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

**(1) DISCLOSEABLE TRANSACTION:  
IN RELATION TO THE DISPOSAL OF A SUBSIDIARY; AND  
(2) RESUMPTION OF TRADING**

**THE DISPOSAL**

On 21 April 2015 (after trading hours), the Vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share at the Consideration of HK\$42.5 million.

Upon Completion, the Purchaser, Idea Trade and Mega Expo (HK) shall enter into the Management Agreement, pursuant to which Mega Expo (HK) shall be appointed as the organiser of the Mega Shows to provide the Services to Idea Trade.

**IMPLICATIONS UNDER THE LISTING RULES**

The highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but less than 25%. Accordingly, the Disposal constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is therefore subject to notification and announcement requirements under the Listing Rules.

**RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was halted from 2:30 p.m. on 21 April 2015 at the request of the Company pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 April 2015.

## **INTRODUCTION**

The Board is pleased to announce that on 21 April 2015 (after trading hours), the Vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share at the Consideration of HK\$42.5 million.

## **THE DISPOSAL AGREEMENT**

### **Date**

21 April 2015

### **Parties**

- (1) the Vendor; and
- (2) the Purchaser.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) were Independent Third Parties. The Purchaser is principally engaged in investment holding.

### **Subject of the Disposal**

The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share, which represents the entire issued share capital of Idea Trade. The nominal value of the Sale Share as at date of this announcement is US\$1.

Upon Completion, the Vendor will cease to hold any share in Idea Trade, and hence, Idea Trade will cease to be a subsidiary of the Company and the financial information of Idea Trade will no longer be consolidated to the Group's consolidated financial statements.

### **Consideration**

The Consideration of HK\$42.5 million shall be payable by the Purchaser to the Vendor upon Completion.

The Consideration was agreed at after arm's length negotiations between the Vendor and the Company after taking into account of, among others, (i) the fees payable by Idea Trade under the Licence Agreements and the expected level of exhibitors' participation to be generated through the Licence Agreements; (ii) growth potential and business prospects of Idea Trade; (iii) the prevailing conditions of the trade exhibition market in Hong Kong; and (iv) the reasons and benefit of the Disposal as described under the paragraph headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" below.

After taking into account the above factors, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable.

### **Conditions precedent**

Completion shall be subject to:

- (i) the Purchaser being reasonably satisfied with the results of the due diligence exercise on Idea Trade to be carried out pursuant to the Disposal Agreement;
- (ii) (where applicable) compliance by the Company of (or, as the case may be, obtaining waiver from) any requirement under the Listing Rules as may be applicable in connection with the Disposal Agreement, the Management Agreement and the respective transactions contemplated thereby;
- (iii) obtaining of all necessary contents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Disposal Agreement by the Parties; and
- (iv) the Purchaser being satisfied, from the date of the Disposal Agreement, and at any time before Completion, that the warranties under the Disposal Agreement remain true, accurate, not misleading or in breach in any material aspect.

The Purchaser may at any time by notice in writing to the Vendor waive, in whole or in part, any of the above conditions (other than condition (ii) above). If the above conditions shall not have been wholly fulfilled (or, as the case may be, waived by the Purchaser) on or before 5:00 p.m. on the Long Stop Date, the Disposal Agreement shall lapse and save for any liabilities arising out of any antecedent breaches thereof.

## **Completion**

Completion shall take place on the Completion Date. Upon Completion, Idea Trade will cease to be a subsidiary of the Company.

## **MANAGEMENT AGREEMENT**

Subject to and upon Completion, Idea Trade, the Purchaser and Mega Expo (HK) shall enter into the Management Agreement, pursuant to which during the Management Term, among others, (i) Mega Expo (HK) shall be appointed as the organiser of the Mega Shows for the provision of Services; (ii) Mega Expo (HK) shall be granted a first right of refusal or priority to provide Services in relation to the Projects; and (iii) Mega Expo (HK) shall be granted the Priority Purchase Right. For the avoidance of doubt, Mega Expo (HK) shall be appointed as organiser for each Project on a case-by-case basis and it is not obliged to provide any Services in respect of any of the Projects.

### **Term and termination**

The Management Agreement has a term of ten (10) years, which is subject to a right of either Idea Trade or Mega Expo (HK) to terminate the Management Agreement prior to the expiry of its term. Such right of early termination include, among others, (i) either party (aa) becoming insolvent or unable to pay its debt; (bb) cease or threaten to cease to carry on its business; and (cc) commits a material breach of any term of the Management Agreement; and (ii) either of the existing directors of Mega Expo (HK) ceases to be its director. In addition, the Management Agreement may be terminated by mutual agreement of Mega Expo (HK) and Idea Trade, and either party may also give not less than three (3) months' notice to the other to terminate the Management Agreement at any time after 20 October 2017.

