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

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
THE ENTIRE ISSUED SHARE CAPITAL OF  
TREASURE SPY LIMITED**

Financial Adviser



**Euto Capital Partners Limited**

**THE ACQUISITION**

The Board is pleased to announce that on 8 April 2016 (after trading hours), the Purchaser, which is an indirect wholly-owned subsidiary of the Company, the Vendor and the Guarantor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, at the consideration of HK\$150,000,000, of which HK\$100,000,000 shall be settled by cash and the balance of HK\$50,000,000 shall be settled by the issuance of the Promissory Note. The Guarantor has agreed to guarantee the Vendor's obligations under the Agreement.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Company's consolidated financial statements.

## **LISTING RULES IMPLICATION**

As one or more of the relevant percentage ratios under the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition 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 Acquisition 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**

Reference is made to the Company's announcement dated 21 January 2016 regarding the entering into of the Letter of Intent.

On 8 April 2016 (after trading hours), the Purchaser, which is an indirect wholly-owned subsidiary of the Company, the Vendor and the Guarantor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, at the consideration of HK\$150,000,000. The Guarantor has agreed to guarantee the Vendor's obligations under the Agreement. Details of the Agreement are set out below.

## **THE AGREEMENT**

### **Date:**

8 April 2016 (after trading hours)

### **Parties**

Purchaser: Integral Wealth Limited

Vendor: Almighty Captain Limited

Guarantor: Mr. Lau Cheuk Yiu

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Guarantor, the Vendor and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Guarantor, the Vendor and its ultimate beneficial owners do not hold any Shares or other securities in the Company.

### **Assets to be acquired**

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

### **Consideration**

The Consideration for the Sale Share is HK\$150,000,000, which shall be satisfied by the Purchaser in the following manner:

- (a) a deposit (the "**Deposit**") in the amount of HK\$20,000,000 has been paid in cash by the Purchaser to the Vendor's nominee, Dorian, upon the execution of and in accordance with the terms of the Letter of Intent; and
- (b) the remaining balance in the amount of HK\$130,000,000, shall be payable by the Purchaser to the Vendor (or its nominee) on Completion as to HK\$80,000,000 shall be paid in cash and HK\$50,000,000 shall be settled by way of the issue of the Promissory Note.

It is agreed by the parties that the Deposit shall be used to satisfy part of the Consideration upon Completion.

If Completion does not take place, the Agreement shall cease and terminate (save and except certain clauses under the Agreement which shall continue to have full force and effect) and the Vendor shall refund or procure the refund of the Deposit (without interest) to the Purchaser, and neither party shall have any obligations and liabilities thereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

The Consideration has been arrived at after arm's length negotiations between the parties to the Agreement with reference to the valuation of 100% equity interest in the Hong Kong Company prepared by the Valuer of HK\$255,000,000 under the discounted cash flow approach as at 31 December 2015 (the "**Valuation**").

### **Conditions precedent**

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (1) there being no material breach of any of the warranties on Completion;
- (2) all appropriate governmental and regulatory approvals having been obtained in relation to the acquisition of the Sale Share;
- (3) all consents of the Stock Exchange and other regulatory authorities (where required) having been obtained;
- (4) the Purchaser being satisfied with the results of a due diligence review on the Target Group's assets, liabilities, contracts, legal, finance, operation, intellectual properties and other aspects which the Purchaser reasonably considers appropriate;
- (5) the Target Company having incorporated the Hong Kong Company;
- (6) documentary evidence satisfactory to the Purchaser that Dorian having unconditionally acquired the right to use the Intellectual Properties pursuant to the Head Licence Agreement as supplemented from time to time;
- (7) the Purchaser obtaining a Hong Kong legal opinion opining on, inter alia, the Target Company, the right of the Hong Kong Company to the use of the Intellectual Properties and the Purchaser being satisfied with the form and substance of such legal opinion in its sole opinion;
- (8) receipt by the Purchaser of the Valuation Report from the Valuer showing the fair value of the Hong Kong Company being not less than HK\$250,000,000;

- (9) the Sub-Licence Agreement having been entered into by Dorian and the Hong Kong Company in respect of roadshow, event, exhibition of Ultraman Asia in a form agreed by the Purchaser;
- (10) all reasonably relevant approvals, consents, licences and/or permits in relation to the transaction contemplated under the Agreement, having been obtained; and
- (11) the clearance of all announcement(s) and circular(s) (if required) to be issued by the Company under the Listing Rules and granting of all approvals, if necessary by the Stock Exchange or by Shareholders of the Company (if necessary) in respect of all transactions contemplated by the Agreement.

