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LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濬國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

**PROPOSED OPEN OFFER OF NOT LESS THAN 78,704,999 OFFER SHARES
AND NOT MORE THAN 80,129,999 OFFER SHARES AT
THE SUBSCRIPTION PRICE OF HK\$0.80 EACH
ON THE BASIS OF ONE (1) OFFER SHARE
FOR EVERY FOUR (4) EXISTING SHARES HELD ON THE RECORD DATE**

Financial adviser to the Company



Underwriter of the Open Offer



THE OPEN OFFER

The Company proposes to raise not less than HK\$62.96 million and not more than HK\$64.10 million before expenses by issuing not less than 78,704,999 Offer Shares and not more than 80,129,999 Offer Shares at the Subscription Price of HK\$0.80 per Offer Share on the basis of one (1) Offer Share for every four (4) existing Shares held on the Record Date and payable in full upon application. No excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares (excluding the Undertaken Shares) not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Assuming (i) no exercise of any outstanding and exercisable Share Options; (ii) no new Shares being issued; and (iii) and no Shares being repurchased by the Company on or before the Record Date, the 78,704,999 Offer Shares proposed to be allotted and issued represents approximately 25.0% of the Company's issued share capital as at the date of this announcement and approximately 20.0% of the Company's issued share capital of 393,525,000 Shares as enlarged by the allotment and issue of 78,704,999 Offer Shares immediately after completion of the Open Offer.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:00 p.m. on Friday, 11 September 2015.

As at the date of the Underwriting Agreement, the Undertaken Shareholder is interested in an aggregate of 161,202,466 Shares, representing approximately 51.20% of the total issued share capital of the Company. The Undertaken Shareholder has irrevocably undertaken to the Company and the Underwriter:

- (a) not to sell, transfer or otherwise dispose of such 161,202,466 Shares from the date of the Offer Shares Undertaking up to and including the Record Date (both dates inclusive); and
- (b) to procure the acceptance of 40,300,616 Offer Shares to be allotted and issued under its entitlement pursuant to the Open Offer by no later than the Latest Time for Acceptance.

The register of members of the Company will be closed from Monday, 14 September 2015 to Monday, 21 September 2015, both days inclusive, to determine the eligibility of the Open Offer.

The Record Date is Monday, 21 September 2015. The last day of dealings in the Shares on cum-entitlement basis is on Wednesday, 9 September 2015. The Shares will be dealt in on ex-entitlement basis from Thursday, 10 September 2015. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and not being an Excluded Shareholder.

The Board is pleased to announce that on 28 August 2015 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and the relevant arrangements in respect of the Open Offer. The Open Offer will be fully underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

USE OF PROCEEDS

The gross proceeds from the Open Offer will not be less than HK\$62.96 million and not more than HK\$64.10 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$61.80 million but not more than HK\$62.94 million.

The Group intends to apply the net proceeds from the Open Offer in the following manner:

- approximately 70% of the net proceeds from the Open Offer for investment activities of the Group when such opportunities arises; and
- approximately 30% of the net proceeds from the Open Offer for general working capital of the Group.

The hotel industry in the PRC is highly competitive and therefore the Group will continue to maintain its operation of their hotels in the PRC. Moreover, the Board aims to identify investment opportunities that will increase the value of the Group. As at the date of this announcement, the Company has not identified any investment opportunities.

GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a director, chief executive or substantial shareholder of the Company (or an associate of any of them), the Open Offer is not subject to Shareholders' approval under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders and the Prospectus will be despatched to the Excluded Shareholders for their information only on Tuesday, 22 September 2015.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE OPEN OFFER

The Company proposes to raise not less than HK\$62.96 million and not more than HK\$64.10 million before expenses by way of Open Offer and details are set out as follows:

Issue statistics

Basis of the Open Offer	:	One (1) Offer Share for every four (4) existing Shares held on the Record Date
Subscription Price	:	HK\$0.80 per Offer Share
Number of Shares in issue as at the date of this announcement	:	314,820,001 Shares
Number of Offer Shares	:	Not less than 78,704,999 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 80,129,999 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date) (<i>Note</i>)
Number of Offer Shares underwritten by the Underwriter	:	Save for the Undertaken Shares, all of the remaining Offer Shares to be issued under the Open Offer, being not less than 38,404,383 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 39,829,383 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). Taking into account the Offer Shares Undertaking, the Open Offer is fully underwritten (<i>Note</i>)
Number of enlarged Shares in issue upon completion of the Open Offer	:	Not less than 393,525,000 Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 400,650,000 Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date) (<i>Note</i>)

