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## **PERFECT SHAPE (PRC) HOLDINGS LIMITED**

**必瘦站（中國）控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(stock code: 1830)**

### **TOP-UP PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING**

#### **TOP-UP PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES**

The Board is pleased to announce that on 30 May 2014, the Company, the Placee and the Vendor entered into the Placing and Subscription Agreement pursuant to which (i) the Vendor agreed to sell, and the Placee agreed to procure the Placee Funds to purchase, 58,000,000 Placing Shares at the Placing Price of HK\$1.90 per Share and (ii) the Company conditionally agreed to issue and the Vendor conditionally agreed to subscribe for 58,000,000 Subscription Shares.

It is expected that the net proceeds from the Subscription will be used by the Company for incorporating medical beauty units in the existing slimming service centres in Hong Kong, China and Macau. The Directors consider that by bringing in one of Asia's largest investors, Value Partners Hong Kong Limited, the entering into the Placing and Subscription Agreement will broaden the capital base and the Shareholder base of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placee and the Placee Funds are independent third parties not connected with the directors, chief executive, or substantial shareholders of the Company or its subsidiaries or any of their respective associates and are independent of, and not acting in concert with, the Vendor and the parties acting in concert with it.

The Placing Shares represent 5.4% of the existing issued share capital of the Company and approximately 5.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming no further new Shares will be issued before the completion of the Subscription.

Completion of the Subscription is conditional upon (i) the Listing Committee granting listing of and permission to deal in the Subscription Shares; and (ii) the completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

As the Subscription is subject to the satisfaction of the Conditions Precedent and may or may not proceed to completion, shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

### **RESUMPTION OF TRADING**

Trading in Shares on the Stock Exchange was halted from 1:00 p.m. on 30 May 2014 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 3 June 2014.

## **THE PLACING AND SUBSCRIPTION AGREEMENT**

**Date:** 30 May 2014

**Parties:** the Company

the Vendor

the Placee

To the best knowledge of the Directors and having made all reasonable enquiries, the Placee and the Placee Funds are independent of and not connected with any of the directors, chief executives, substantial shareholders of the Company, or any of its subsidiaries or their respective associates and are independent of, and not acting in concert with, the Vendor and the parties acting in concert with it. As at the date of this announcement, the Placee and the Placee Funds are not interested in any Shares.

The Vendor is the controlling shareholder of the Company and currently holding 382,500,000 Shares, representing 35.58% of the existing issued share capital of the Company.

### **PLACING**

Pursuant to the Placing and Subscription Agreement, the Vendor agreed to sell, and the Placee agreed to procure the Placee Funds to purchase, 58,000,000 Placing Shares at the Placing Price of HK\$1.90 per Share. The Placing is unconditional.

### **Placing Shares**

The Placing Shares represent 5.4% of the existing issued share capital of the Company of 1,075,000,000 Shares and approximately 5.1% of the issued share capital of the Company of 1,133,000,000 Shares as enlarged by the allotment and issue of the Subscription Shares.

The Placing Shares shall be sold free from encumbrance and rank pari passu in all respects with the Shares in issue on the date of completion of the Placing.

### **Placing Price**

HK\$1.90 per Share. The Placing Price represents:

- (i) a discount of approximately 4.5% to the closing price of HK\$1.99 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.0% to the average closing price of HK\$1.98 per Share for the 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (iii) a premium of approximately 1.1% to the average closing price of HK\$1.88 per Share for the 15 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day.

The Placing Price was determined and negotiated on an arm's length basis between the parties to the Placing and Subscription Agreement with reference to the recent trading prices of the Shares as quoted on the Stock Exchange.

### **Completion of the Placing**

Completion of the Placing will take place before 9:30 a.m. on 6 June 2014 or such other date as the Vendor and the Placee shall agree in writing.

### **Lock-up undertaking**

The Placee undertakes to each of the Company and the Vendor that the Placee Funds shall not sell or transfer any of the Placing Shares for a period of 3 months from the date of the completion of the Placing without the prior written consent of both the Company and the Vendor.

## **THE SHARE SUBSCRIPTION**

Pursuant to the Placing and Subscription Agreement, the Company conditionally agreed to issue and allot to the Vendor and the Vendor conditionally agreed to subscribe for 58,000,000 Subscription Shares at the Subscription Price of HK\$1.90 per Share.

