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

**SHARE TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE TARGET COMPANY INVOLVING THE ISSUE OF
CONVERTIBLE BONDS UNDER GENERAL MANDATE**

Financial Adviser to the Company

 **KINGSTON CORPORATE FINANCE**

THE ACQUISITION

The Board is pleased to announce that on 7 April 2017 (after trading hours of the Stock Exchange), the Purchaser, which is an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares representing the entire issued share capital of the Target Company at the Consideration of HK\$48,024,000 (subject to the adjustments), which shall be satisfied by the issue of the Convertible Bonds by the Company. Immediately upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

As at the date of this announcement, the Company has a total of 1,350,800,000 Shares in issue. Assuming there is no further issue or repurchase of the Shares and no adjustment to the Consideration, based on the Conversion Price and assuming full conversion of the Convertible Bonds at the Conversion Price, the Convertible Bonds will be converted into a

maximum of 52,200,000 Conversion Shares, representing approximately 3.86% of the total number of Shares in issue as at the date of this announcement and approximately 3.72% of the total number of Shares in issue as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Bonds. The Conversion Shares will be allotted and issued by the Company pursuant to the General Mandate. As at the date of this announcement, a total of 240,000,000 Shares are available for issue under the General Mandate.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) are less than 5% and the Consideration is satisfied by way of issue of Convertible Bonds, the Acquisition constitutes a share transaction of the Company under the Listing Rules and is therefore subject to reporting and announcement requirements.

As Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE AGREEMENT

Date

7 April 2017 (after trading hours of the Stock Exchange)

Parties

- (1) Ms. Wong Man, being the Vendor; and
- (2) Super Team Developments Limited, being the Purchaser and an indirect wholly-owned subsidiary of the Company

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

Assets to be acquired

The Sale Shares, being 100 shares of US\$0.01 each in the share capital of the Target Company, representing the entire issued share capital of the Target Company free from any option, charge, lien, interest, encumbrance, right of first refusal or any other third party rights together with all rights attaching thereto at any time on or after Completion.

Consideration

The Consideration for the Acquisition is HK\$48,024,000 (subject to adjustments), which shall be satisfied by the Company to issue Convertible Bonds. Upon signing the Agreement, the Convertible Bond Certificate shall be held on escrow by the Purchaser's Solicitor or by third party as agreed between the parties.

The Vendor shall receive the First Convertible Bond Certificate in the principal sum of HK\$24,012,000 upon Completion. Subject to provisions in the Agreement relating to profit guarantee, the Vendor shall receive the Second Convertible Bond Certificate, the Third Convertible Bond Certificate and the Fourth Convertible Bond Certificates in the principal sum of HK\$8,004,000 each in the First Relevant Period, the Second Relevant Period and the Third Relevant Period respectively upon meeting the Guaranteed Profits (as defined below).

The Consideration has been determined after arm's length negotiations between the Purchaser and the Vendor with reference to, amongst others, (i) the business development opportunity and prospects of the Target Group; (ii) the profit guarantee of the Target Company as set out in the Agreement; and (iii) the preliminary valuation prepared by Peak Vision Appraisals Limited ("**Peak Vision**"), an independent valuer, showing the appraised value of equity interest of the Target Company as at 31 March 2017 (the "**Valuation Date**") being not less than HK\$49,000,000.

The valuation (the "**Valuation**") was prepared on a market value basis under the discounted cash flow method. Set out below are the principal assumptions used in the Valuation.

The details of the principal assumptions (including commercial assumptions) upon which the Valuation is based are as follows:

- the contractual parties of the agreements will act in accordance with the terms and conditions of the agreements and understandings between the parties;
- for the Target Group will continue as a going concern and will successfully carry out all necessary activities for the development of its business;

- the availability of finance will not be a constraint on the forecast growth of the Target Group's operations in accordance with the projections;
- market trends and conditions where the Target Group operates will not deviate significantly from the economic forecasts in general;
- the unaudited financial statements of the Target Group as supplied to us have been prepared in a manner which truly and accurately reflect the financial position of the Target Group as at the respective balance sheet dates;
- key management, competent personnel, and technical staff will all be retained to support ongoing operations of the Target Group;
- no material changes in the business strategy of the Target Group and its operating structure;
- interest rates and exchange rates in the localities for the operation of the Target Group will not differ materially from those presently prevailing;
- all relevant approvals, business certificates, licenses or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Group operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and
- no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues and profits attributable to the Target Group.

