

Unless otherwise defined, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 31 March 2016 (the “**Prospectus**”) of Hypebeast Limited (the “**Company**”).

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares or other securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Company and the Placing described in this announcement before deciding whether or not to invest in the Placing Shares thereby being offered.

HYPEBEAST Hypebeast Limited

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

- Number of Placing Shares** : 500,000,000 Placing Shares
(comprising 400,000,000 New Shares
and 100,000,000 Sale Shares)
- Placing Price** : HK\$0.13 per Placing Share (exclusive of
brokerage fee of 1%, SFC transaction
levy of 0.0027% and Stock Exchange
trading fee of 0.005%)
- Nominal Value** : HK\$0.01 each
- Stock Code** : 8359

Sponsor



Joint Bookrunners and Joint Lead Managers



ANNOUNCEMENT OF PLACING PRICE AND ALLOTMENT RESULTS

SUMMARY

- The Placing Price has been determined at HK\$0.13 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.13 per Placing Share and 500,000,000 Shares comprising 400,000,000 New Shares and 100,000,000 Sale Shares offered by the Company and the Selling Shareholder, respectively, the net proceeds from the issue of the New Shares under the Placing are estimated to be approximately HK\$29.7 million, after deducting the underwriting commission and estimated listing expenses in the aggregate amount of approximately HK\$22.3 million, paid and payable by the Company from the gross proceeds of the Placing. The net proceeds to the Selling Shareholder from the sale of the Sale Shares (after deduction of the proportional underwriting commission and listing expenses payable by the Selling Shareholder in relation to the Placing) will be approximately HK\$11.3 million. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed “Statement of business objectives and use of proceeds” in the Prospectus.
- The initial 500,000,000 Placing Shares (comprising 400,000,000 New Shares and 100,000,000 Sale Shares) offered under the Placing have been moderately over-subscribed.
- A total of 500,000,000 Shares have been conditionally allocated to a total of 129 selected individual, professional and institutional investors.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries or their respective close associates (as defined under the GEM Listing Rules) and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirm that there will not be any new substantial shareholders immediately after completion of the Placing and the Capitalisation Issue.

- The Directors confirm that, immediately after completion of the Placing and the Capitalisation Issue, the Company will comply with Rule 11.23(7) of the GEM Listing Rules that the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be owned by the three largest public Shareholders as required under Rule 11.23(8) of the GEM Listing Rules.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Monday, 11 April 2016. The Shares will be traded in board lots of 20,000 Shares each. The stock code of the Shares is 8359.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF NET PROCEEDS FROM THE PLACING

On Tuesday, 5 April 2016, the Placing Price has been determined at HK\$0.13 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Placing Price of HK\$0.13 per Placing Share and 500,000,000 Shares comprising 400,000,000 New Shares and 100,000,000 Sale Shares offered by the Company and the Selling Shareholder, respectively, the net proceeds from the issue of the New Shares under the Placing are estimated to be approximately HK\$29.7 million, after deducting the underwriting commission and estimated listing expenses in the aggregate amount of approximately HK\$22.3 million, paid and payable by the Company from the gross proceeds of the Placing. The net proceeds to the Selling Shareholder from the sale of the Sale Shares (after deduction of the proportional underwriting commission and listing expenses payable by the Selling Shareholder in relation to the Placing) will be approximately HK\$11.3 million. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed "Statement of business objectives and use of proceeds" in the Prospectus. The Company intends to apply the net proceeds of the Placing for the purposes and in the amounts as set out below:

- (a) approximately 29% of the total estimated net proceeds, or HK\$8.7 million, will be used to enhance the content of the digital media platforms of the Group to retain and expand the base of followers and visitors through:
 - (i) enrichment of the original digital media content by recruitment of 13 additional editors to join the editorial team of the Group by 30 September 2016 for expanding the variety of the content and providing continuous update to the latest trends in fashion, lifestyle, culture and music on the digital media platforms as well as customising the digital media platforms for different language preferences;