### **Subscription Shares**

The Subscription Shares represent 5.4% of the existing issued share capital of the Company of 1,075,000,000 Shares and approximately 5.1% of the issued share capital of the Company of 1,133,000,000 Shares as enlarged by the allotment and issue of the Subscription Shares.

### **Ranking of Subscription Shares**

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

## **Subscription Price**

HK\$1.90 per Share. The Subscription Price represents:

- (i) a discount of approximately 4.5% to the closing price of HK\$1.99 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 4.0% to the average closing price of HK\$1.98 per Share for the 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (iii) a premium of approximately 1.1% to the average closing price of HK\$1.88 per Share for the 15 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day.

The Company will be able to raise HK\$110.2 million gross proceeds and approximately HK\$109.6 million net proceeds from the Subscription. On this basis, the net issue price per Subscription Share is approximately HK\$1.89.

The Subscription Price was determined at the Placing Price, which was negotiated on an arm's length basis between the parties to the Placing and Subscription Agreement.

## **Conditions Precedent**

Completion of the Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Subscription Shares; and
- (ii) the completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

If any of the above conditions is not fulfilled by 13 June 2014 (or such other date as the parties may agree), the obligations of the Company and the Vendor to complete the Subscription shall terminate and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise in respect of the Subscription unless the Company and the Vendor shall in writing on or before 13 June 2014 jointly agree to elect to postpone the completion of the Subscription to such later date as they may agree subject to compliance with all applicable requirements under Chapter 14A of the Listing Rules (including as to approval by independent shareholders of the Company).

As the Subscription is subject to the satisfaction of the Conditions Precedent and may or may not proceed to completion, shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

## **Completion of the Subscription**

Completion of the Subscription will take place on the third business day after all the Conditions Precedent have been fulfilled or such other date as the Company and the Vendor shall agree in writing.

## General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM. As at the date of this announcement, 75,000,000 Shares have been issued under the General Mandate. The Subscription and the issue of the Subscription Shares are not subject to the Shareholders' approval.

## Takeovers Code

As the Vendor, together with parties presuming to be acting in concert with it, namely, Earlsong Holdings Limited and Market Event Holdings Limited, has continuously held more than 50% of the voting rights of the Company for at least 12 months immediately preceding the date of the Placing and Subscription Agreement, a waiver from the obligation to make a general offer under Rule 26 of the Takeovers Code will not be applied for pursuant to Note 6 on dispensation from the rule.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no further new Shares will be issued before the completion of the Subscription, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of Placing but before the completion of Subscription; and (iii) immediately after completion of the Subscription are as follow:

	As at the date of this announcement		Immediately after the completion of Placing but before the completion of Subscription		Immediately after the completion of the Subscription	
	Shares	%	Shares	%	Shares	%
Sure Sino Investments Limited ( <i>Note 1</i> )	382,500,000	35.58	324,500,000	30.18	382,500,000	33.76
Dr. Au-Yeung Kong	1,000,000	0.09	1,000,000	0.09	1,000,000	0.09
Earlsong Holdings Limited ( <i>Note 2</i> )	180,000,000	16.74	180,000,000	16.74	180,000,000	15.89
Market Event Holdings Limited ( <i>Note 3</i> )	137,500,000	12.79	137,500,000	12.79	137,500,000	12.13
Templeton Asset Management Limited	54,712,000	5.09	54,712,000	5.09	54,712,000	4.83
Fidelity Investment Trust: Fidelity China Region Fund	75,000,000	6.98	75,000,000	6.98	75,000,000	6.62
Value Partners Hong Kong Limited or the Placee Funds	—	—	58,000,000	5.40	58,000,000	5.12
Other public Shareholders	<u>244,288,000</u>	<u>22.73</u>	<u>244,288,000</u>	<u>22.73</u>	<u>244,288,000</u>	<u>21.56</u>
<b>Total</b>	<b><u>1,075,000,000</u></b>	<b><u>100.00</u></b>	<b><u>1,075,000,000</u></b>	<b><u>100.00</u></b>	<b><u>1,133,000,000</u></b>	<b><u>100.00</u></b>

Notes:

- (1) Dr. Au-Yeung Kong beneficially owns the entire issued share capital of Sure Sino Investments Limited. By virtue of the SFO, Dr. Au-Yeung Kong is deemed to be interested in the shares held by Sure Sino Investments Limited.
- (2) Ms. Au-Yeung Wai beneficially owns the entire issued share capital of Earlsong Holdings Limited. By virtue of the SFO, Ms. Au-Yeung Wai is deemed to be interested in the shares held by Earlsong Holdings Limited.
- (3) Ms. Au-Yeung Hung beneficially owns the entire issued share capital of Market Event Holdings Limited. By virtue of the SFO, Ms. Au-Yeung Hung is deemed to be interested in the shares held by Market Event Holdings Limited.