Peak Vision has also assumed the reasonableness of information provided and relied to considerable extent on such information in arriving at its opinion of value.

Confirmations

Kingston Corporate Finance Limited (“**Kingston Corporate Finance**”), acting as the Company’s financial adviser, has confirmed that it is satisfied that the projection of the future cash flows of the Target Group has been made by the Directors after due and careful enquiry.

A letter from HLM CPA Limited (“**HLM**”), the Company’s reporting accountants, dated 7 April 2017 with respect to the profit forecast as required under Rule 14.62(2) of the Listing Rules and a letter from Kingston Corporate Finance dated 7 April 2017 in compliance with Rule 14.62(3) of the Listing Rules will be submitted to the Stock Exchange together with this announcement, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Experts and consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
Peak Vision	independent valuer
HLM	Certified Public Accountants
Kingston Corporate Finance	a corporation licensed by Securities and Futures Commission of Hong Kong to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of Peak Vision, HLM and Kingston Corporate Finance is an Independent Third Party. As at the date of this announcement, none of Peak Vision, HLM and Kingston Corporate Finance has any shareholding 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 members of the Group and not connected persons.

Each of Peak Vision, HLM and Kingston Corporate Finance has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letter and/or all references to its report and name (including its qualification) in the form and context in which they respectively appear.

Having considered the above and the factors described in the paragraph headed “Reasons for and benefits of the Acquisition” below, the Directors consider the Consideration is fair and reasonable and on normal commercial terms and in the interest of the Shareholders as a whole.

Conditions precedents

Completion of the Acquisition is conditional upon the fulfilment (or where applicable, waiver thereof by the Purchaser) of the following conditions:

- (a) the clearance of all announcement(s) to be issued by the Company under the Listing Rules and the granting of all approvals, if necessary by the Stock Exchange and to obtain resolutions from Shareholders at the special general meeting for approving the Agreement and all transactions contemplated under therein, including but not limited to the issue of the Convertible Bonds;
- (b) the Purchaser being satisfied with the result of the due diligence investigation in respect of the Target Group, including but not limited to the financial affairs, businesses, assets, liabilities, legal, results and financing structure of the Target Group and the Purchaser being in its absolute discretion satisfied with the results of such due diligence investigation;
- (c) no such events having occurred since the date of the Agreement to Completion Date as resulting in material adverse effects on the financial position, business or property, operating results or business prospects of the Target Group that should not have been caused;
- (d) the warranties provided by the Vendor in the Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion Date and at all times between the date of the Agreement and Completion Date;

- (e) all reasonably relevant approvals, consents, licences and/or permits of the Stock Exchange and other regulatory authority (where required) in relation to the transaction contemplated hereunder, having been obtained;
- (f) receipt by the Purchaser of a legal opinion in the form and substance satisfactory to the Purchaser by a practising lawyer in the PRC appointed by the Purchaser opining on, inter alia, the due incorporation, valid and continued existence of the Target Company's PRC Subsidiaries;
- (g) receipt by the Purchaser of a legal opinion in the form and substance satisfactory to the Purchaser by a practising lawyer in Hong Kong and certified accountant appointed by the Purchaser opining on, inter alia, the due incorporation, valid and continued existence of the Target Company's Hong Kong Subsidiary and its financial position of the Target Group as at 31 March 2017;
- (h) receipt by the Purchaser of a legal opinion in the form and substance satisfactory to the Purchaser by a practising lawyer in BVI appointed by the Purchaser opining on, inter alia, the due incorporation, valid and continued existence of the Target Company and its BVI Subsidiaries and their financial position;
- (i) all necessary or relevant filings of the resolutions of the directors or shareholders of the Target Group in connection with the execution and performance of the Agreement at any relevant government or regulatory body or other relevant third parties in Hong Kong, PRC and BVI or any other place having been made; all waiting period provided for under the laws of Hong Kong, PRC and BVI or any other relevant jurisdictions having expired or lapsed; and all applicable statutory or legal obligations having been complied with;
- (j) receipt by the Purchaser of a valuation report in form and substance satisfactory to the Purchaser from a firm of independent professional valuers appointed by the Purchaser showing the valuation of the entire equity interest of the Target Company to be not less than HK\$49,000,000;

