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LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濬國際集團控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

**PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
CLARIFICATION ANNOUNCEMENT**

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

PLACING OF NEW SHARES

On 23 July 2014 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company agreed to place, through the Placing Agent, on a best effort basis, a maximum of 43,500,000 new Shares to not less than six Placings at a price of HK\$0.79 per Placing Share.

The maximum of 43,500,000 Placing Shares represent (i) approximately 19.93% of the issued share capital of the Company of 218,270,001 Shares as at the date of this announcement; and (ii) approximately 16.62% of the issued share capital of the Company of 261,770,001 Shares as enlarged by the issue of the 43,500,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$435,000.

The Placing Price of HK\$0.79 per Placing Share represents (i) a discount of approximately 17.71% to the closing price of HK\$0.96 per Share as quoted on the Stock Exchange on 23 July 2014, being the date of the Placing Agreement; and (ii) a discount of approximately 19.72% to the average closing price of approximately HK\$0.984 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 23 July 2014.

The Placing will be issued under the General Mandate and therefore the Placing will not be subject to any Shareholder's approval.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$34.4 million and HK\$33.3 million respectively. The net Placing price will be approximately HK\$0.77 per Share. The net proceeds from the Placing are intended to be used for the repayment of liabilities and general working capital of the Group.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As 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: 23 July 2014 (after trading hours)

Issuer: the Company

Placing Agent: Emperor Securities Limited

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 and not connected with the Company and its connected persons (as defined under the Listing Rules).

Number of Placing Shares

Pursuant to the Placing Agreement, the Placing Agent agreed to procure, on a best effort basis, not less than six Placees to subscribe for a maximum of 43,500,000 Placing Shares at the Placing Price of HK\$0.79. The maximum of 43,500,000 Placing Shares represent (i) approximately 19.93% of the issued share capital of the Company of 218,270,001 Shares as at the date of this announcement; and (ii) approximately 16.62% of the issued share capital of the Company of 261,770,001 Shares as enlarged by the issue of the 43,500,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$435,000.

Ranking of Placing Shares

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

Placing Price

The Placing Price of HK\$0.79 per Share represents (i) a discount of approximately 17.71% to the closing price of HK\$0.96 per Share as quoted on the Stock Exchange on 23 July 2014, being the date of the Placing Agreement; and (ii) a discount of approximately 19.72% to the average closing price of approximately HK\$0.984 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 23 July 2014.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

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

Placees

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors, and not connected with any directors, chief executive or substantial Shareholder (if any) of the Company or its subsidiaries and their respective associates. It is expected that none of the Placees and their respective associates will become a substantial Shareholder of the Company as a result of the Placing.

Conditions of the Placing Agreement

Completion of the placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Placing Shares.

The Company shall use its best endeavours to procure the fulfilment of the conditions and in the event the conditions are not fulfilled by 22 August 2014 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and none of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach.

Termination and force majeure

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the date of completion of the Placing Agreement upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement, there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or

- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the date of completion of the Placing Agreement.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Completion

Completion of the Placing will take place at 4:00 p.m. (Hong Kong time) on the third (3rd) Business Day after the date on which all the conditions as set out in paragraph headed "Conditions of the Placing Agreement" above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

Placing commission

The Placing Agent shall receive a placing commission of 2.50% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

General Mandate

The maximum of 43,500,000 Placing Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorized to issue up to 43,504,000 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Fong Man Kelvin (<i>Note 1</i>)	102,576,466	47.00	102,576,466	39.18
Lord De Weyer, Daniel Joannes Ludovicus (<i>Note 2</i>)	10,382,655	4.76	10,382,655	3.97
Public Shareholders				
Places	—	—	43,500,000	16.62
Other public Shareholders	105,310,880	48.24	105,310,880	40.23
	<u>218,270,001</u>	<u>100.00</u>	<u>261,770,001</u>	<u>100.00</u>

Notes:

- (1) Executive Director and Chairman of the Company.
- (2) Non-executive Director.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in operating budget hip hotels, providing hotel consultancy services and hotel management services in the PRC.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$34.4 million and HK\$33.3 million respectively. The net Placing price will be approximately HK\$0.77 per Share. The net proceeds from the Placing are intended to be used for the repayment of liabilities and general working capital of the Group. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$435,000.

The Directors are of the view that the Placing will strengthen the financial position of the Group, including its ability to meet any future obligations and broaden the shareholder's base. The Directors consider that the terms of the Placing, including the rate of the placing commission, are fair and reasonable based on the current market conditions. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

GENERAL

The Placing Shares will be issued under the General Mandate and therefore the Placing will not be subject to any Shareholders' approval.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of the Company published on the website of Hong Kong Exchanges and Clearing Limited on 4 July 2014. Capitalised terms used herein shall have the same meaning as those defined in the Announcement, unless otherwise specified.

The Board wishes to clarify that Mr. Yue Kwai Wa Ken has ceased to be the chief financial officer of Roma Group Limited with effective from 17 February 2014.

Save as above, all the other information contained in the Announcement remains unchanged.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 26 June 2014
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	Legend Strategy International Holdings Group Company Limited (stock code: 1355), an exempted company incorporated in the Cayman Islands with limited liability, with its Shares listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Board pursuant to the resolution passed by the shareholders of the Company at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 217,520,001 Shares) as at the date of passing such resolution, which is equivalent to 43,504,000 Shares

“Group”	the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any independent institutional, professional and/or individual investors who are not connected with any directors, chief executive or substantial Shareholder(s) (if any) of the Company or its subsidiaries and their respective associates
“Placing”	the placing of a maximum of 43,500,000 Placing Shares on a best effort basis pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the Placing Agent of the Placing Shares under the Placing Agreement
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 23 July 2014 in respect of the Placing
“Placing Price”	HK\$0.79 per Placing Share (excluding any SFC transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees)
“Placing Share(s)”	a maximum of 43,500,000 Shares to be issued pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of nominal value 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

“Takeovers Code”

Hong Kong Code on Takeovers and Mergers

“%”

per cent.

By order of the Board of
Legend Strategy Holdings Group Company Limited
Fong Man Kelvin
Chairman and Executive Director

Hong Kong, 23 July 2014

As at the date of this announcement, the board of Directors comprises

Executive Directors:

Mr. Fong Man Kelvin (*Chairman*)
Ms. Fong Nga Peggy
Mr. Yue Kwai Wa Ken
Mr. Yip Chung Wai David

Non- executive Director:

Lord De Weyer of Cold Highham, Daniel Joannes Ludovicus

Independent Non-executive Directors:

Dr. Wong Hak Kun Jerry
Mr. Wong Sui Chi Frankie
Mr. Liu Cheng Zhong
Mr. Frostick Stephen William