### **Services to be provided**

For Project(s) which Mega Expo (HK) agrees to provide the Services to Idea Trade ("**Relevant Project(s)**"). Services to be provided by Mega Expo (HK) shall be the provision of organisation and management and other related services for the organisation of the Relevant Project(s), which shall include, among others, (i) managing and overseeing the operation of the Relevant Project; (ii) construction, removal and selling of booths; (iii) the provision of human resources, advertising, marketing and other promotional services; and (iv) keeping proper books and records for the Relevant Project. Idea Trade shall be responsible

for the payment of the rental for the exhibition venue payable under the relevant Licence Agreement(s) for the Relevant Project; and it shall also (i) co-operate with Mega Expo (HK) to enable it to discharge its duties under the Management Agreement; (ii) respond promptly to requests made by Mega Expo (HK) for approvals, instructions, information or assistance; and (iii) have due regard to the advice of Mega Expo (HK). The scope of Services and roles of Idea Trade may be amended by parties to the Management Agreement in writing from time to time.

### **Fees payable by Mega Expo (HK) as an organiser**

Pursuant to the Management Agreement to be entered into between the parties, Mega Expo (HK), in consideration of its appointment and acceptance as an organiser of the Relevant Project(s), shall pay to Idea Trade a sum of HK\$680 per Unit sold by Mega Expo (HK) to exhibitors of each of the Relevant Project(s) as a minimum guaranteed amount. In respect of the Mega Shows to be held in 2015 (which Mega Expo (HK) shall agree to provide Services to Idea Trade upon entering into the Management Agreement), Mega Expo (HK) shall guarantee to sell a minimum of 31,500 Units and 4,500 Units for Mega Show Part I and Mega Show Part II, respectively; as such, subject to the terms and conditions of the Management Agreement, Mega Expo (HK) shall pay, in tranches, to Idea Trade approximately HK\$21.4 million and approximately HK\$3.1 million as guaranteed amounts to provide Services for Mega Show Part I and Mega Show Part II to be held in 2015, respectively. As at the date of this announcement, it is the Group's intention to take up the role as the organiser of the Mega Shows to be held in 2015.

### **The Priority Purchase Right and restrictions on issue and transfer of shares in Idea Trade**

Pursuant to the Management Agreement, Mega Expo (HK) will be granted the Priority Purchase Right, and the Purchaser and Idea Trade will irrevocably and unconditionally undertake to Mega Expo (HK) that at any time during the Management Term, unless otherwise agreed in writing by Mega Expo (HK), the Purchaser and Idea Trade shall not (i) issue share of any class in Idea Trade; (ii) transfer any share (or any interest thereof) in Idea Trade; or (iii) assign any right of the Licence Agreement(s), to any third party unless the right of first refusal is given to Mega Expo (HK).

## **INFORMATION ON THE GROUP AND IDEA TRADE**

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.

Idea Trade is principally engaged in the holding of certain licences for the rental of the venue of HKCEC for the staging of trade exhibitions to be held at the HKCEC. As at the date of this announcement, Idea Trade held the Licence Agreements for the staging of Mega Show Part I and Mega Show Part II to be held in October 2015.

The unaudited profit before and after tax of Idea Trade is approximately HK\$18,000 and approximately HK\$66,000 for the years ended 30 June 2013 and 30 June 2014, respectively. The unaudited net liabilities of Idea Trade as at 30 June 2013 and 30 June 2014 was approximately HK\$29,000 and approximately HK\$96,000, respectively.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

As already disclosed in the Company's interim report for the six month ended 31 December 2014, the Group considered it was facing global macro-economic challenges which were beyond the control of the Group, it saw the shrinking of the Hong Kong-based manufacturing industry which was evident from the declining number of exhibition booths originating from Hong Kong companies at the Mega Shows. The Group also considered the uncertain local political environment of Hong Kong might also add uncertainty to the economic outlook of Hong Kong in 2015.

Against this backdrop, the Directors consider it is more beneficial for the Group to place more emphasis on the organisation of and sales of booths for such trade exhibitions in Hong Kong, and to develop exhibitions overseas. The Directors considered that, through the Disposal, the Consideration to be received would provide additional working capital to the Group for its expansion of overseas exhibitions currently organised by the Group and organisation and or development of new exhibitions overseas. The Directors believe that the diversification of exhibition themes and geographical locations of exhibitions of the Group may reduce business

risks that the Group currently faces. The Directors consider the Management Agreement to be entered into between Mega Expo (HK) and Idea Trade upon Completion shall enable the Group to maintain its interest in the management of the Mega Shows during the Management Term, and thus, allowing the Group to maintain its competitiveness in the exhibition industry in Hong Kong.

