
REORGANISATION

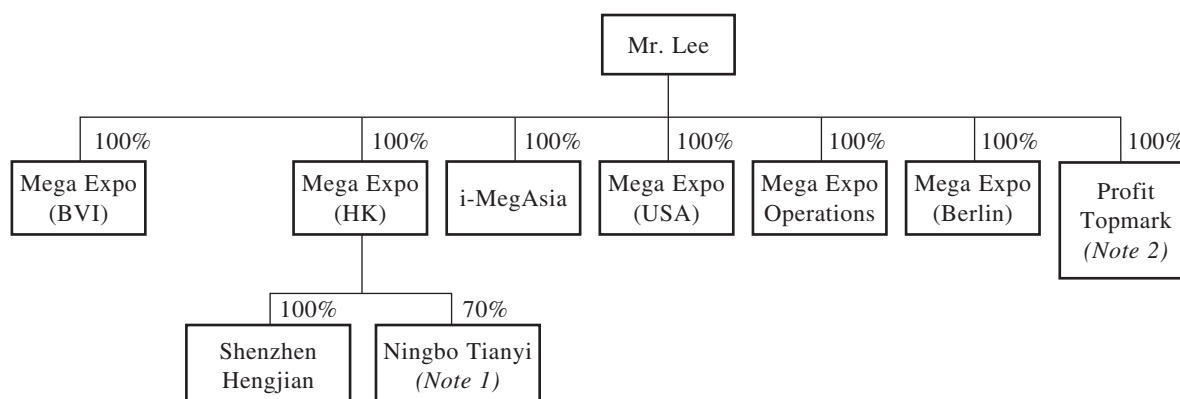
INTRODUCTION

In contemplation of the Listing, members of our Group have undergone certain restructuring steps through which a coherent structure of our Group has been established which are suitable for the Listing. The Reorganisation involved the following principal steps:–

- (1) incorporation of New Heyday, Business Good, Expand Trade and Idea Trade
- (2) acquisition of the entire issued share capital in each of Mega Expo Operations, Mega Expo (HK), Mega Expo (BVI), i-MegAsia, Mega Expo (USA), Mega Expo (Berlin) and Profit Topmark by Expand Trade and issue and allotment of shares by Business Good
- (3) incorporation of our Company
- (4) acquisition of the entire issued share capital in New Heyday by Expand Trade and issue and allotment of shares by Business Good
- (5) sub-division of shares of our Company
- (6) transfer of the entire issued share capital of our Company to Business Good and transfer of the entire issued share capital of Expand Trade to our Company

CORPORATE STRUCTURE PRIOR TO THE REORGANISATION

Set out below is the shareholding structure of our Group immediately prior to the Reorganisation:



Notes:

1. Prior to the Reorganisation, Mega Expo (HK) entered into an equity transfer agreement and supplemental agreements with Ningbo Partner to acquire its 30% equity interest in Ningbo Tianyi.
2. Profit Topmark was inactive.

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DETAILED PROCEDURES

For the purpose of the Listing, the following steps have been implemented to effect the Reorganisation:

(1) Incorporation of New Heyday, Business Good, Expand Trade and Idea Trade

(a) New Heyday

On 19 March 2012, New Heyday was incorporated in the BVI to act as the holding company of Idea Trade. It has an authorised share capital of US\$50,000 shares divided into 50,000 shares of US\$1.00 each, of which one share was allotted and issued to each of Mr. Lee and Mr. Cheung at par on 15 June 2012. The said one share held by and registered in the name of Mr. Cheung in New Heyday was held on trust pursuant to a declaration of trust dated 19 November 2012 in favour of Mr. Lee.

(b) Business Good

On 3 April 2012, Business Good was incorporated in the BVI as an investment holding company of Mr. Lee with an authorised share capital of US\$50,000 shares divided into 50,000 shares of US\$1.00 each. On 15 June 2012, Mr. Lee subscribed for and was allotted and issued one share in the share capital of Business Good at par value.

(c) Expand Trade

On 30 May 2012, Expand Trade was incorporated in the BVI for the purpose of acting as the intermediate holding company of our Group with an authorised share capital of US\$50,000 shares divided into 50,000 shares of US\$1.00 each. On 15 June 2012, Business Good subscribed for and was allotted and issued one share in the share capital of Expand Trade at par value.

(d) Idea Trade

On 30 May 2012, Idea Trade was incorporated in the BVI for the purpose of holding certain licences in connection with the trade exhibitions including the licence in relation to the Mega Shows with an authorised share capital of US\$50,000 shares divided into 50,000 shares of US\$1.00 each. On 15 June 2012, New Heyday subscribed for and was allotted and issued one share in the share capital of Idea Trade at par value.

