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

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE ENTIRE EQUITY INTERESTS
IN A WHOLLY-OWNED SUBSIDIARY**

THE DISPOSAL

The Board wishes to announce that on 28 June 2017 (after trading hours of the Stock Exchange), the Vendor, the Purchaser and the Guarantor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Disposal Company, at the Consideration of HK\$50 million, which shall be settled by cash at Completion. The Guarantor has agreed to guarantee the Purchaser's obligations under the Agreement.

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios under the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Disposal is subject to fulfilment of certain conditions precedent set out in the Agreement and therefore may or may not proceed, Shareholders and investors are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

The Board wishes to announce that on 28 June 2017 (after trading hours of the Stock Exchange), the Vendor, the Purchaser and the Guarantor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Disposal Company, at the Consideration of HK\$50 million, which shall be settled by cash at Completion. The Guarantor has agreed to guarantee the Purchaser's obligations under the Agreement. Principal terms of the Agreement are set out below.

THE AGREEMENT

Date

28 June 2017

Parties

Vendor: Integral Wealth Limited

Purchaser: Ever Genesis Limited

Guarantor: Mr. Wang Jian

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and the Guarantor are Independent Third Parties.

Asset to be disposed of

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Disposal Company as at the date of this announcement.

Consideration

The Consideration for the Sale Shares is HK\$50 million, which shall be settled by the Purchaser in cash upon Completion.

Basis of Consideration

The Consideration of HK\$50 million was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account of (i) the original cost of the acquisition of the Sub-Licensed Rights of HK\$50 million (please refer to the paragraph headed "Information on the Disposal Company" below for details); (ii) the remaining term of Sub-Licensed Rights; and (iii) the unaudited net asset value of the Disposal Company as at 31 May 2017 of HK\$36,957,000.

Conditions precedent

Completion shall be conditional upon and subject to:–

- (a) the Purchaser is satisfied with the due diligence exercise performed by itself on the Disposal Company;
- (b) consent from the Licensee is obtained, if necessary; and
- (c) all necessary consent, registration and approval in relation to the transfer of the Sale Shares, having been obtained and none of such consent, registration and approval have been withdrawn on or before the Completion Date.

The Purchaser may in its discretion at any time prior to the Completion waive any of the conditions precedent (except for the condition precedent set out in paragraph (c) above which cannot be waived in any event).

The Vendor and the Purchaser shall use reasonable endeavours to procure the fulfillment of the above conditions to the extent that it is within their respective power to do so. If the conditions set out above have not been satisfied on or before 30 September 2017, the Agreement shall cease and determine (save and except for certain clauses under the Agreement which shall continue to have full force and effect) and thereafter none of the parties shall have any obligations and liabilities towards other parties thereunder save for any antecedent breaches of the terms thereof.

Guarantee

The Guarantor has unconditionally and irrevocably agreed to guarantee the Purchaser's obligations (including but not limited to the Purchaser's payment obligation) under the Agreement.

Completion

Upon compliance with or fulfilment of the above condition, Completion shall take place on the Completion Date.

INFORMATION ON THE DISPOSAL COMPANY

Basic information of the Disposal Company

The Disposal Company is a company incorporated in Hong Kong with limited liability on 20 November 2015. As at the date of this announcement, the Disposal Company is an indirect wholly-owned subsidiary of the Company and is an investment holding vehicle of the Company holding the Sub-Licensed Rights.

The Disposal Company acquired the Sub-Licensed Rights from the Licensee for a term commencing from 3 June 2016 and expiring on 31 March 2020 (or such later date as the Licensee may agree subject to the consent of the Licensor) for a consideration of HK\$50 million pursuant to the Sub-license Agreement. During such term, the Disposal Company can use the Licensed Rights at roadshows, events and exhibitions in Hong Kong, Macau and Taiwan.

Financial information of the Disposal Company

The audited financial information of the Disposal Company from the date of its incorporation up to 30 June 2016 is summarized as follows:

	For the period from the date of incorporation to 30 June 2016 (HKD'000)
Revenue	–
Net loss before tax	(1,086,957)
Net loss after tax	(1,086,957)

INFORMATION ON THE PURCHASER AND THE GUARANTOR

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of the Agreement, the entire issued share capital of the Purchaser is legally and beneficially owned by the Guarantor.

INFORMATION ON THE COMPANY

The Company is an investment holding company of the Group which is principally engaged in management, as well as the organisation of trade exhibitions and the provision of exhibition related service for other exhibition organisers or project managers.

REASONS FOR THE DISPOSAL

As disclosed in the Company's 2017 interim report, after acquired the Sub-License Rights, the Group has collaborated with the Formosan Aboriginal Culture Village (the "**Theme Park**") in Taiwan. The soft opening of the "Ultraman" stadium in the Theme Park was held in late January 2017. However, it has come to the Board's attention that the attendance recorded by the "Ultraman" stadium since its soft opening was below satisfactory.