Note: As at the date of this announcement, the Company has outstanding Share Options carrying rights to subscribe for total of 5,700,000 new Shares. Such outstanding Share Options have all been vested and are exercisable as at the date of this announcement and before the Record Date. Assuming no grant of Share Options by the Company and full exercise of the subscription rights attaching to such outstanding and exercisable Share Options, an additional 1,425,000 Offer Shares will be issued.

Save for the Share Options, as at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Share Options outstanding as at the date of this announcement have the following exercise price, exercise period and expiry date:

Exercise price per Share (HK\$)	Exercise period	Expiry date	Number of Share Options held by Employees/ Consultant
1.822	8 October 2013- 7 October 2015	7 October 2015	5,700,000

Adjustments to the exercise price and number of Shares which may be subscribed pursuant to the outstanding Share Options may be required under the terms and conditions of the Share Option Scheme as a result of the completion of the Open Offer. The auditors or an approved financial adviser of the Company will be appointed to certify the necessary adjustments, if any, to the exercise price and number of Shares which may be subscribed pursuant to the outstanding Share Options. Further announcement will be made by the Company in this regard as and when appropriate.

Assuming (i) no exercise of any outstanding and exercisable Share Options; (ii) no new Shares being issued; and (iii) and no Shares being repurchased by the Company on or before the Record Date, the 78,704,999 Offer Shares proposed to be allotted and issued represents approximately 25.0% of the Company's issued share capital as at the date of this announcement and approximately 20.0% of the Company's issued share capital of 393,525,000 Shares as enlarged by the allotment and issue of 78,704,999 Offer Shares immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be not less than HK\$787,049.99 (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than HK\$801,299.99 (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date).

Subscription Price

The Subscription Price is HK\$0.80 per Offer Share, which will be payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 36.51% to the closing price of HK\$1.26 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and the Last Trading Day;
- (b) a discount of approximately 31.62% to the theoretical ex-entitlement price of HK\$1.17 based on the closing price of HK\$1.26 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 28.57% to the average closing price of approximately HK\$1.12 per Share for the last five consecutive trading days immediately prior to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price; and (ii) the net loss of the Group for the two consecutive years since 2013. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date. In addition, the Subscription Price has been set as a discount to the recent closing prices of the Shares with an objective of encouraging Qualifying Shareholders to take up their entitlements so as to share in the potential growth of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.80 (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) or approximately HK\$0.78 (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date).

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every four (4) existing Shares held on the Record Date, being not less than 78,704,999 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 80,129,999 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders.

To qualify for the Open Offer, Shareholders must at the close of business on the Record Date (a) be registered on the register of members of the Company; and (b) not being the Excluded Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, no later than 4.00 p.m. on Friday, 11 September 2015.

Closure of register of members for the Open Offer

The Company's register of members will be closed from Monday, 14 September 2015 to Monday, 21 September 2015, both days inclusive, to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Tuesday, 22 September 2015. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but no Application Form will be sent to them.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates and refund cheques for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 16 October 2015. If the Open Offer is terminated, refund cheques will be despatched on or around Friday, 16 October 2015 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and save for the Undertaken Shares, any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of the Offer Shares

Fractions of the Offer Shares will not be allotted to the Qualifying Shareholders and fractional entitlements will be round down to the nearest whole number of Offer Shares. Any Offer Shares created from the aggregation of fraction of Offer Shares will be counted as the Shortfall Underwritten Shares.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company will apply to the Listing Committee for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

UNDERWRITING AGREEMENT

Underwriting Agreement

Date	:	28 August 2015 (after trading hours)
Underwriter	:	Sheng Yuan Securities Limited
Number of Offer Shares to be underwritten	:	Save for the Undertaken Shares, all of the remaining Offer Shares to be issued under the Open Offer, being not less than 38,404,383 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) and not more than 39,829,383 Offer Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other issue of any Shares on or before the Record Date). Taking into account the Offer Shares Undertaking, the Open Offer is fully underwritten.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and their respective ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

Under the Underwriting Agreement, taking into account the Offer Shares Undertaking, the Open Offer is fully underwritten by the Underwriter who shall not subscribe, for its own account, for such number of the Shortfall Underwritten Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company equal to or exceeding 10% of the voting rights of the Company immediately after completion of the Open Offer.