The Vendor shall use its best endeavours to assist the Purchaser in connection with the due diligence review conducted under the above conditions set out in (4) and, in particular, shall procure that all information and documents required pursuant to applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the Purchaser and other relevant regulatory authorities.

Each of the Purchaser and the Vendor shall use their respective best endeavours to procure the fulfilment of the above conditions (to the extent applicable). If the conditions set out in the above conditions have not been satisfied (or as the case may be, waived by the Purchaser) on or before 12:00 noon on 31 May 2016 or such later date as the Vendor and the Purchaser may agree (the “**Long Stop Date**”), the Agreement shall cease and determine (save and except certain clauses under the Agreement which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof, and in such event the Deposit (without interest) shall be refunded to the Purchaser forthwith.

## **Completion**

Upon compliance with or fulfilment (or waiver) of all the above conditions, Completion shall take place on the Completion Date.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Company’s consolidated financial statements.

The Vendor has undertaken that following Completion, it will provide a HK\$50,000,000 interest free loan to the Target Company for a term of one year or such later date as the parties to the Agreement may agree.

### **Profit Guarantee**

Pursuant to the Agreement, the Vendor irrevocably warrants and guarantees to the Purchaser that the Net Profit for the Full Two Years Period will not be less than HK\$30,000,000 (the “**Full Two Years Guaranteed Profit**”).

If the actual Net Profit for the Full Two Years Period (the “**Full Two Years Actual Profit**”) as shown in the Guarantee Certificate (as defined below) is less than the Full Two Years Guaranteed Profit, then the Vendor shall pay to the Purchaser an amount calculated as follows:

$$A = (\text{Full Two Years Guaranteed Profit} - \text{Full Two Years Actual Profit})$$

In such event, the Vendor shall forthwith and in any event of no later than five Business Days after the date of the Guarantee Certificate pay to the Purchaser a sum equivalent to “A” in cash or in such other manner as the Vendor and Purchaser may agree subject to compliance with all applicable laws and regulations.

For the avoidance of doubt, should the Target Group record a loss in its consolidated audited financial statements for the Full Two Years Period, the Full Two Years Actual Profit for such relevant period shall be deemed as zero.

The Vendor and the Purchaser shall procure that the audited consolidated financial statements of the Target Group for the Full Two Years Period shall be prepared and reported by the auditors for the time being of the Company (the “**Auditors**”) by the date falling 3 months after the expiry of the Full Two Years Period, and the Auditors shall issue a certificate (the “**Guarantee Certificate**”) to certify the amount of the Full Two Years Actual Profit as shown in such audited consolidated financial statements.

The following provisions shall apply in respect of the preparation and report of the audited consolidated financial statements and the determination of the Full Two Years Actual Profit:

- (1) the costs and expenses of the Auditors shall be borne by the Purchaser;

- (2) the Vendor shall render such assistance to the Auditors as may be necessary of the preparation of the audited consolidated financial statements of the Target Group for the Full Two Years Period and the determination of the Full Two Years Actual Profit;
- (3) the Vendor and the Purchaser shall supply to the Auditors such information and records and accord the Auditors such access to their respective properties and facilities as the Auditors may reasonably require for their audit; and
- (4) provided that the same conform to the Hong Kong Financial Reporting Standards and the related interpretation of those standards.

## **INFORMATION ON THE VENDOR**

The Vendor is a company incorporated in the British Virgin Islands with limited liability on 8 July 2015 and is principally engaged in investment holding. As at the date of the Agreement, the entire issued share capital of the Vendor is legally and beneficially owned by Dorian.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

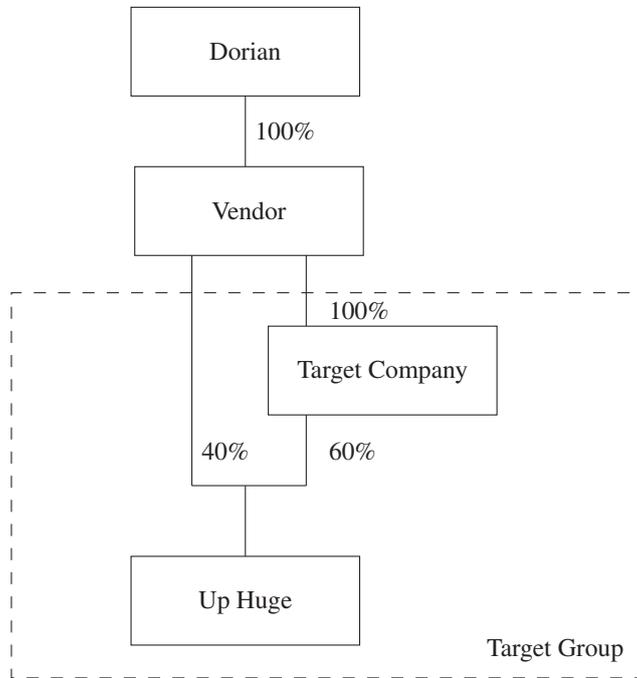
## **INFORMATION ON THE TARGET GROUP**

The Target Company is a company incorporated in the British Virgin Islands with limited liability on 18 September 2015 and is principally engaged in investment holding. As at the date of the Agreement, the entire issued share capital of the Target Company is owned by the Vendor.

