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(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1360)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED INVESTMENT

The Board announces that on 4 September 2015, the Company entered into the non-legally binding MOU with Huangdao Investment Promotion Bureau in relation to the Possible Investment in Qingdao, Shandong Province, the PRC.

The Directors wish to emphasise that no binding agreement in relation to the Possible Investment has been entered into by the Company or any of its subsidiaries with any party as at the date of this announcement. As such, the Possible Investment may or may not proceed.

This is a voluntary announcement made by Mega Expo Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

THE MOU

The board of directors (the “**Board**”) of the Company is pleased to announce that on 4 September 2015 (after trading hours), the Company and International Investment & Cooperation Promotion Bureau of the Huangdao District* (黃島區國際招商局) (“**Huangdao Investment Promotion Bureau**”) entered into a memorandum of understanding (the “**MOU**”) indicating, among others, their intention to enter into a definitive legally binding cooperation agreement (the “**Definitive Agreement**”) in respect of a possible investment (the “**Possible Investment**”) in the Projects (as defined below) at Qingdao West Coast New Zone* (青島西海岸新區) (“**West Coast**”) in Qingdao, Shandong Province, the People’s Republic of China (the “**PRC**”).

THE DEFINITIVE AGREEMENT AND THE NATURE OF THE MOU

The parties to the MOU intend to enter into the Definitive Agreement within 120 days from the date of the MOU. The Definitive Agreement shall set out the details of cooperation between the parties to the MOU. The terms and conditions of the Definitive Agreement shall be based on the MOU.

Save and except for provisions relating to confidentiality, binding nature of the MOU, fees and expenses and governing law, the MOU is not legally binding on the relevant parties.

PROPOSED SCOPE OF COOPERATION

Pursuant to the MOU, the proposed scope of cooperation includes:

1. the Company (or through its subsidiary), shall establish an operating entity in the Lingshan Bay Film and Cultural Industrial Zone* (靈山灣影視文化產業區) (“**Lingshan Bay**”) in the West Coast. Leveraging the Group’s experience and resources in the exhibition industry, the Group shall organise related exhibition(s) and conference(s) during international film festivals and other exhibition periods, thus, expanding the Group’s scope of operation, and improve the overall organisation and the services industry in the West Coast;
2. the Company (or through its subsidiary), shall invest, develop and construct the following projects:
 - (i) **Huashan Resort (Phase One)** (華山旅游度假區) (the “**Resort Project**”)

The Resort Project covers approximately 200 hectares of land. Relevant development and construction includes luxurious tourist resorts, recreational theme areas, film and television shooting base. The Resort Project’s total investment amounts to approximately RMB800 million. The construction period is expected to run over a period of 2 to 3 years; and

(ii) Jimiya Fisherman's Wharf (積米崖漁人碼頭) ("Fisherman's Wharf Project", collectively with the Resort Project, the "Projects")

The Fisherman's Wharf Project covers approximately 60 hectares of land. Relevant development and construction includes local seafood street, seafood exhibition and trading centre and tourism wharf. The Fisherman's Wharf Project's total investment amounts to approximately RMB200 million. The construction period is expected to run over a period of 2 years,

the Projects are expected to commence their respective trial operation in 2017. The details and implementation of the above Projects shall be subject to the final approval of relevant local authority;

3. the ownership of land and facilities constructed by the Company at the West Coast belongs to the Company; and
4. the parties to the MOU shall further actively explore other cooperation opportunities in regional development in the West Coast, modern services industry, and fields of formation of industrial platforms.

RESPONSIBILITIES OF THE PARTIES TO THE MOU

Responsibilities of the Company include:

- (i) formulate relevant exhibition themes and conference solutions, and importation of relevant market resources;
- (ii) overall planning of the Projects, and provide a feasibility study report on the Projects within 15 days of the date of the MOU.
- (iii) the development, construction and fund raising for the Projects; and
- (iv) the operation and management of the Projects after their completion.

Responsibilities of the Huangdao Investment Promotion Bureau include:

- (a) importation of commercial activities for the Projects, actively coordinate in the overall planning on the use of land and organisational work, and actively coordinate relevant authorities to complete the Projects' registration, planning, land use approval; and
- (b) actively coordinate to obtain favourable government policies from the local government and relevant departments of the West Coast in relation to the development and construction of the project.

INFORMATION ABOUT THE HUANGDAO INVESTMENT PROMOTION BUREAU

The Huangdao Investment Promotion Bureau is the governmental department in Qingdao, the PRC, in charge of the development, investment promotion and coordination for projects in the Qingdao West Coast New Zone.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Huangdao Investment Promotion Bureau is a third party independent of the Company and its connected person(s) (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited).

INFORMATION ABOUT THE GROUP

The principal activities of the Group are the organisation and management of trade exhibitions and the provision of various exhibition management services for other exhibition organisers or project managers.

REASONS FOR ENTERING INTO THE MOU

The Group is principally engaged in the organization and management of trade exhibitions and the exhibitions management services. The Board believes that the Possible Investment as contemplated by and outlined in the MOU will provide the Group with the opportunity to leverage on its extensive experience in event and logistics management in the organization of exhibitions and conferences and the future operation and management of the Projects. The Board also believes the Possible Investment could also expand the Group's business scope and broaden its income sources and enhance its financial performance. Thus, the Board considers the Possible Investment will be beneficial to the future growth and business development of the Group as a whole; and will also be in the interests of the Group and its shareholders as a whole.

The Directors wish to emphasise that no binding agreement in relation to the Possible Investment has been entered into by the Company or any of its subsidiaries with any party as at the date of this announcement. As such, the Possible Investment may or may not proceed.

By the order of the Board
Mega Expo Holdings Limited
Lam Wa
Chairman

Hong Kong, 4 September 2015

As at the date of this announcement, the Board comprises Mr. Lam Wa, Mr. Si Tze Fung, Mr. Liu Gejiang and Mr. Sun Sizhi as executive directors; Mr. Yeung Chun Yue, David, Mr. Wong Ka Fai, Paul and Mr. Choi Hung Fai as independent non-executive directors.

** For identification purposes only*