Underwriting commission

The Company will pay the Underwriter an underwriting commission of 1.50% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares agreed to be Underwritten by the Underwriter as determined on the Record Date. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate, the size of the Open Offer and the current and expected market condition. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, and are fair and reasonable so far as the Company and the Shareholders are concerned.

Irrevocable undertaking given by the Undertaken Shareholder

Offer Shares Undertakings:

As at the date of the Underwriting Agreement, the Undertaken Shareholder is interested in 161,202,466 Shares, representing approximately 51.20% of the total issued share capital of the Company. The Undertaken Shareholder has irrevocably undertaken to the Company and the Underwriter:

- (a) not to sell, transfer or otherwise dispose of such 161,202,466 Shares from the date of the Offer Shares Undertaking up to and including the Record Date (both dates inclusive); and
- (b) to procure the acceptance of 40,300,616 Offer Shares to be allotted and issued under its entitlement pursuant to the Open Offer by no later than the Latest Time for Acceptance.

The Undertaken Shareholder intends to finance the consideration payable under the Offer Shares Undertaking by the Loan. The Undertaken Shareholder entered into the Supplemental Loan Agreement with Excel Precise, a holder of money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), on 28 August 2015, pursuant to which Excel Precise agreed to grant to the Undertaken Shareholder a loan facility to the extent of HK\$80 million for financing of the Undertaken Shares. Pursuant to the provisions of the Supplemental Loan Agreement, among other things, (a) the Undertaken Shareholder will charge the Offer Shares to be allotted and issued under its entitlement pursuant to the Open Offer in favour of Excel Precise to secure the repayment obligations of the Undertaken Shareholder, and (b) the Undertaken Shareholder will repay the Loan and interests thereon in full on the date falling on the last day of the period of three months following the date of the drawdown is made or the date falling on the last day of the period of six months following the date of the drawdown is made (if Excel Precise shall have exercised its right of extension under the Supplemental Loan Agreement).

Termination of the Underwriting Agreement

Notwithstanding anything contained in the Underwriting Agreement, if at any time prior to the Latest Time for Termination:

- (A) the success of the Open Offer would be materially and adversely affected by the development, occurrence or enforcement of:
 - (I) any new law or regulation or any change in existing laws or regulations which in the absolute opinion of the Underwriter has or is likely to have a material adverse effect on the financial position of the Group as a whole; or
 - (II) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the absolute opinion of the Underwriter is or would be materially adverse to the success of the Open Offer; or
 - (III) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or exchange controls which in the absolute opinion of the Underwriter is or would be materially adverse to the success of the Open Offer; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (IV) any suspension of dealings in the Shares for any period longer than five consecutive Business Days after the date of this Agreement (other than as a result of the Open Offer); or
 - (V) any moratorium, suspension or material restriction on trading in shares or securities of the Company generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Latest Time for Termination; or
- (B) any breach of any of the Warranties by the Company comes to the knowledge of the Underwriter; or
- (C) any event occurs or any matter arises on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of such Warranties untrue or incorrect in any material respect in such a manner as would in the absolute opinion of the Underwriter materially and adversely affect the financial position or business of the Group as a whole; or

- (D) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom; or
- (E) the Company's application to the Listing Committee of the Stock Exchange for permission for the listing of and permission to deal in the Offer Shares on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange; or
- (F) there is any such adverse change in the general affairs, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the absolute opinion of the Underwriter is materially adverse to the success of the Open Offer; or
- (G) there is any change in the composition of the Board which in the absolute opinion of the Underwriter may affect the management and general affairs of the Company; or
- (H) any of the Company, its Subsidiaries or any Director of the Company is involved in any material litigation proceedings from the date of the Underwriting Agreement to the Latest Time for Acceptance,

then and in any such case, the Underwriter may terminate the Underwriting Agreement without liability to the Company by giving notice in writing to the Company, served prior to the Latest Time for Termination.