Further, with an aim to strengthen and enhance the Group's exhibition business in the PRC, on 3 March 2017, the Company acquired an exhibition and brand management company based in Shanghai (the "**PRC Subsidiary**"). It is noted that the performance of the PRC Subsidiary for last few months has been in line with the Board's expectation and is relatively better than the performance of "Ultraman" stadium in the Theme Park. Based on this, the Board considers that there is a greater potential for the PRC Subsidiary to further develop and the Group should therefore concentrate on strengthening and enhancing its exhibition and brand management business in the PRC.

As a result, the Board re-assessed its investments in the "Ultraman" brand. With no signs or indications that the attendance of the "Ultraman" stadium would be improved in near future after several months' observation, the Board estimated that the operation of the "Ultraman" stadium may not be able to meet the Board's current expectation. Accordingly, the Board, taking into account the relatively better performance of the PRC Subsidiary, resolved to proceed with the Disposal.

Therefore, the Board is of the view that the Disposal and the terms of the Agreement (including the Consideration) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE DISPOSAL

Based on the fact that the Consideration is approximately equivalent to the original acquisition cost of the Sub-Licensed Rights, the Company expect to recognise a gain of approximately HK\$13,043,000 (before deducting relevant cost and expenses) on the Disposal, which is calculated with reference to the difference between (i) the Consideration and (ii) the unaudited net asset value of the Disposal Company as at 31 May 2017 of approximately HK\$36,957,000. The actual amount of gain as a result of Disposal to be recorded by the Group will be subject to the review and final audit by the auditors of the Company.

Upon Completion, the Company will cease to hold any equity interests in the Disposal Company and therefore the Disposal Company will cease to be a subsidiary of the Company.

The Company intends to use the net proceeds from the Disposal (after deducting relevant costs and expenses in connection with the Disposal) as general working capital of the Group and/or for future development of the Group's businesses, including but not limited to, (i) its existing business portfolio in providing organization of trade exhibitions, exhibition related services and brand management services; and (ii) its brand management related downstream business opportunities in China, in particular, the cultural and entertainment business where the Company can fully utilise the brand(s) acquired and its brand management experiences to sub-license, operate and promote its brand management services.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios under the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement dated 28 June 2017 entered into amongst the Vendor, the Purchaser and the Guarantor in relation to the sale and purchase of the Sale Shares
“Board”	the board of Directors
“Business Day(s)”	means a day (other than a Saturday or days on which a typhoon signal no. 8 or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks are generally open for business in Hong Kong
“Company”	Mega Expo Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code:1360)
“Completion”	completion of the Disposal pursuant to the Agreement
“Completion Date”	a date falling within 5 Business Days, after the date on which the condition precedent has been satisfied or such other date as the Vendor and the Purchaser may mutually agree in writing
“Consideration”	HK\$50 million, being the consideration payable by the Purchaser under the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed transfer of the Sale Shares by the Vendor to the Purchaser pursuant to the terms of the Agreement

“Disposal Company”	Up Huge Corporation Limited (昇鵬有限公司), a company incorporated in Hong Kong with limited liability on 20 November 2015 and as at the date hereof, an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“Guarantor”	Mr. Wang Jian, the purchaser’s guarantor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Licensee”	Dorian Concept (Group) Limited
“Licensed Rights”	all intellectual properties at any time legally licensed to or controlled by the Licensee in relation to all series and any types of “Ultraman”, which was created by Eiji Tsuburaya, from the Licensor, from television programs and movies produced from 1996 to 2016 and such other intellectual property rights derived from the aforesaid rights and its related intangible property that is acknowledged general right by the law (including without limitation the logos, concept, technology and operating information associated with “Ultraman”) for the territory of Hong Kong, Macau and Taiwan
“Licensor”	Tsuburaya Productions Co., Ltd.

“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC” or “China”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Purchaser”	Ever Genesis Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale Shares”	the 100 ordinary shares of the Disposal Company representing the entire issued share capital of the Disposal Company
“Share(s)”	ordinary share(s) of HK\$0.002 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-License Agreement”	the sub-license agreement dated 3 June 2016 entered into between the the Disposal Company and the Licensee in relation to the Sub-Licensed Rights
“Sub-Licensed Rights”	the exclusive, non-transferable rights sub-licensed to the Disposal Company to use the Licensed Rights at roadshows, events and exhibitions in Hong Kong, Macau and Taiwan

“Vendor” Integral Wealth Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent.

By the order of the Board
Mega Expo Holdings Limited
Deng Zhonglin
Chairman

Hong Kong, 28 June 2017

As at the date of this announcement, the Board comprises Mr. Deng Zhonglin, Ms. Zhang Jun and Mr. Lu Linyu as executive Directors; Mr. Choi Hung Fai, Mr. Yang Bo and Mr. Tsang Wing Ki as independent non-executive Directors.