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Huge China Holdings Limited
匯嘉中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 428)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



After trading hours on 20 October 2016, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, Placees to subscribe for up to 7,811,722 Placing Shares at a price of HK\$1.67 per Placing Share.

The maximum number of 7,811,722 Placing Shares represent (i) approximately 10% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$7,811,722.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$13 million and the net proceeds will be approximately HK\$12.5 million. It is intended that the net proceeds from the Placing will be utilised for investment in unlisted securities in real estate industry.

The Placing Price of HK\$1.67 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 3.47% to the closing price of HK\$1.73 per Share as quoted on the Stock Exchange on 20 October 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 4.02% to the average closing price of HK\$1.74 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 28 June 2016. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date:

20 October 2016

Issuer:

The Company

Placing Agent:

Gransing Securities Co., Ltd.

The Placing Agent has conditionally agreed to procure, on a best efforts basis, Places to subscribe for up to 7,811,722 Placing Shares. The Placing Agent may carry out the Placing itself and/or through the agency of such other agents as the Placing Agent may agree with the Company. The Placing Agent will receive a placing commission of 3.5% of the aggregate Placing Price for the Placing Shares placed by the Placing Agent pursuant to its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

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, its sub-agent(s) and their respective ultimate beneficial owners are Independent Third Parties.

Placees:

The Placing Shares are to be placed on a best efforts basis to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Placing Price:

The Placing Price of HK\$1.67 per Placing Share represents:

- (i) a discount of approximately 3.47% to the closing price of HK\$1.73 per Share as quoted on the Stock Exchange on 20 October 2016, being the date of the Placing Agreement; and
- (ii) a discount of approximately 4.02% to the average closing price of HK\$1.74 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$13 million and the net proceeds will be approximately HK\$12.5 million. On such basis, the net price will be approximately HK\$1.60 per Placing Share.

Placing Shares:

The maximum number of 7,811,722 Placing Shares represent (i) approximately 10% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$7,811,722.

Ranking:

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

Condition of the Placing:

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange agreeing to grant a listing of, and permission to deal in, the Placing Shares.

If the above condition is not satisfied on or before the Long Stop Date, all rights, obligations and liabilities of the Placing Agent and the Company under the Placing Agreement in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Completion:

Completion of the Placing shall take place on the fourth Business Day following the day on which the above condition is satisfied (or such later date as may be agreed between the the Company and the Placing Agent).

Termination:

The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if:

- (i) any Specified Event comes to the notice of the Placing Agent; or
- (ii) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
 - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or

- (iii) there is any adverse change in the business or in the financial or trading position of the Company taken as a whole which being unaware of by the Placing Agent and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

Upon termination of the Placing Agreement as described above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

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

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to allot and issue up to 7,811,722 Shares until the revocation, variation or expiration of the General Mandate. The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate as at the date of this announcement. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

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

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment company listed on the main board of the Stock Exchange under Chapter 21 of the Listing Rules. The principal activity of the Company is investment holding and the Group is principally engaged in investments in securities listed on recognised stock exchanges and unlisted investments.

It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities domestically and internationally to achieve financial growth for the Group and to maximise the Shareholders' value.

The maximum gross proceeds from the Placing will be approximately HK\$13 million. The maximum net proceeds from the Placing will amount to approximately HK\$12.5 million which is intended to be utilised for investment in unlisted securities in real estate industry. The net price per Placing Share will be approximately HK\$1.60.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Save as disclosed below, the Company had not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement:

| Date of announcement | Event | Net proceeds raised | Intended use of net proceeds | Actual use of proceeds |
|---|---|------------------------------|---|---|
| 21 April 2016 (completed on 19 July 2016) | Rights issue on the basis of one rights share at the subscription price of HK\$2.00 per rights share for every one existing share | Approximately HK\$75 million | <p>(i) approximately HK\$36.0 million for investment in listed securities in various industries including but not limited to energy, real estate property, electronic products, media and manufacturing;</p> <p>(ii) approximately HK\$35.0 million for investment in unlisted securities in various industries including but not limited to financial, beauty and electronic payment service providers; and</p> <p>(iii) the remaining balance for general working capital of the Group for the coming year.</p> | <p>(i) approximately HK\$52 million was used for investment in listed securities in various industries;</p> <p>(ii) approximately HK\$15 million was used for investment in unlisted securities in various industries; and</p> <p>(iii) the remaining balance of approximately HK\$8 million was maintained at the Group's bank account and will be utilised as intended.</p> |

