

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1360)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

平安證券有限公司
Ping An Securities Limited

The Company announces that on 12 November 2014, after the trading hours, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 40,000,000 new Shares, at the Placing Price of HK\$1.381 per Placing Share.

The Placing Shares represent approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing.

The Placing Price of HK\$1.381 per Placing Share represents a discount of approximately 19.99% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$1.540 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$1.726 in the last five consecutive trading days prior to the date of the Placing Agreement.

The net proceeds from the Placing to be received by the Company are estimated to be approximately HK\$51 million. The net proceeds from the Placing are intended to be used for general working capital purpose.

As the Placing may or may not proceed, Shareholders and potential investor of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Company announces that on 12 November 2014, after the trading hours, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 40,000,000 new Shares, at the Placing Price of HK\$1.381 per Placing Share.

THE PLACING AGREEMENT

Date

12 November 2014 (after trading hours)

Parties involved

- (a) the Company; and
- (b) the Placing Agent.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Group and its connected persons (as defined in the Listing Rules). The Placing Agent will receive (i) 6% of the amount equal to the fund may be raised by the Company in respect of the Placing and (ii) HK\$300,000 as documentation fee, which are both determined after arm's length negotiation between the Company and the Placing Agent.

Placees

The Placing Shares will be placed to not less than six placees (being independent individual, corporate, institutional and/or private investors), and who and whose ultimate beneficial owners will be third parties independent of the Company (and its subsidiaries) and its connected persons (as defined in the Listing Rules). It is expected that none of the placees will become a substantial shareholder of the Company immediately after the Placing.

Placing Shares

40,000,000 Placing Shares, representing approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing. The maximum nominal value of the Placing Shares under the Placing will be HK\$400,000.

Placing Price

The Placing Price of HK\$1.381 per Placing Share represents (i) a discount of approximately 10.32% to the closing price of HK\$1.540 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of 19.99 % to the average of the closing prices per Share of HK\$1.726 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent, with reference to the recent trading prices of the Shares. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement and the Placing Price are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

Ranking of the Placing Shares

When issued and fully paid, the Placing Shares will rank pari passu in all respects among themselves and with Shares in issue at the time of the allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the Issue Mandate granted to the Directors based on the resolution in writing of the then sole Shareholder passed on 18 October 2013, which remained unutilised as at the date of this announcement. Pursuant to the Issue Mandate, the Company is authorized to allot and issue up to 40,000,000 new Shares. Immediately upon completion of the Placing, the Issue Mandate will be 100% utilised.

The issue of the Placing Shares is not subject to Shareholders' approval.

Conditions of the Placing

The Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares. Application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Placing Shares.

If the above conditions are not fulfilled by 21 November 2014 or such other date as the parties may agree, the obligations and liabilities of the Company and the Placing Agent under the Placing Agreement shall become null and void and the Company and the Placing Agent shall be released from all their respective rights and obligations pursuant to the Placing Agreement.

Completion of the Placing

Completion of the Placing is expected to take place on or before 28 November 2014 (or such earlier date as may be agreed by the Company and the Placing Agent).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The gross proceeds arising from the Placing will be approximately HK\$55 million and the estimated net proceeds from the Placing, after deducting the related placing fee, professional fees and all other related expenses incurred in connection with the Placing, which will be borne by the Company, are expected to be approximately HK\$51 million, representing a net placing price of approximately HK\$1.275 per Placing Share.

The Directors consider that it is in the best interest of the Company and its shareholders as a whole to raise further capital from the equity market by way of the placing in order to enhance the capital base of the Company as well as to strengthen the cash flow of the Company. The net proceeds of approximately HK\$51 million will be used for general working capital purpose.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed above, the Company has not conducted any fund raising activities during the past 12 months immediately preceding the date of this announcement.

EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company immediately before and after the Placing:

	As at the date of this announcement		Immediately after completion of the Placing assuming all the Placing Shares has been placed out	
	Number of Shares	Approximate percentage of shareholding%	Number of Shares	Approximate percentage of shareholding%
Business Good Holdings Limited (<i>note</i>)	140,000,000	70.00	140,000,000	58.33
Public Shareholders				
Placees	-	-	40,000,000	16.67
Other public Shareholders	60,000,000	30.00	60,000,000	25.00
	200,000,000	100.00	240,000,000	100.00

Note:

The shares are registered in the name of Business Good Holdings Limited, of which Mr. Lee Chi Sang, the Chairman and an executive Director of the Company, held 93.2% of the entire share capital of Business Good Holdings Limited.

As the Placing may or may not proceed, Shareholders and potential investor of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Mega Expo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, with its Shares listed on the Stock Exchange;
“Director(s)”	directors of the Company;
“Existing Share(s)”	existing ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	the general mandate granted to the Directors to allot and issue 40,000,000 new Shares pursuant to a resolution passed by the then sole Shareholder of the Company on 18 October 2013;
“Last Trading Day”	12 November 2014, being the last trading day for the Shares prior to the issue of this announcement;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Placing”	the placing of the Placing Shares on a best effort basis pursuant to the terms of the Placing Agreement;
“Placing Agent”	Ping An Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the placing agent to the Company in respect of the Placing;
“Placing Agreement”	the agreement dated 12 November 2014 in relation to the Placing entered into between the Company and the Placing Agent after trading hours;
“Placing Price”	HK\$1.381 per Placing Share;

“Placing Share(s)”	40,000,000 new Shares to be placed through the Placing Agent by the Company pursuant to the Placing Agreement;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.01 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;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 12 November 2014

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 and Mr. Law Sung Ching, Gavin as independent non-executive Directors.