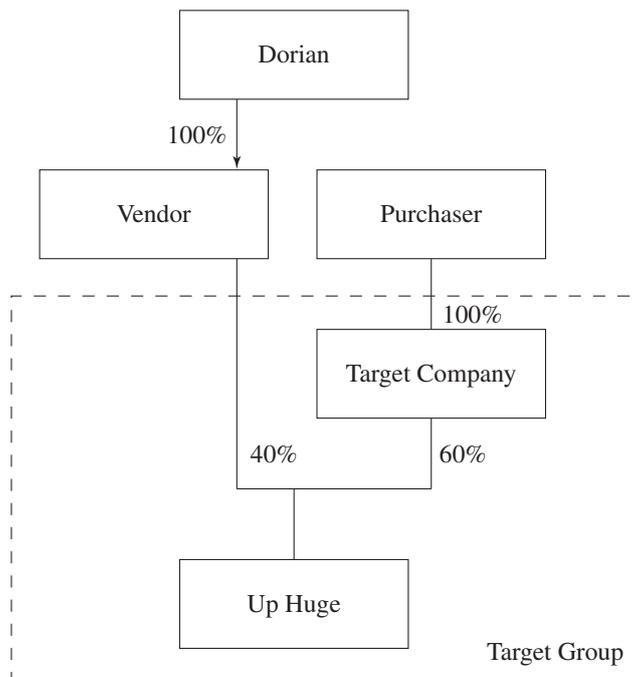
Up Huge is a company incorporated in Hong Kong with limited liability on 20 November 2015. Up Huge is an investment holding company to be licenced with the right to use of the Ultraman Intellectual Properties in Hong Kong, Macau and Taiwan pursuant to the Sub-Licence Agreement. As at the date of the Agreement, the entire issued share capital of Up Huge is owned as to 60% by the Target Company and 40% by the Vendor.

The following charts show the group structure of the Target Group (i) as at the date of this announcement; and (ii) immediately after Completion:

**As at the date of this announcement**



**Immediately after Completion**



## **Financial information on the Target Group**

As advised by the Vendor, since the Target Company and Up Huge both have short and insignificant operational history since their incorporation, the financial performance of these two companies are insignificant.

## **REASONS AND BENEFITS FOR THE ACQUISITION**

As disclosed in the interim report of the Company for the six months ended 31 December 2015, the Group considered that it was facing global macro-economic challenges which were beyond the control of the Group. The Hong Kong-based manufacturing industry was also shrinking which was evident from the declining number of exhibition booths originating from Hong Kong companies at the Mega Shows. The Group also considered the social conflicts and political volatility of Hong Kong might certainly impact on the already adverse economic environment that Hong Kong is facing.

Facing the challenges ahead, the Board considers to adopt a cautious approach in managing the Group's business operations and evaluating business development opportunities. The Board considers that the Acquisition would allow the Group's business to diversify geographically. The Board also considers that the Acquisition could broaden the Group's income sources and enhance its financial performance and will be beneficial to the future growth and business development of the Group as a whole.

## **COMPLIANCE WITH RULE 14.62 OF THE LISTING RULES**

The Valuation has been prepared by the Valuer. According to the Valuation, the market value of a 100% equity interest in the Hong Kong Company was reasonably stated at HK\$255,000,000, as at the valuation date of 31 December 2015. The Valuation has adopted income approach and discounted cash flow method in valuing the Hong Kong Company. As such, the Valuation constitutes a "profit forecast" under Rule 14.61 of the Listing Rules. Rule 14.62 of the Listing Rules is hence applicable.