(2) Acquisition of the entire issued share capital in each of Mega Expo Operations, Mega Expo (HK), Mega Expo (BVI), i-MegAsia, Mega Expo (USA), Mega Expo (Berlin) and Profit Topmark by Expand Trade and issue and allotment of shares by Business Good

On 4 July 2012, Mr. Lee transferred one share in the issued share capital of each of Mega Expo Operations, Mega Expo (BVI), Mega Expo (USA) and Mega Expo (Berlin), representing their respective entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing an aggregate of four shares in Business Good to Mr. Lee.

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On 30 July 2012, Mr. Lee transferred one share in the issued share capital of each of Mega Expo (HK) and i-MegAsia, representing their respective entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing an aggregate of two shares in Business Good to Mr. Lee.

On 8 August 2012, Mr. Lee transferred one share in the issued share capital of Profit Topmark, representing its entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing one share in Business Good to Mr. Lee.

Following this step, each of Mega Expo Operations, Mega Expo (HK), Mega Expo (BVI), i-MegAsia, Mega Expo (USA), Mega Expo (Berlin) and Profit Topmark became a subsidiary of Expand Trade.

(3) Incorporation of our Company

On 21 August 2012, our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company to act as the ultimate holding company of our Group. The authorised share capital of our Company, on incorporation, was HK\$100,000 divided into 1,000,000 shares of HK\$0.10 each. On 21 August 2012, our Company allotted and issued one nil-paid share to Codan Trust Company (Cayman) Limited, which was transferred to Mr. Lee on the same date. The said one nil-paid share of our Company was subsequently paid up in the manner described in paragraph (6) below.

(4) Acquisition of the entire issued share capital in New Heyday by Expand Trade and issue and allotment of shares by Business Good

On 19 November 2012, Mr. Lee and Mr. Cheung entered into a deed (“**Deed**”), pursuant to which the parties thereto confirmed and agreed that in consideration of Mr. Cheung procuring HKCEC Management to enter into licence agreements for the occupancy of venue for the Mega Shows in 2013 (the “**2013 HKCEC Licence Agreement**”), Mr. Lee would procure Business Good to allot and issue 68 shares in Business Good to Mr. Cheung, subject to and upon the terms and conditions in the Deed. As confirmed and provided by Mr. Cheung, he intended to spend more time in his new business ventures and preferred to act as a passive equity holder of the Mega Shows instead of acting as organiser of the Mega Shows. Having considered the amount of time spent by him on managing GIIL and organising the Mega Shows from 2009 to 2012, including the formulating of the overall strategic planning and promotional plan for the Mega Shows under the project management agreements as disclosed in the section headed “Business – Arrangement with GIIL Group and Pro-Capital Group” in this prospectus, Mr. Cheung agreed with Mr. Lee that GIIL would discontinue to act as organiser of the Mega Shows from 2013 onwards and in return he would receive equity interest in our Company instead of receipt of annual income from our Group for cooperating with our Group and acts as organiser of the Mega Shows while our Group acts as project manager of the Mega Shows.

In order to effect such reorganisation, Mr. Lee and Mr. Cheung mutually agreed that Mr. Cheung would (a) discontinue to enter into future licence agreement of the Mega Shows; and (b) procure Mr. Lee to become the licence holder of the Mega Shows. In this regard (i) a shareholders’

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resolution of GIIL confirming that GIIL will no longer apply for licence agreement of the Mega Shows 2013 and (ii) a letter to HKCEC Management, requesting for the transfer of licensee under the licence agreement for the Mega Shows to be held in 2013 to Idea Trade was sent to HKCEC Management (Idea Trade was the entity nominated by Mr. Lee to hold the relevant licence). As part of such reorganisation, Mr. Lee and Mr. Cheung also entered into the Deed, pursuant to which both confirmed and agreed that in consideration of Mr. Cheung procuring HKCEC Management, the venue provider of the Mega Shows, to enter into 2013 HKCEC Licence Agreement with Idea Trade, Mr. Lee would procure Business Good to allot and issue 68 shares in Business Good to Mr. Cheung, subject to and upon the terms and conditions as set out in the Deed. Both Mr. Lee and Mr. Cheung acknowledged that the Deed did not constitute a transfer of business nor a provision of services between Mr. Lee and Mr. Cheung.