- (ii) enhancement of the production capabilities of quality advertising services by recruitment of 7 additional digital content and video production personnel by 30 September 2016 for video editing and production management;
 - (iii) enhancement of in the data analytics capabilities to research on and analyse the preferences and needs of the followers and visitors of the digital media platforms by recruitment of one additional data analyst by 30 September 2016;
- (b) approximately 35% of the total estimated net proceeds, or HK\$10.3 million, will be used to increase the sales and marketing efforts through:
- (i) marketing campaigns including social media marketing, placing of advertisements, and utilising search engine marketing to raise the profile of the integrated digital platforms of the Company;
 - (ii) recruitment of 10 additional personnel by 30 September 2016, for providing sales support to the media customers (including brand owners and advertising agencies) in the provision of the advertising services and support to the digital marketing activities on social media platforms such as analysing the preference of the followers, visitors and online shoppers of the integrated media platforms so as to provide feedback to the editorial team and procurement team;
- (c) approximately 18% of the total estimated net proceeds, or HK\$5.5 million, will be used to improve the working environment including rental and leasehold improvement and purchase new computers, photographic and video production equipment to accommodate the increase of the headcount of the Company;
- (d) approximately 7% of the total estimated net proceeds, or HK\$2.1 million, will be used to enhance the e-commerce platform of the Group by improving the services and expanding the product portfolio through:
- (i) improvement in the data analytics capabilities through recruitment of a data analyst marketing manager to analyse the preferences and therefore the demand of the customers so as to plan for the purchase in the following season and enhancement of the customer service of the Group to serve the overseas customers in different time zones through recruitment of a customer service officer; and
 - (ii) enhancement of the inventory system of the Group by the addition of automated features;

- (e) approximately 1% of the total estimated net proceeds, or HK\$0.4 million, will be used for staff development including external and internal training programs so as to promote staff retention and support the business growth of the Group; and
- (f) approximately 10% of the total estimated net proceeds, or HK\$2.7 million, will be used for general working capital purposes.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The initial 500,000,000 Placing Shares offered under the Placing have been moderately over-subscribed.

A total of 500,000,000 Shares have been conditionally allocated to a total of 129 selected individual, professional and institutional investors.

RESULTS OF ALLOCATION UNDER THE PLACING

Pursuant to the Placing, a total of 500,000,000 Shares have been conditionally allocated to a total of 129 selected individual, professional and institutional investors. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding to the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	38,000,000	7.6%	1.9%
Top 5 placees	158,000,000	31.6%	7.9%
Top 10 placees	290,500,000	58.1%	14.5%
Top 25 placees	468,500,000	93.7%	23.4%

Number of Placing Shares allocated	Number of placees
20,000 to 200,000	84
200,001 to 2,000,000	16
2,000,001 to 3,000,000	3
3,000,001 to 5,000,000	4
5,000,001 and above	22
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Total	129

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries or their respective close associates (as defined under the GEM Listing Rules) and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirm that there will not be any new substantial shareholders immediately after completion of the Placing and the Capitalisation Issue.

Immediately after completion of the Placing (without taking into account any Shares which may be issued pursuant to the exercise of any options granted or may be granted under the Share Option Schemes), the shareholding structure of the Company will be as follows:

	Number of Shares	Approximate percentage of shareholding in the Company
CORE Capital	1,500,000,000	75%
Public Shareholders	500,000,000	25%

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirmed that immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Monday, 11 April 2016) or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.

The share certificates issued in respect of the Placing Shares are expected to be deposited into CCASS on Friday, 8 April 2016 for credit to the relevant CCASS Participants' stock accounts or CCASS Investor Participants' stock accounts designated by the Joint Lead Managers, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that each of the Sponsor and the Joint Bookrunners (for themselves and on behalf of the Underwriters) shall have the absolute right to terminate the Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set forth under the paragraph headed “Grounds for termination” in the section headed “Underwriting” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Monday, 11 April 2016). In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, all money received will be refunded to the applicants under the Placing without interests, the Stock Exchange will be notified immediately, and an announcement in respect of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at hypebeast.xyz accordingly.

All share certificates for the Placing Shares will only become valid documents of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Monday, 11 April 2016. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at hypebeast.xyz. The Shares will be traded in board lots of 20,000 Shares each. The stock code of the Shares is 8359.

By order of the Board
Hypebeast Limited
Ma Pak Wing Kevin
Chairman

Hong Kong, 8 April 2016

As at the date of this announcement, the executive Directors are Mr. Ma Pak Wing Kevin and Ms. Lee Yuen Tung Janice; and the independent non-executive Directors are Ms. Poon Lai King, Mr. Wong Kai Chi and Ms. Kwan Shin Luen Susanna.

This announcement, for which all 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 enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading.

This announcement will remain on the Stock Exchange’s website at www.hkexnews.hk and on the “Latest Company Announcements” page for at least seven days from the date of its posting. This announcement will also be published on the Company’s website at hypebeast.xyz.