The principal assumptions, including commercial assumptions, on which the Valuation has been based, are as follows:

1. There will be no material change in the existing political, taxation, legal, technological, fiscal or economic conditions in the localities in which the Hong Kong Company operates or intends to operate, which might adversely affect the business of the Hong Kong Company;
2. there will be no material change in the conditions in which the business of the Hong Kong Company is being operated and in which are material to revenue and costs of business of the Hong Kong Company;
3. the information concerning the Hong Kong Company has been prepared on a reasonable basis after due and careful consideration by the management of the Target Group;
4. the Hong Kong Company will recruit or maintain the necessary competent management, key personnel, and professionals to support the ongoing operation and development of the Hong Kong Company;
5. all licences and permits that are essential for the operation of the Hong Kong Company have been obtained and are renewable upon expiry;
6. there are no hidden or unexpected conditions associated with the business valued that might adversely affect the reported value. The Valuer assumes no responsibility for changes in market conditions after the valuation date of 31 December 2015; and
7. interest rates and exchange rates in the localities for the operation of the Hong Kong Company will not differ materially from those presently prevailing, which are material to revenue and expenses of business of the Hong Kong Company.

Summarized below are the major assumptions adopted in the Valuation:

1. The applicable corporate tax rate to the Hong Kong Company is assumed to be 16.5%.
2. The applicable marketability discounts to the Hong Kong Company is assumed to be 16.11%.

ZHONGLEI (HK) CPA Company Limited, the reporting accountants of the Company (the “**Reporting Accountants**”), have reviewed the calculations of the discounted future estimated cash flows of the Hong Kong Company, which does not involve the adoption of accounting policies, in which the Valuation was based. The Board has reviewed the above principal assumptions and confirmed that the forecast has been made after due and careful enquiry. Letter from the Reporting Accountants is included in the Appendix I of this announcement as required under Rule 14.62 of the Listing Rules.

On the basis of the foregoing, the Company’s financial adviser, Euto Capital Partners Limited (the “**Financial Adviser**”), is satisfied that the forecast has been made by the Company after due and careful enquiry. A letter from the Financial Adviser is included in Appendix II of this announcement as required under Rule 14.62 of the Listing Rules.

The following are the qualifications of the experts who have given their opinion and advice included in this announcement:

<b>Name</b>	<b>Qualification</b>
ZHONGLEI (HK) CPA Company Limited	Certified Public Accountants
Roma Appraisals Limited	Independent professional valuer
Euto Capital Partners Limited	A corporation licenced to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Valuer, the Reporting Accountants and the Financial Adviser is an Independent Third Party.

As at the date of this announcement, none of the Valuer, the Reporting Accountants and the Financial Adviser has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Valuer, the Reporting Accountants and the Financial Adviser has given and has not withdrawn its written consent to the publication of this announcement with the inclusion of its letter and all references to its name (including its qualifications) in the form and context in which it is included.

## **LISTING RULES IMPLICATION**

As one or more of the relevant percentage ratios under the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition 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 Acquisition 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.**

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of the Sale Share by the Purchaser from the Vendor pursuant to the terms of the Agreement
“Agreement”	the sale and purchase agreement dated 8 April 2016 entered into between the Purchaser, the Vendor and the Guarantor in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licenced banks are generally open for business in Hong Kong throughout their normal business hours

“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 Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the date falling within 7 Business Days following the day on which all the conditions precedent as set out in the Agreement are satisfied in full or waived (as the case may be)
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration payable by the Company for the Sale Share under the Agreement
“Director(s)”	director(s) of the Company
“Dorian”	Dorian Concept (Group) Limited, a company incorporated in Hong Kong with limited liability
“Full Two Years Period”	the period commencing from the Completion Date and ending on the date falling on the second anniversary of the Completion Date
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Lau Cheuk Yiu
“Head Licence Agreement”	the head licence agreement entered into between Tsuburaya Productions Co., Ltd. and Dorian relating to the Intellectual Properties
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Parties”	party(ies) independent of and not connected with the Company and its Connected Persons (as defined under the Listing Rules)
“Intellectual Properties”	all intellectual properties at any time legally licenced to or controlled by Dorian, the immediately holding company of the Vendor in relation to “Ultraman” series 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
“Letter of Intent”	the letter of intent dated 20 January 2016, the details of which were disclosed in the announcement dated 21 January 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 May 2016
“Net Profit”	the audited consolidated net profit after Taxation of the Target Company and excluding extraordinary items, any amounts received or written back for debt or any other provisions and, such profit shall be calculated by reference to the prevailing generally accepted accounting principles, standards and practices in Hong Kong as calculated by the auditors of the Target Company

“Promissory Note”	the promissory notes in the aggregate principal amount of HK\$50,000,000 to be issued by the Purchaser in favor of the Vendor (or its nominee) as part of the consideration for the Acquisition
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Purchaser”	Integral Wealth Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Share”	an aggregate of 1 issued and fully paid share, representing the entire issued share capital of the Target Company, which is wholly and beneficially owned by the Vendor as at the date of the Agreement
“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 issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Licence Agreement”	the sub-licence agreement entered into between Dorian and the Hong Kong Company in relation to the sub-licensing of the Intellectual Properties to the Hong Kong Company
“Target Company”	Treasure Spy Limited, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is owned by the Vendor