In view of the above circumstances, our Directors consider and the Reporting Accountants concur that, the entering into of the Deed between Mr. Cheung and Mr. Lee and the allotment of shares thereunder does not constitute any provision of services by Mr. Cheung. Hence the allotment of shares pursuant to the Deed does not constitute a share-based payment transaction according to Hong Kong Financial Reporting Standard 2 “Share-based Payment”.

Our Directors are further of the view that and the Reporting Accountants concur that, after taking into account the above mentioned facts, the transactions stipulated in the Deed only involved transfer of equity interest between Mr. Lee and Mr. Cheung at the controlling shareholder level and did not constitute any provision of services or transfer of asset by Mr. Cheung to our Group. According to HKFRS, the transactions stipulated in the Deed are not required to be accounted for in our Group’s combined financial statements during the Track Record Period.

On 15 October 2012, the 2013 HKCEC Licence Agreement was entered into between HKCEC Management and Idea Trade.

On 19 November 2012, each of Mr. Lee and Mr. Cheung (at the request and as trustee on trust for Mr. Lee), transferred one share in the issued share capital of New Heyday, representing its entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing 924 shares in Business Good to Mr. Lee. On the same day, Business Good allotted and issued 68 shares, credited as fully paid to Mr. Cheung according to the terms of the Deed.

Following this step, New Heyday became a subsidiary of Expand Trade.

(5) Sub-division of shares of our Company

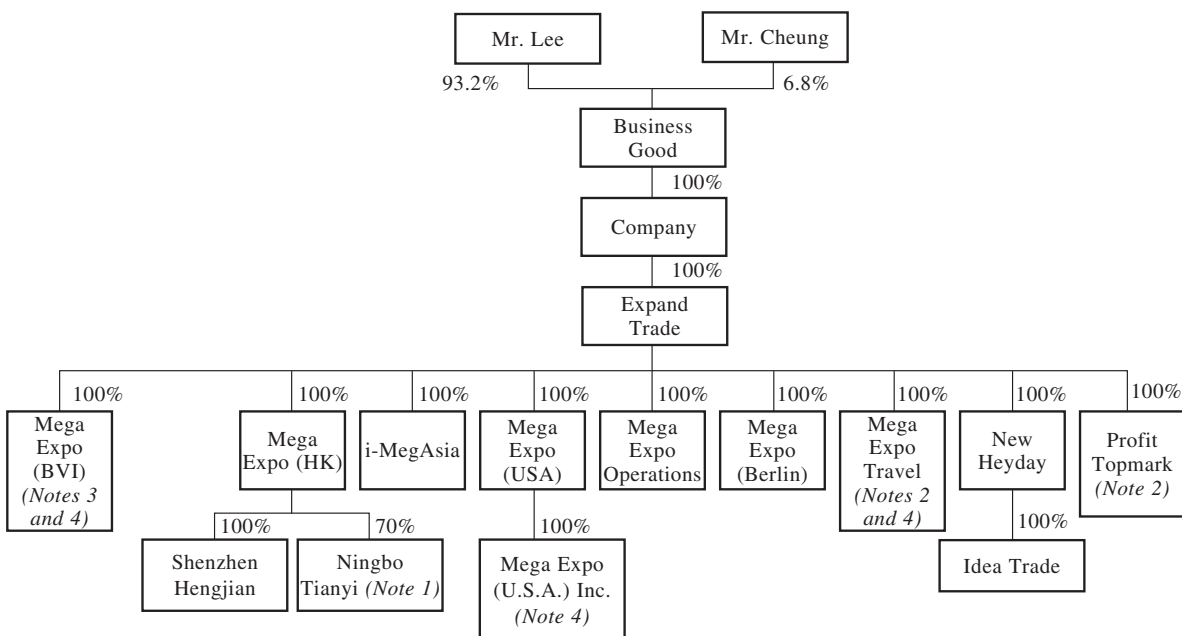
On 3 October 2013, each issued and unissued ordinary share of our Company of HK\$0.10 each was sub-divided into 10 Shares of HK\$0.01 each and following the sub-division of share capital in our Company, the number of shares of our Company was increased from 1,000,000 to 10,000,000.

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(6) Transfer of the entire issued share capital of our Company to Business Good and transfer of entire issued share capital of Expand Trade to our Company

On 3 October 2013, Mr. Lee transferred 10 nil-paid Shares in our Company to Business Good and Business Good transferred the entire issued share capital in Expand Trade to our Company, in exchange for which our Company (a) issued and allotted 9,999,990 Shares to Business Good, credited as fully paid; and (b) credited as fully paid at par the 10 nil-paid Shares which was then registered in the name of Business Good.

