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Echo International Holdings Group Limited

毅高（國際）控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8218)

VOLUNTARY ANNOUNCEMENT PLACING OF BONDS

Placing Agent

Convoy Investment Services Limited

康宏証券投資服務有限公司

On 9 April 2015 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to act as the sole placing agent for the purposes of arranging the Placees on a best effort basis to subscribe for the Bonds with an aggregate principal amount of up to HK\$200,000,000 during the Placing Period.

THE PLACING AGREEMENT

Date : 9 April 2015
Issuer : The Company
Placing Agent : The Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Placees : The Bonds will be placed to Placees who are independent institutional or private investors not connected with the connected persons of the Company.

Aggregate Principal Amount : Up to HK\$200,000,000

- Placing Price : 100% of the principal amount of the Bonds
- Placing Period : The period commencing from the date of the Placing Agreement and ending on the end of the sixth month from the date of the Placing Agreement, or such other period as may be agreed between the Company and the Placing Agent in writing
- Placing Commission : The Company shall pay to the Placing Agent a placing commission up to 10% (subject to the Company's prior approval) of the total principal amount of the Bonds actually placed by the Placing Agent.
- Placing Completion : Subject to the Placing Agent having served a Completion Notice on any Business Day during the Placing Period and the aggregate principal amount of the Bonds in such Completion Notice has been approved by the Company in writing in advance, Completion shall take place within three Business Days upon serving such Completion Notice, in respect of the Bonds which are set out in the Completion Notice, at the head office and principal place of business of the Company in Hong Kong at 4:00 p.m. (Hong Kong time) on each Completion Date (or such later time and date as the Placing Agent and the Company may agree in writing).
- Termination Rights of the Placing Agent : The Placing Agent may, by notice to the Company given at any time prior to the expiry date of the Placing Period, terminate the Placing Agreement in the absolute opinion of the Placing Agent when the success of the Placing contemplated hereunder would be materially and adversely affected by:
- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Placing; or
- (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Placing Agent is likely to materially or adversely affect the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any suspension in the trading of securities generally or the Company's securities on the GEM for a period of more than 15 consecutive Business Days; or
- (vi) any material breach of any of the warranties in the Placing Agreement comes to the knowledge of the Placing Agent.

PRINCIPAL TERMS OF THE BONDS

Aggregate Principal Amount	:	Up to HK\$200,000,000
Issue Price	:	100% of the principal amount of the Bonds
Maturity Date	:	The date falling on the seventh anniversary of the date of issue of the Bonds (or, if that is not a Business Day, the first Business Day thereafter)
Interest	:	7% per annum calculated on the actual number of days elapsed and on the basis a 365-day year payable annually in arrears on each anniversary date

- Early redemption by the Company : The Company shall have the right at any time to redeem the whole or part of the outstanding Bonds at the redemption amount of 100% of the principal amount of the outstanding Bonds to be redeemed as specified in a redemption notice together with interest accrued and other amounts owing thereon until payment in full PROVIDED THAT:
- (a) the Company shall have given to the Bondholder not less than 15 days' notice of its intention to make such redemption, specifying the amount to be redeemed and the date of such redemption (which may not be earlier than the 15th day from the date of the redemption notice); and
 - (b) any redemption shall be made in amounts of not less than a whole multiple of HK\$1,000,000.
- Event of default : Any Bondholder may give notice to the Company that the Bonds are immediately due and repayable if:
- (i) **Payment default:** a default is made in the payment of the principal, interest or premium (if any), in respect of any of the Bonds when and as the same ought to be paid in accordance with the terms of the Bonds; or
 - (ii) **Other default:** a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the Instrument or in the Bonds or the Placing Agreement and on its part to be performed or observed (other than the covenant to pay the principal, premium (if any) in respect of any of the Bonds) and such default continues for the period of 21 days next following the service by any Bondholder on the Company of notice specifying brief details of such default; or
 - (iii) **Cross default:** any other present or future indebtedness of the Company or any Major Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of an event of default (however called) or any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for or the Company or any Major Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness or amount payable in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds HK\$5,000,000 (or its equivalent in another currency); or