“Target Group”	the Target Company and its subsidiary
“Taxation”	includes all forms of tax, levy, duty, charge, fee, contribution, impost or withholding of any nature now or hereafter imposed, levied, collected, withheld or assessed by a local, municipal, governmental, state, federal or other body or authority in Hong Kong, the British Virgin Islands or elsewhere (including any fine, penalty, surcharge or interest in relation thereto)
“Up Huge” or “Hong Kong Company”	Up Huge Corporation Limited, a company incorporated in Hong Kong with limited liability which is owned as to 60% by the Target Company and 40% by the Vendor
“Valuation Report”	the valuation report of Up Huge on the valuation of 100% equity interests in Up Huge at 31 December 2015 under the discounted cash flow approach prepared by the Valuer
“Valuer”	Roma Appraisals Limited, an independent professional valuer
“Vendor”	Almighty Captain Limited, a company incorporated in the British Virgin Islands with limited liability which holds 100% shareholding interest in the Target Company
“%”	per cent.

By order of the Board  
**Mega Expo Holdings Limited**  
**Liu Gejiang**  
*Executive Director*

Hong Kong, 8 April 2016

*As at the date of this announcement, the Board comprises Mr. Lam Wa, Mr. Liu Gejiang and Mr. Sun Sizhi as executive Directors; Mr. Yeung Chun Yue, David, Mr. Choi Hung Fai and Mr. Yang Bo as independent non-executive Directors.*

## **APPENDIX I – LETTER FROM THE REPORTING ACCOUNTANTS**

**Private & Confidential**

8 April 2016

The Board of Directors  
**Mega Expo Holdings Limited**  
Suites 911-912  
Level 9, One Pacific Place  
88 Queensway  
Hong Kong

Dear Sirs,

### **ACCOUNTANTS’ REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF UP HUGE CORPORATION LIMITED**

#### **TO THE DIRECTORS OF MEGA EXPO HOLDINGS LIMITED (THE “COMPANY”)**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Roma Appraisals Limited, in respect of Up Huge Corporation Limited (the “**Target Company**”), as at 31 December 2015 (the “**Valuation**”) is based. The Target Company is a company incorporated in Hong Kong with limited liability. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and will be included in the announcement dated 8 April 2016 to be issued by the Company in connection with the proposed acquisition of 100% of the issued share capital of Treasure Spy Limited.

## **DIRECTORS’ RESPONSIBILITIES FOR THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS**

The directors of the Company (the “**Directors**”) are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

## **OUR INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*”, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **REPORTING ACCOUNTANT’S RESPONSIBILITY**

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our report.

Our engagement was conducted in accordance with Hong Kong Standards on Assurance Engagements 3000 (Revised) “*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*” issued by HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly complied with the Assumptions. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or concluded any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

## **OPINION**

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Yours faithfully,

**ZHONGLEI (HK) CPA Company Limited**

*Certified Public Accountants (Practising)*

**Lam Chik Tong**

Practising Certificate Number: P05612

Suites 313-316

3/F., Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

## APPENDIX II – LETTER FROM THE FINANCIAL ADVISER

The Board of Directors  
Mega Expo Holdings Limited  
Suites 911-912, Level 9  
One Pacific Place  
88 Queensway  
Admiralty, Hong Kong

8 April 2016

Dear Sirs,

We refer to the valuation report prepared by Roma Appraisals Limited (the “**Independent Valuer**”) in relation to the market value of 100% equity interest in Up Huge Corporation Limited as at 31 December 2015 (the “**Valuation**”). The principal assumptions upon which the Valuation is based are included in the announcement of Mega Expo Holdings Limited (the “**Company**”) dated 8 April 2016 (the “**Announcement**”), of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

We note that the Valuation has been developed based on discounted cash flow analysis which is regarded as profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules. We have discussed with the management of the Company and the Independent Valuer regarding the bases and assumptions of the Profit Forecast to arrive at the Valuation and have reviewed the letter dated 8 April 2016 issued by ZHONGLEI (HK) CPA Company Limited, the reporting accountants of the Company, as set out in Appendix I to the Announcement in regard to their work performed on the Profit Forecast. On the basis of the foregoing, we are of the opinion that the Profit Forecast underlying the Valuation, for which the directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,  
For and on behalf of  
**Euto Capital Partners Limited**  
**Manfred Shiu**  
*Director*