CORPORATE STRUCTURE AFTER THE REORGANISATION AND IMMEDIATELY PRIOR TO THE CAPITALISATION ISSUE AND THE SHARE OFFER

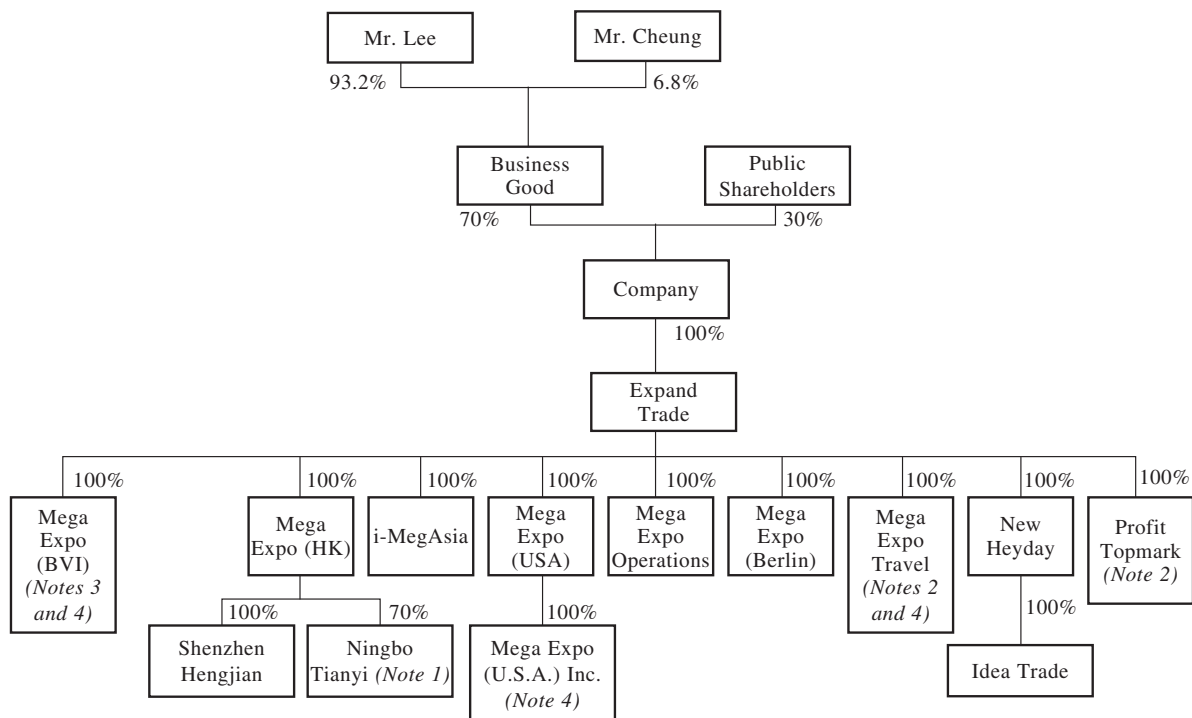


Notes:

1. Prior to the Reorganisation, Mega Expo (HK) entered into an equity transfer agreement and supplemental agreements with Ningbo Partner to acquire its 30% equity interest in Ningbo Tianyi. As at the Latest Practicable Date, Ningbo Tianyi is in the course of arranging for voluntary deregistration. For further details, please refer to the section headed “History and development – Our corporate history – Ningbo Tianyi” in this prospectus.
2. Mega Expo Travel and Profit Topmark were inactive.
3. Mega Expo (BVI) registered Mega Expo (SG) in Singapore as its branch on 16 April 2013.
4. The incorporation of Mega Expo Travel and Mega Expo (U.S.A.) Inc. and registration of Mega Expo (SG) are not part of Reorganisation.

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CORPORATE STRUCTURE FOLLOWING COMPLETION OF THE CAPITALISATION ISSUE AND THE SHARE OFFER (taking into no account of any Shares that may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme)



Notes:

1. Prior to the Reorganisation, Mega Expo (HK) entered into an equity transfer agreement and supplemental agreements with Ningbo Partner to acquire its 30% equity interest in Ningbo Tianyi. As at the Latest Practicable Date, Ningbo Tianyi is in the course of arranging for voluntary deregistration. For further details, please refer to the section headed “History and development – Our corporate history – Ningbo Tianyi” in this prospectus.
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4. The incorporation of Mega Expo Travel and Mega Expo (U.S.A.) Inc. and registration of Mega Expo (SG) are not part of Reorganisation.