Conditions of the Open Offer

The obligations of the Underwriter under the Underwriting Agreement are conditional on the following conditions precedent being fulfilled or so far as the conditions are capable of being waived by the Underwriter on or before the Latest Time for Acceptance:

- (A) the Listing Committee of the Stock Exchange granting or agreeing to grant in principle (subject to allotment of Offer Shares) and not having withdrawn or revoked the listing of and permission to deal in all the Offer Shares (in their fully-paid form);
- (B) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands;
- (C) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement (including the filing and registration of the Prospectus Documents and all documents relating to the Open Offer, which are required to be filed or registered with the Registrar of Companies in Hong Kong under the Companies (WUMP) Ordinance);

- (D) the despatch of the Prospectus Documents to the Qualifying Shareholders, and the despatch of the Prospectus stamped “For Information Only” to the Excluded Shareholders (if and to the extent legally and practicably permissible) on the Prospectus Posting Date;
- (E) the delivery of the Offer Shares Undertaking to the Underwriter on the date of the Underwriting Agreement; and
- (F) trading of Shares on the Stock Exchange not being suspended for more than five (5) consecutive Business Days at any time prior to the Latest Time for Acceptance (excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer).

The Company shall use all reasonable endeavours to procure the fulfilment of the conditions set out in the Underwriting Agreement by the due time and/or date referred to in each case and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Offer Shares or to give effect to the Open Offer and the arrangements contemplated under the Underwriting Agreement. Save for the condition as referred to in paragraph (F) above, all other conditions set out above cannot be waived.

If the conditions referred to above are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination, the Underwriting Agreement shall terminate (save in respect of any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against the other party for costs, damages, compensation or otherwise.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

- (a) Assuming no exercise of any outstanding and exercisable Share Option on or before the Record Date

	As at the date of this announcement		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than the Undertaken Shareholder under the Offer Shares Undertaking)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Substantial Shareholders						
China Medical (Note 1)	161,202,466	51.20	201,503,082	51.20	201,503,082	51.20
Sub-total	161,202,466	51.20	201,503,082	51.20	201,503,082	51.20
Public						
Underwriter	—	—	—	—	38,404,383	9.76
Existing public Shareholders	153,617,535	48.80	192,021,918	48.80	153,617,535	39.04
Total	314,820,001	100.00%	393,525,000	100.00%	393,525,000	100.00%

- (b) Assuming full exercise of all outstanding and exercisable Share Option on or before the Record Date

	As at the date of this announcement		Upon issue of the Share Options on or before Record Date		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than Undertaken Shareholder under the Offer Shares Undertaking)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Substantial Shareholders								
China Medical (Note 1)	161,202,466	51.20	161,202,466	50.29	201,503,082	50.29	201,503,082	50.29
Sub-total	161,202,466	51.20	161,202,466	50.29	201,503,082	50.29	201,503,082	50.29
Public								
Underwriter	—	—	—	—	—	—	39,829,383	9.94
Optionholders	—	—	5,700,000	1.78	7,125,000	1.78	5,700,000	1.42
Existing public Shareholders	153,617,535	48.80	153,617,535	47.93	192,021,918	47.93	153,617,535	38.35
Total	314,820,001	100.00%	320,520,001	100.00%	400,650,000	100.00%	400,650,000	100.00%

Notes:

- Pursuant to the Offer Shares Undertaking, the Undertaken Shareholder has irrevocably undertaken to the Company (i) not to dispose of, an aggregate of 161,202,466 Shares beneficially owned by it from the date of the Offer Shares Undertakings up to and including the Record Date; and (ii) to procure the acceptance of an aggregate of 40,300,616 Offer Shares to be allotted and issued to Undertaken Shareholder under its entitlement pursuant to the Open Offer.

As at the date of this announcement, the existing public shareholders hold in aggregate approximately 48.80% of the entire issued share capital of the Company. Upon completion of the Open Offer (i) assuming none of the Offer Shares are subscribed for the Qualifying Shareholders, the existing public shareholders will hold as to in aggregate approximately 39.04% of the entire enlarged issued share capital of the Company; and (ii) assuming full exercise of all the outstanding and exercisable Share Options and none of the Offer Shares are subscribed by the Qualifying Shareholders, the existing public shareholders and Optionholders will hold in aggregate approximately 38.35% of the entire enlarged issued share capital of the Company. **Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open offer.**

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Company is a company incorporated in the Cayman Islands with limited liability, and the Shares have been listed on the Main Board of the Stock Exchange since 21 August 2013 by way of transfer of listing from the Growth Enterprise Market of the Stock Exchange to the Main Board of the Stock Exchange. The Group is principally engaged in operating budget hip hotels and providing hotel consultancy and management services in the PRC.