## **REASONS FOR THE ENTERING INTO THE PLACING AND SUBSCRIPTION AGREEMENT AND USE OF PROCEEDS**

The Group is principally engaged in providing premium slimming and medical beauty services in Hong Kong, China and Macau.

The total funds to be raised and the net proceeds from the Subscription are expected to be approximately HK\$110.2 million and HK\$109.6 million respectively. It is expected that the net proceeds from the Subscription will be used by the Company for incorporating medical beauty units in the existing slimming service centres in Hong Kong, China and Macau.

The Directors consider that by bringing in one of Asia's largest investors, Value Partners Hong Kong Limited, the entering into the Placing and Subscription Agreement will broaden the capital base and the Shareholder base of the Company.

The Directors consider that the Placing and Subscription Agreement was entered into upon normal commercial terms following arm's length negotiations between the parties and that the terms of the Placing and Subscription Agreement (including the Placing Price and the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **PUBLIC FLOAT**

The Company will be able to comply with the public float requirement under the Listing Rules immediately after completion of the Subscription.

## **FUND RAISING ACTIVITY OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT**

Save as disclosed below, there was no other fund raising activity for the Company in the 12 months immediately preceding the date of this announcement.

<b>Date of initial announcement</b>	<b>Description</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date hereof</b>
22 April 2014	top-up placing and subscription of Shares	HK\$130.6 million	for accelerating the expansion of medical beauty service centres in Hong Kong and China	HK\$13.8 million

## **GENERAL**

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

## **INFORMATION OF PLACEE AND PLACEE FUNDS**

Value Partners Hong Kong Limited (together with other subsidiaries under Value Partners Group Limited ("Value Partners")) was established in 1999. It acts as investment manager or investment advisor to certain investment funds. It is a wholly-owned subsidiary of Value Partners Group Limited, a company listed on the Stock Exchange (stock code: 806). Value Partners is one of Asia's largest independent asset management firms headquartered in Hong



Kong. Value Partners manages absolute return long-biased funds, long-short hedge funds, exchange-traded funds, quantitative funds, as well as fixed income products for institutional and individual clients in Asia Pacific, Europe and the United States.

## **RESUMPTION OF TRADING**

Trading in Shares on the Stock Exchange was halted from 1:00 p.m. on 30 May 2014 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 3 June 2014.

## **DEFINITIONS**

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

“AGM”	the Company’s annual general meeting held on 15 August 2013
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Perfect Shape (PRC) 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
“Conditions Precedent”	the conditions precedent for the Subscription as set out in the Placing and Subscription Agreement
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the Company’s AGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the issued share capital of the company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	30 May 2014
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee”	Value Partners Hong Kong Limited
“Placee Funds”	the investment funds or managed accounts that the Placee or its subsidiary manages or advises

“Placing”	the placing of 58,000,000 existing Shares by the Vendor to the Placee under the Placing and Subscription Agreement
“Placing and Subscription Agreement”	the placing and subscription agreement dated 30 May 2014 entered into among the Company, the Vendor and the Placee in relation to the Placing and Subscription
“Placing Price”	HK\$1.90 per Placing Share
“Placing Shares”	58,000,000 existing Shares to be sold by the Vendor to the Placee Funds under the Placing and Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 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
“Subscription”	the subscription of the Subscription Shares pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$1.90 per Subscription Share(s)
“Subscription Shares”	58,000,000 new Shares to be allotted and issued by the Company to the Vendor pursuant to the Placing and Subscription Agreement
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Vendor”	Sure Sino Investments Limited
“%”	percentage

By Order of the Board  
**Perfect Shape (PRC) Holdings Limited**  
**Dr. Au-Yeung Kong**  
*Chairman*

Hong Kong, 3 June 2014

*As at the date of this announcement, the Board comprises Dr. Au-Yeung Kong, Ms. Au-Yeung Wai, and Ms. Au-Yeung Hung as executive directors and Ms. Hsu Wai Man, Helen, Ms. Pang Siu Yin and Mr. Chi Chi Hung, Kenneth as independent non-executive directors.*