK\$1.19 per Placing Share.

Assuming no further issue of new Shares or repurchase of Shares before the completion of Placing, the number of Placing Shares of up to 84,000,000 new Shares represent (i) approximately 6.22% of the existing issued share capital of the Company of 1,350,800,000 Shares as at the date of this announcement; and (ii) approximately 5.85% of the Company's issued share capital of 1,434,800,000 Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$1.19 represents (i) a discount of approximately 17.93% to the closing price of HK\$1.45 per Share as quoted on the Stock Exchange as at the date of this announcement; and (ii) a discount of approximately 17.36% to the average closing price of HK\$1.44 per Share as quoted on the Stock Exchange for last five consecutive trading days immediately prior to the date of the Placing Agreement.

The maximum gross proceeds and the maximum net proceeds from the Placing will be HK\$99,960,000 and approximately HK\$97,161,000 respectively, which are intended to be used for general working capital of the Group and/or future investments if opportunities arise.

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

The Placing Shares are to be issued and allotted under the General Mandate.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

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

The Placing Agreement

Date: 19 May 2017

Issuer: The Company

The Placing Agent

The Placing Agent has been appointed to place, on a best effort basis, the Placing Shares at the Placing Price. The Placing Agent is a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will be entitled to receive a commission of 2.5% of the amount equal to the Placing Price multiplied by the actual number of the Placing Shares successfully placed by the Placing Agent. The commission for the Placing was arrived at after arm's length negotiation between the Company and the Placing Agent with reference to, amongst other things the prevailing market practice.

The Placees

The Placing Shares will be placed on a best effort basis to currently expected to be not less than six (6) Placees (who will be independent professional, institutional or other investors) who and whose ultimate beneficial owners shall be Independent Third Parties.

Number of Placing Shares

Assuming no further issue of new Shares or repurchase of Shares between the date of this announcement and the completion of the Placing, the number of Placing Shares represent (i) approximately 6.22% of the existing issued share capital of the Company of 1,350,800,000 Shares as at the date of this announcement; and (ii) approximately 5.85% of the Company's issued share capital of 1,434,800,000 Shares as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing is HK\$168,000.

Placing Price

The Placing Price is HK\$1.19 per Placing Share. Based on the estimated expenses for the Placing, the net Placing Price is approximately HK\$1.16 per Placing Share.

The Placing Price of HK\$1.19 represents:

- (a) a discount of approximately 17.93% to the closing price of HK\$1.45 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement; and
- (b) a discount of approximately 17.36% to the average closing price of HK\$1.44 per Share as quoted on the Stock Exchange for last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to, amongst others, the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable based on the prevailing market conditions and is in the interests of the Company and the Shareholders as a whole.

The Placing Shares will, upon allotment and issue, be free from all liens, charges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at completion of the Placing and thereafter.

Ranking of Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the date of allotment and issue of the Placing Shares.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate.

Under the General Mandate, the Directors are authorised to issue up to 240,000,000 new Shares. As at the date of this announcement, the Directors are allowed to issue up to 187,800,000 new Shares. Accordingly, no Shareholder's approval is required for the Placing.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

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

Completion of the Placing

Completion of the Placing, will take place within four Business Days after the fulfillment of the conditions as set out in paragraph headed “Conditions of the 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 prior to 5:00 p.m. on 9 June 2017, or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the 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 thereof).

Termination and force majeure

The Placing Agent may terminate the 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 Placing would be materially and adversely affected by any force majeure events:

- (a) 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
- (b) 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 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 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 Placing; or

- (c) 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 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 Placing.

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

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) 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(s) or circular(s) relating to the Placing Agreement; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the 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 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 Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement 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 Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Reasons for the Placing and use of proceeds

The Group is principally engaged in management, as well as the organisation of trade exhibitions and the provision of exhibition related service for other exhibition organisers or project managers.

The maximum gross proceeds from the Placing will be HK\$99,960,000. The maximum net proceeds from the Placing will amount to approximately HK\$97,161,000 which is intended to be used for the general working capital of the Group and/or future investments if opportunities arise.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Fund raising activities in the past twelve months

Apart from the fund raising activities mentioned below, the Company had not conducted any equity raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Completion date	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceed (as at date of this announcement)
6 December 2016	23 December 2016	Placing of new shares under general mandate	Approximately HK\$92.3 million	For the general working capital of the Group and/or future investments if opportunities arise	(i) HK\$40 million was used to acquire a target group to strengthen and enhance the Group's exhibition business in China (details can be referred to the announcement of the Company dated 10 February 2017); (ii) approximately HK\$7.9 million was used for general working capital of the Group; and (iii) approximately HK\$44.4 million will be used as intended.

Shareholding structure

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing, to the best knowledge of the Directors, is set out as below:

	At the date of this announcement		Immediately after the completion of Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders				
Chen Chao	164,235,000	12.16	164,235,000	11.45
The Placees	–	–	84,000,000	5.85
Other public Shareholders	<u>1,186,565,000</u>	<u>87.84</u>	<u>1,186,565,000</u>	<u>82.70</u>
Total	<u><u>1,350,800,000</u></u>	<u><u>100.00</u></u>	<u><u>1,434,800,000</u></u>	<u><u>100.00</u></u>

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 Placing Shares.

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

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day(s) (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Mega Expo Holdings Limited (stock code: 1360), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on Main Board
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate to issue and repurchase shares granted to the Directors at the annual general meeting of the Company held on 9 December 2016
“Group”	the Company and its subsidiaries from time to time
“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 Main Board of the Stock Exchange
“Placees”	any independent professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 84,000,000 Placing Shares by the Placing Agent pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 19 May 2017 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.19 per Placing Share
“Placing Share(s)”	up to 84,000,000 new Shares to be placed by the Placing Agent pursuant to the terms of the Placing Agreement
“Share(s)”	the ordinary shares of HK\$0.002 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By the order of the Board
Mega Expo Holdings Limited
Deng Zhonglin
Chairman

Hong Kong, 19 May 2017

As at the date of this announcement, the Board comprises Mr. Deng Zhonglin, Ms. Zhang Jun and Mr. Lu Linyu as executive Directors; Mr. Choi Hung Fai, Mr. Yang Bo and Mr. Tsang Wing Ki as independent non-executive Directors.