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing) are set out below:

| | As at the date of this announcement | | Immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing) | |
|---|--|---------------|---|---------------|
| | No. of Shares | Approximate % | No. of Shares | Approximate % |
| Substantial Shareholders | | | | |
| Seize Minute Limited (<i>Note 1</i>) | 17,034,930 | 21.81 | 17,034,930 | 19.82 |
| Solution Smart Holdings Limited (<i>Note 2</i>) | 8,358,000 | 10.70 | 8,358,000 | 9.73 |
| Public Shareholders | | | | |
| Placees | – | – | 7,811,722 | 9.09 |
| Other Public Shareholders | 52,724,298 | 67.49 | 52,724,298 | 61.36 |
| | <u>78,117,228</u> | <u>100.00</u> | <u>85,928,950</u> | <u>100.00</u> |

Note 1: Seize Minute Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by MK Investments Limited. MK Investments Limited, a company incorporated in St. Kitts with limited liability, is wholly and beneficially owned by Mr. Kor Sing Mung Michael. Accordingly, Mr. Kor Sing Mung Michael and MK Investments Limited are deemed to be interested in the Shares held by Seize Minute Limited under the SFO.

Note 2: Solution Smart Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by SW Venture Asia Limited. SW Venture Asia Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly and beneficially owned by Mr. Yeung Shing Wai. Accordingly, Mr. Yeung Shing Wai and SW Venture Asia Limited are deemed to be interested in the Shares held by Solution Smart Holdings Limited under the SFO.

DEFINITIONS

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

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| “AGM” | the annual general meeting of the Company held on 28 June 2016 at which the General Mandate was granted to the Directors |
| “associate(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours |
| “chief executive” | has the meaning ascribed thereto in the Listing Rules |
| “Company” | Huge China Holdings Limited (匯嘉中國控股有限公司), 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 |
| “Completion Date” | the fourth Business Day following the day on which the condition set out in the Placing Agreement is satisfied (or such later date as maybe agreed between the the Company and the Placing Agent) |
| “connected person(s)” | has the meaning ascribed to it in the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Director(s)” | the director(s) of the Company |

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|--------------------------------|--|
| “General Mandate” | the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 7,811,722 Shares, being 20% of the issued share capital of the Company as the date of the AGM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “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, controlling shareholders or substantial shareholders of the Company or its subsidiaries and their respective associates |
| “Listing Committee” | has the meaning ascribed thereto in the Listing Rules |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 2 November 2016 or such later date as the Company and the Placing Agent may agree in writing |
| “Placees” | any Professional Investor(s) whom the Placing Agent or its sub-agent(s) has procured to subscribe for any of the Placing Shares |
| “Placing” | the placing by the Placing Agent, on a best efforts basis, of up to 7,811,722 Placing Shares to be allotted and issued to the Placees pursuant to the terms and conditions of the Placing Agreement |
| “Placing Agent” | Gransing Securities Co. Ltd., a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities for the purpose of the SFO |
| “Placing Agreement” | the conditional placing agreement entered into between the Company and the Placing Agent dated 20 October 2016 in relation to the Placing under the General Mandate |
| “Placing Price” | HK\$1.67 per Placing Share |

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|------------------------------|---|
| “Placing Shares” | a maximum of 7,811,722 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share” |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan |
| “Professional Investor” | has the same meaning as ascribed thereto in Part 1 of Schedule 1 to the SFO and any rules made thereunder |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$1.00 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Specified Event” | an event occurring or matter arising on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations contained in the Placing Agreement untrue or incorrect and such would have an adverse impact or effect on the Placing |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder(s)” | has the meaning ascribed thereto in the Listing Rules |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

On behalf of the Board
Huge China Holdings Limited
 匯嘉中國控股有限公司
Chau Wai Hing
Chairman and Executive Director

Hong Kong, 20 October 2016

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; two non-executive Directors, namely Mr. William Keith Jacobsen and Mr. Mak Hing Keung Thomas; and three independent non-executive Directors, namely Mr. Sio Chan In Devin, Mr. Law Siu Hung Paul, and Mr. Wong Ching Wan.