- (iv) ***Dissolution of the Company***: a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an Ordinary Resolution of Bondholders; or
- (v) ***Dissolution of a Major Subsidiary***: a resolution is passed or an order of a court of competent jurisdiction is made for the winding up or dissolution of any Major Subsidiary except, in any such case:
 - (a) for the purposes of or pursuant to and followed by a consolidation or amalgamation with or merger into the Company or any other subsidiary of the Company; or
 - (b) for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation (other than as described in subparagraph (a) above) the terms of which shall have previously been approved in writing by an Ordinary Resolution of Bondholder; or
 - (c) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary of the Company and such surplus assets attributable to the Company and/or any other subsidiary of the Company are distributed to the Company and/or any such other subsidiary of the Company.
- (vi) ***Encumbrances***: an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company or any Major Subsidiary; or
- (vii) ***Distress etc.***: a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Company or any Major Subsidiary and is not discharged within three days thereof; or
- (viii) ***Bankruptcy***: the Company or any Major Subsidiary is unable to pay its debts as and when they fall due or the Company or any Major Subsidiary shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors (save, in the case of a subsidiary of the Company, in the circumstances set out in sub-paragraphs (v)(a) to (c) (inclusive) above); or

- (ix) **Bankruptcy proceedings:** proceedings shall have been initiated against the Company or any Major Subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of 21 days;
- (x) **Analogous events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (vii) to (ix) (inclusive) above.

- Status of the Bonds : The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- Transferability : A Bond may be transferable in whole multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount thereof). Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person of the Company.
- Listing : No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange.

REASONS FOR THE PLACING OF THE BONDS AND USE OF THE PROCEEDS

The Group is principally engaged in providing integrated manufacturing services which include design verification, sourcing and procurement, manufacturing, assembling, testing and inspection, packaging and after-sales services to its branded customer.

The Board has considered various ways of raising funds to develop its businesses and consider that the Placing of Bonds represents a suitable opportunity to raise capital for the Group. In addition, the Placing of Bonds will not result in any dilution effect on the shareholding of the existing Shareholders.

In view of the above, the Directors are of the view that the Placing of Bonds provides a good opportunity to strengthen the Company's financial position and the terms of the Placing of Bonds are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company intends to use the net proceeds from the Placing of the Bonds for the potential acquisition activities as identified by the Group from time to time and as the general working capital of the Group.

DEFINITIONS

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

“Board”	the board of Directors
“Bond(s)”	the 7-year 7% coupon unlisted straight bonds with an aggregate principal amount of up to HK\$200,000,000 to be placed pursuant to the Placing Agreement
“Bondholder(s)”	the holder(s) of the Bonds
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal 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 open for business throughout their normal business hours
“Company”	Echo International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the GEM
“Completion”	in respect of each Completion Notice given, the completion of the subscription of the Bonds
“Completion Date”	the date of the Completion
“Completion Notice”	the notice given by the Placing Agent in writing for the purpose of each Completion
“connected person(s)”	has the meaning as defined under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“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
“Instrument”	the instrument to be executed by the Company by way of a deed poll constituting the Bonds

“Major Subsidiary”	a subsidiary of the Company with the value of that subsidiary’s total assets, profits or revenue represents not less than 50% of the Company’s total assets
“Ordinary Resolution”	a resolution passed at a meeting of Bondholders duly convened and held by a majority consisting of not less than half of the votes cast or a written resolution signed by or on behalf of a Bondholder or the Bondholders of not less than 50% of the aggregate principal amount of Bonds outstanding
“Placee(s)”	any person or entity whom the Placing Agent has procured to purchase any of the Bonds pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Bonds by the Placing Agent to selected Placees on the terms set out in the Placing Agreement
“Placing Agent”	Convoy Investment Services Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 9 April 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing from the date of the Placing Agreement and ending on the end of the sixth month from the date of the Placing Agreement, or such other period as may be agreed between the Company and the Placing Agent in writing
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Echo International Holdings Group Limited
Cheng Yeuk Hung
Executive Director

Hong Kong, 9 April 2015

As at the date of this announcement, the executive Directors are Mr. Lo Yan Yee, Ms. Cheng Yeuk Hung, and Mr. Lo Ding To, the non-executive Directors are Ms. Zhou Jia Lin and Mr. Chan Chun Kit, and the independent non-executive Directors are Mr. Lam Wai Yuen, Mr. Ang Chuk Pai and Mr. Cheung Chin Wa, Angus.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.echogroup.com.hk.