In view of the above, the Directors (including the independent non-executive Directors) consider the entering of the Disposal Agreement, the Management Agreement to be entered upon Completion and the respective transactions contemplated thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

As a result of the Disposal, the Group is expected to record an unaudited gain on disposal of approximately HK\$40.7 million with reference to (i) the unaudited net liabilities of Idea Trade as at 31 March 2015 of approximately HK\$418,000; (ii) the Consideration of HK\$42.5 million and (iii) the waiver of an amount due from Idea Trade in the amount of approximately HK\$2.3 million.

It is expected that the proceeds of the Disposal after deducting all relevant expenses shall be utilised for the organisation or development of new exhibitions and expansion of existing exhibitions organised by our Group and for general working capital purposes.

## **LISTING RULE IMPLICATIONS**

The highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but less than 25%. Accordingly, the Disposal constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is therefore subject to notification and announcement requirements under the Listing Rules.

## **RESUMPTION OF TRADING**

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## DEFINITIONS

“Board”	board of Directors
“BVI”	the British Virgin Islands
“Company”	Mega Expo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange (Stock Code: 1360)
“Completion”	completion of the Disposal
“Completion Date”	the date falling the third business days following the fulfillment (or waiver) of the conditions precedent to the Disposal or such later date as the Vendor and the Purchaser may agree
“Consideration”	the purchase price for the Sale Share, being HK\$42.5 million
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Share pursuant to the terms of the Disposal Agreement, which constitutes a discloseable transaction of the Company under the Listing Rules
“Disposal Agreement”	the sale and purchase agreement dated 21 April 2015 entered into between the Vendor and the Purchaser relating to the Disposal
“Group”	the Company and its subsidiaries before the Completion
“HKCEC”	Hong Kong Convention and Exhibition Centre

“HKCEC Management”	Hong Kong Convention and Exhibition Centre (Management) Limited, a wholly-owned subsidiary of NWS Holdings Limited (Stock Code: 659), the shares of which are listed on the Main Board of the Stock Exchange, an Independent Third Party
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Idea Trade”	Idea Trade Limited ( 思 賢 有 限 公 司 ) , a company incorporated in the BVI with limited liability on 30 May 2012, an indirect wholly owned subsidiary of the Company before Completion
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Licence Agreement(s)”	the current and future licence agreement(s) for the rental of the venue of HKCEC entered or to be entered into by Idea Trade with HKCEC Management for the staging of the Mega Shows
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	20 October 2015, or such later date as the Parties may agree in writing
“Management Agreement”	the project management agreement to be entered into between Idea Trade, the Purchaser and Mega Expo (HK), a fellow subsidiary of the Vendor, at Completion

“Management Term”	a term of 10 years from the date of the Management Agreement, subject to any early termination in accordance with the terms of the Management Agreement
“Mega Expo (HK)”	Mega Expo (Hong Kong) Limited ( 恆建展覽 ( 香港 ) 有限公司 ) , a company incorporated in Hong Kong on 11 March 2009 with limited liability and an indirect wholly-owned subsidiary of the Company
“Mega Shows”	Mega Show Part I and Mega Show Part II
“Mega Show Part I”	Hong Kong International Toys & Gifts Show and Asian Gifts Premium & Household Products Show, an annual trade exhibition held in the HKCEC with exhibition theme on the products sectors of gifts, housewares, premium and toys and games plus baby and child, glassware trends, gift wrap and packaging
“Mega Show Part II”	Mega Show Part II Giftware Housewares, Stationery, School & Office, an annual trade exhibition held in HKCEC with exhibition theme on the products sectors of gifts, home decorations, office and stationery to be held after Mega Show Part I
“Parties”	the Vendor and the Purchaser
“Priority Purchase Right”	a right of first refusal granted to Mega Expo (HK) pursuant to the Management Agreement to purchase share(s) in Idea Trade proposed to be sold or transferred by the Purchaser to a party other than Mega Expo (HK)
“Project(s)”	the organisation and management of the Mega Shows which Idea Trade is entitled to organise under the Licence Agreements during the Management Term

“Purchaser”	Geniune Heart Trading Limited (赤誠貿易有限公司), a company incorporated in the BVI with limited liability, which is an Independent Third Party
“Sale Share”	the entire issued share capital of Idea Trade
“Services”	organisation and management and other related services regarding the business of the organisation of the Mega Shows to be provided by Mega Expo (HK) as an organiser
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unit”	one square meter of booth of a Project
“Vendor”	New Heyday Investments Limited, a company incorporated in the BVI with limited liability on 19 March 2012 and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By the order of the Board  
**Mega Expo Holdings Limited**  
**Lee Chi Sang**  
*Chairman*

Hong Kong, 21 April 2015

*As at the date of this announcement, the Board comprises Mr. Lee Chi Sang and Mr. Si Tze Fung as executive directors; Mr. Chu Kwok Man, Mr. Law Sung Ching, Gavin and Mr. Yeung Chun Yue, David as independent non-executive directors.*