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

## **PLACING OF BONDS**

**Placing Agent**



### **PLACING OF BONDS**

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

Reference is made to the announcement of the Company dated 11 June 2018 regarding the proposed issue of bonds by the Company.

On 6 August 2018 (after trading hours of the Stock Exchange), the Placing Agent, the Company and the Guarantor entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure, on a best efforts basis, the Places to subscribe in cash for the Bonds in an aggregate principal amount of up to HK\$100,000,000 during the Placing Period.

**The Placing Completion is subject to, among others, the rights of the Placing Agent, the Company and the Guarantor to terminate the Placing Agreement pursuant to the terms thereof. Accordingly, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

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## **THE PLACING AGREEMENT**

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Date : 6 August 2018

Issuer : The Company

Placing Agent : The Placing Agent

To the best of the Director's knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Guarantor : Mr. Deng Zhonglin, a chairman of the Board and an executive Director of the Company.

Placees : The Bonds will be placed to the Placees who and whose ultimate beneficial owners shall be Independent Third Parties.

Aggregate Principal Amount : Up to HK\$100,000,000

- Placing Period : A period of twelve months commencing from the date of the Placing Agreement, or such other period as may be agreed between the Company and the Placing Agent in writing.
- Placing Completion : Subject to the termination rights of the Placing Agent, the Company and the Guarantor under the Placing Agreement and the Placing Agent having served a completion notice on any Business Day during the Placing Period, the Placing Completion shall take place, in respect of the Bonds which are set out in the completion notice, at 4:00 p.m. (Hong Kong time) on each Placing Completion Date (or such later time and date as the Placing Agent and the Company may agree in writing). In order to be valid, the completion notice shall:
- (a) require the issue of Bonds of an aggregate principal amount not less than HK\$1,000,000 and subsequence for integral multiples of HK\$100,000 thereof;
  - (b) not, when aggregated with the principal amount of Bonds then issued or required to be issued under other completion notices, exceed HK\$100,000,000; and
  - (c) state the names, addresses and occupation of the registered holder(s) of the relevant Bonds.
- Guarantee : On each Placing Completion, the Guarantor shall execute a deed of guarantee in favour of the Placee(s) to guarantee due and punctual payment and performance of all obligations, agreements, warranties and undertakings of the Company to the Placees(s) under the Bonds.

As the Guarantor is a chairman of the Board and an executive Director of the Company, the provision of the Guarantee pursuant to the Placing Agreement constitutes a connected transaction in form of financial assistance in favour of the Company. However, as the Guarantee is not secured by any assets of the Group, and the Directors are of the view that the Guarantee by the Guarantor is provided on normal commercial terms or better, the provision of the Guarantee will be fully exempt from the Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

## **CONDITIONS PRECEDENT**

The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions having been fulfilled within 7 Business Days from the date of the Placing Agreement (or such later time and date as the Placing Agent and the Company may agree in writing):

- (a) all necessary consents and approvals as may be required to be obtained by the Company and the Placing Agent in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (b) there being no event of default (as defined in the instrument(s) to be executed by the Company by way of deed poll(s) constituting the Bonds) having occurred or occurring.

Save as the condition specified in (b) above which can be waived by the Placing Agent at any time in writing, all conditions referred to above are incapable of being waived. If any of the above conditions are not fulfilled (or, as the case may be, waived by the Placing Agent) within 7 Business Days or such later time or date as may be agreed between the Placing Agent and the Company in writing, each of the Company and the Placing Agent may, at any time thereafter, terminate its obligations under the Placing Agreement by notice in writing to the other party, whereupon the obligations of each of the Company, the Placing Agent and the Guarantor under the Placing Agreement shall forthwith cease and terminate and the Company, the Placing Agent or the Guarantor shall have no claim against any of the others, save for any antecedent breach thereof.

## **TERMINATION**

The Placing Agent may (after consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by notice in writing to the Company and the Guarantor given at any time prior to the expiry of the Placing Period, terminate the Placing Agreement if, in the reasonable opinion of the Placing Agent, the success of the Placing contemplated thereunder would be materially and adversely affected by:

- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable 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 is materially adverse in the context of the Placing; 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 Placing Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable 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 materially and makes it inexpedient or inadvisable to proceed with the Placing; or
- (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Placing Agent is likely to materially or adversely affect the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than 15 consecutive Business Days, excluding any suspension in connection with the clearance of this announcement, circular or other documents, where appropriate, in connection with the subscription contemplated under the Placing Agreement; or
- (vi) any material breach of any of the warranties given by the Company and/or the Guarantor under the Placing Agreement comes to the knowledge of the Placing Agent.

In the event that the Placing Agent terminates the Placing Agreement prior to the expiry of the Placing Period by serving the abovementioned notice, the obligations of all parties under the Placing Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. For the avoidance of doubt, such termination shall be without prejudice to any rights of any party prior to termination and shall not affect the rights and obligations of the parties under the Placing Agreement in respect of any completion notice(s) (if any) served prior to such termination and the parties will be required to proceed with Placing Completion in accordance with any completion notice(s) (if any) served prior to such termination.

In addition, the Company and the Guarantor may jointly, by giving one-month notice in advance to the Placing Agent prior to the expiry of the Placing Period, terminate the Placing Agreement in the absolute opinion of the Company and the Guarantor.