The gross proceeds from the Open Offer will not be less than HK\$62.96 million and not more than HK\$64.10 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be not less than HK\$61.80 million but not more than HK\$62.94 million.

With reference to the composite document of the Company and China Medical Overseas Limited dated 25 June 2015 in relation to the unconditional mandatory cash general offer, the Group will explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. The Board considers that it is prudent to strength the financial position of the Company and increase its available financial resources to prepare for the capital needs if any opportunity materialises and provide sufficient surplus capital to support the development of existing and future businesses of the Group such as capital commitments and operating lease commitments of the Group by way of the Open Offer.

The Group intends to apply the net proceeds from the Open Offer in the following manner:

- approximately 70% of the net proceeds from the Open Offer for investment activities of the Group when such opportunities arises; and
- approximately 30% of the net proceeds from the Open Offer for general working capital of the Group.

The hotel industry in the PRC is highly competitive and therefore the Group will maintain its operation of their hotels in the PRC. Moreover, the Board aims to identify investment opportunities that will increase the value of the Group. As at the date of this announcement, the Company has not identified any investment opportunities.

Having considered other fund raising alternatives for the Group, such as placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Directors (including the independent non-executive Directors) are of the view that the Open Offer is in the interest of the Company and the Shareholders as a whole since it offers the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company.

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
22 December 2014	Placing of 52,300,000 new shares of an aggregate principal amount of HK\$34.5 million.	Approximately HK\$33.9 million	General working capital of the Group	(i) Approximately HK\$23.9 million was used for general working capital of the Group; and (ii) the remaining balance of approximately HK\$10.0 million was maintained at the Group's bank accounts.

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

Event	(Hong Kong time)
Last day of dealings in Shares on a cum-entitlement basis.....	Wednesday, 9 September 2015
First day of dealings in Shares on an ex-entitlement basis.....	Thursday, 10 September 2015
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:00 p.m. on Friday, 11 September 2015
Register of members of the Company closes	Monday, 14 September 2015 to Monday, 21 September 2015 (both dates inclusive)
Record Date for the Open Offer	Monday, 21 September 2015
Despatch of the Prospectus Documents (in case of the Excluded Shareholders, the Prospectus only)	Tuesday, 22 September 2015
Latest Time for Acceptance of, and payment of Offer Shares	4:00 p.m. on Thursday, 8 October 2015
Latest Time for Termination by the Underwriter	4:00 p.m. on Friday, 9 October 2015
Announcement of results of acceptance of the Offer Shares	Thursday, 15 October 2015
Despatch of share certificates for Offer Shares or refund cheques if the Open Offer terminated.....	Friday, 16 October 2015
Dealings in Offer Shares commences	9:00 a.m. on Monday, 19 October 2015

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Effect of bad weather on the Latest Time for Acceptance

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Thursday, 8 October 2015, being the date of the Latest Time for Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same business day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to 4:00 p.m. on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Thursday, 8 October 2015, the dates mentioned in the above section headed “Expected timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or Substantial Shareholder (or an associate of any of them) pursuant to Rules 7.24(5) and 7.26A of the Listing Rules, the Open Offer is therefore not subject to Shareholders’ approval requirement under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders, and the Overseas Letter together with the Prospectus will be despatched to the Excluded Shareholders for their information only on Tuesday, 22 September 2015.