## **PRINCIPAL TERMS OF THE BONDS**

Salient terms of the Bonds are summarised below:

Aggregate Principal Amount	:	Up to HK\$100,000,000
Denomination	:	Denominated in Hong Kong dollars and require the issue of Bonds of an aggregate principal amount not less than HK\$1,000,000 and subsequence for integral multiples of HK\$100,000 each thereof.
Interest	:	Up to 6.75% per annum for Bonds of not exceeding 8 years (inclusive of the 8th year), which may have single maturity period or various maturity periods, accrued daily on a 365 days' basis, payable semi-annually in arrears, from and including the date of issue of the Bonds, on the outstanding principal amount thereof.
Maturity Date	:	The date falling on (or, if that is not a Business Day, the first Business Day thereafter) the expiry of the stated maturity period of the date(s) of issue of the Bonds.

- Early Redemption : The Company may at any time before the maturity date and from time to time by serving at least 10 days' prior written notice on the Bondholder (with the total amount proposed to be redeemed from the Bondholder and the proposed date of early redemption specified therein), redeem the Bond (in whole or in part) of the total principal amount of such Bond on a "first in, first out" basis together with payment of interests accrued up to the date of such early redemption. For the avoidance of doubt, no early redemption may be requested by the Bondholder.
- Event of Default : If any of the events of default as described in the terms and conditions of the Bonds occurs, a Bondholder may give notice in writing to the Company that the Bonds are immediately due and repayable, and upon any such notice being given to the Company, the Bonds will immediately become due and repayable at their principal amount.
- Status of Bonds : The Bonds constitute direct, unconditional, unsubordinated, unsecured and guaranteed obligations of the Company and rank pari passu and without any preference among themselves, and the payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislations, at all times rank at least equally with all other present, unsecured and unsubordinated obligations of the Company.
- Transferability : The Bonds may be transferred in whole multiples of HK\$100,000 (or such lesser amount as may represent the entire principal amount thereof). Except with the consent of Company and/or the Stock Exchange (as the case may be) and in compliance with all applicable laws, rules and regulations, including but not limited to the Listing Rules, the Bonds may not be transferred to any connected person of the Company.
- Listing : No application will be made for the listing of the Bonds.

The terms of Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

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

The Group is principally engaged in the business of (i) exhibition business, events contracting and related services; (ii) exhibition and entertainment events contracting services and equipment advisory; (iii) brand management and brand management related downstream businesses; and (iv) entertainment promotion and consultancy services.

Assuming the Bonds are subscribed in full, the maximum gross proceeds from the Placing will be HK\$100,000,000. The net proceeds from the Placing (after deducting the placing commission and other related costs and expenses) will be used by the Company (i) for development of existing exhibition and related business, brand management, financing business, entertainment promotion and consultancy business; and (ii) for investment activities when such suitable investment opportunities arise, with any remaining balance to be used as general working capital of the Group.

The Board considers that the Placing provides a suitable opportunity to raise capital for the Group. In addition, the Placing will not result in any dilution effect on the shareholding of the existing Shareholders.

In view of the above, the Directors are of the view that the Placing provides a good opportunity to strengthen the Company's financial position and the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**The Placing Completion is subject to, among others, the rights of the Placing Agent, the Company and the Guarantor to terminate the Placing Agreement pursuant to the terms thereof. Accordingly, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Board”	the board of Directors
“Bonds”	Up to 6.75% coupon unlisted Bonds of not exceeding 8 years to be issued by the Company to be placed pursuant to the Placing Agreement with an aggregate principal amount of up to HK\$100,000,000
“Bondholder(s)”	the holder(s) of the Bonds whose name a Bond is registered in the register of Bondholders
“Business Day(s)”	any day (excluding a Saturday, Sunday and other public holidays) on which commercial banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Mega Expo Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (Stock code:1360)
“connected person(s)”	has the meaning as defined under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Group”	the Company and its subsidiaries

“Guarantee”	the obligation of the Guarantor on each Placing Completion to execute a deed of guarantee in favour of the Placee(s) to guarantee due and punctual payment and performance of all obligations, agreements, warranties and undertakings of the Company to the Placees(s) under the Bonds
“Guarantor”	Mr. Deng Zhonglin, a chairman of the Board and an executive Director of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) which/who is/are not a connected person of the Company and is/are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity to whom the Placing Agent or its agent shall procure or, as the case may be, shall have procured to subscribe for the Bonds on a best efforts basis pursuant to the Placing Agreement
“Placing”	the placing of the Bonds by the Placing Agent on a best effort basis during the Placing Period pursuant to the terms of the Placing Agreement
“Placing Agent”	Head & Shoulders Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO

“Placing Agreement”	the placing agreement dated 6 August 2018 and entered into among the Company, the Placing Agent and the Guarantor in relation to the Placing
“Placing Completion”	completion of each tranche of subscription of the Bonds in accordance with the terms and condition of the Placing Agreement
“Placing Completion Date(s)”	the date(s) of Placing Completion
“Placing Period”	a period of twelve months commencing from the date of the Placing Agreement, or such other period as may be agreed between the Company and the Placing Agent in writing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.002 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
“%”	per cent.

By Order of the Board  
**Mega Expo Holdings Limited**  
**Deng Zhonglin**  
*Chairman*

Hong Kong, 6 August 2018

*As at the date of this announcement, the Board comprises Mr. Deng Zhonglin and Mr. Xu Feng as executive Directors; and Mr. Choi Hung Fai, Mr. Tsang Wing Ki and Dr. Wong Kong Tin, JP as independent non-executive Directors.*