WARNING OF THE RISK OF DEALINGS IN SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 10 September 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Friday, 9 October 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the form agreed by the Company and the Underwriter
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“China Medical”	China Medical Overseas Limited, a company incorporated in the BVI with limited liability and Substantial Shareholder of the Company, which owned as to 51.20% of the issued share capital of the Company by Mr. Huang Yun, being the executive Director and Mr. Ding Yifan
“Company”	Legend Strategy International Holdings Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares are listing on the Main Board of the Stock Exchange
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Director(s)”	the directors of the Company
“Excel Precise”	Excel Precise International Limited, a company incorporated in Hong Kong and a holder of a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), as amended from time to time, which is owned as to 25% by Mr. Law and as to 73.5% by True Promise Investments Limited, a company incorporated in the BVI and wholly-owned by Mr. Law; Mr. Law is also a director of Excel Precise
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Overseas Shareholders
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties not connected with or acting in concert with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates
“Last Trading Day”	28 August 2015, being the last trading day for the Shares being the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 8 October 2015 or such other time as may be agreed between the Company and the Underwriter in writing, being the latest time for acceptance of the offer of Offer Shares and payment in the manner set out in the Prospectus
“Latest Time for Termination”	4:00 p.m. on Friday, 9 October 2015, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the Business Day after (but excluding) the latest Time for Acceptance
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	an additional loan facility to the extent of HK\$80 million granted by Excel Precise as lender to the Undertaken Shareholder as borrower for the financing of the Offer Shares to be allotted and issued under the entitlement of the Undertaken Shareholder pursuant to the Open Offer
“Main Board”	Main Board of the Stock Exchange operated by the Stock Exchange

“Mr. Law”	Mr. Law Fei Shing, an executive Director and beneficially owns 98.5% of the entire issued share capital of Excel Precise
“Offer Share(s)”	being the new Shares to be issued by the Company pursuant to the Open Offer
“Offer Shares Undertaking”	the irrevocable undertakings given by the Undertaken Shareholder not to dispose of 161,202,466 Shares from the date of the Offer Share Undertaking to and including the Record Date and to procure the acceptance of 40,300,616 Offer Shares under the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of one (1) Offer Share for every four (4) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Option Shares”	a maximum of 5,700,000 new Shares to be allotted and issued upon the exercise of all the 5,700,000 vested outstanding Share Options
“Original Loan Agreement”	a loan agreement dated 29 May 2015 made between Excel Precise as the lender to the Undertaken Shareholder as borrower in respect of a loan facility in an amount of HK\$300 million
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus and the Application Form

“Prospectus Posting Date”	Tuesday, 22 September 2015 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Excluded Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Monday, 21 September 2015 or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, the Hong Kong branch share registrar of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in share capital of the Company
“Share Option(s)”	option(s) to subscribe for Shares granted by the Company in accordance with the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 22 June 2011
“Shareholder(s)”	the holder(s) of the issued Shares
“Shortfall Underwritten Shares”	those, if any, Underwritten Shares not accepted by Shareholders or for which duly completed Application Form(s) (accompanied by cheques or banker’s cashier orders for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before the Latest Time for Acceptance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.80 per Offer Share

“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Supplemental Loan Agreement”	the supplemental loan agreement entered into between the Undertaken Shareholder as borrower and Excel Precise as lender on 28 August 2015 in respect of the Loan which is supplemental to the Original Loan Agreement
“Takeovers Code”	The Codes of Takeovers and Mergers and Share Buy-backs
“Undertaken Shareholder”	China Medical, who has irrevocably undertaken to the Company and the Underwriter that it will not sell, transfer or otherwise dispose of such 161,202,466 Shares and will procure the acceptance of 40,300,616 Offer Shares pursuant to the Offer Shares Undertaking
“Undertaken Share(s)”	the aggregate of 40,300,616 Offer Shares undertaken to be applied for by the Undertaken Shareholder in its capacity as a Qualifying Shareholder under the Open Offer pursuant to the Offer Shares Undertaking
“Underwriter”	Sheng Yuan Securities Limited, a license corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities for the purpose of the SFO
“Underwritten Shares”	the Offer Shares (which do not include the Undertaken Shares) underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement, being not less than 38,404,383 Offer Shares and not more than 39,829,383 Offer Shares
“Underwriting Agreement”	the underwriting agreement dated 28 August 2015 entered into among the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board
Legend Strategy International Holdings Group Company Limited
Huang Yun
Executive Director

Hong Kong, 28 August 2015

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Yun and Mr. Law Fei Shing; and three independent non-executive Directors, namely Mr. Tso Hon Sai, Bosco, Mr. Leung Siu Hong and Mr. Chung Wai Man.