- (k) the Purchaser being satisfied that there have not been any events or changes which individually or collectively have or reasonably expected to have a material adverse effect on the overall business, condition (financial or otherwise), operating results and assets in respect of the Target Company since the date of the Agreement; and
- (l) granting the approval from the listing committee of the Stock Exchange for the listing of and permission to deal in the Conversion Shares on the Stock Exchange.

Long Stop Date

If any of the conditions above have not been fulfilled or waived by the Long Stop Date, the provisions of the Agreement shall from such date have no effect (other than the provisions relating to conditions precedents, confidentiality, notices and government law and service of process), and neither party to the Agreement shall have any liability thereunder, save and except any antecedent breaches.

Profit guarantee

Pursuant to the Agreement, the Vendor irrevocably warrants and guarantees to the Purchaser that the net profit before taxation of the Target Group as set out in the audited consolidated accounts prepared by a Hong Kong Certified Public Accountant approved by the Purchaser in accordance with the Hong Kong Financial Reporting Standards (the “**Audited Account**”) within 3 months after the end of each of the Relevant Periods (the “**Net Profit**”) will not be less than the guaranteed profits before taxation in each of the Relevant Periods (the “**Guaranteed Profits**”):

Relevant Periods	Guaranteed Profits
First Relevant Period	HK\$10,000,000
Second Relevant Period	HK\$11,000,000
Third Relevant Period	HK\$12,000,000

If the Net Profit for a Relevant Period is less than the Guaranteed Profits for the Relevant Period or there is a Net Loss in the Relevant Period, the Purchaser is entitled to deduct from the Second Convertible Bond or the Third Convertible Bond or the Fourth Convertible Bond (as the case maybe) at the respective Relevant Period an amount equal to the Adjustment (as calculated and defined below) within 7 Business Days after the issue of the Audited Account for that Relevant Period.

If there is no Net Loss:

$$\text{Adjustment} = (\text{Guaranteed Profits} - \text{Net Profit})$$

If there is a Net Loss:

$$\text{Adjustment} = (\text{Guaranteed Profits} + \text{Net Loss})$$

In the event that amount of the Second Convertible Bond, the Third Convertible Bond or the Fourth Convertible Bond at the respective Relevant Period is insufficient to be deducted for the Adjustment, the Vendor shall pay to the Purchaser the difference i.e. Adjustment minus the amount of Convertible Bonds in cash within 21 Business Days after the issue of the Audited Account for that Relevant Period.

Completion

Completion shall take place on the Completion Date at such place to be agreed after fulfilment or waiver of the conditions (as the case maybe) or on such other date as may be agreed between the Vendor and the Purchaser.

The Target Company is wholly-owned by the Vendor as at the date of this announcement. Upon Completion, the Purchaser will hold 100% of the issued share capital of the Target Company and the Target Company will become an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE CONVERTIBLE BONDS

Principal Amount: An aggregate of HK\$48,024,000 (subject to adjustments) of which the amount of the First Convertible Bond is HK\$24,012,000 and the amount of each of the Second Convertible Bond, the Third Convertible Bond and the Fourth Convertible Bond is HK\$8,004,000

Issuer: The Company

Conversion Price: HK\$0.92

The Conversion Price of the Convertible Bonds is HK\$0.92 per Conversion Share, which represents:

- (i) a discount of approximately 19.3% to the closing price of HK\$1.14 per Share as quoted on the Stock Exchange on the date of the Agreement; and
- (ii) a discount of approximately 19.44% to the average closing price of approximately HK\$1.142 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreement.

The Conversion Price was arrived at after arm's length negotiations among the Company and the Vendor with reference to, among other things, the prevailing market performance of the Shares and the future prospect of the Company. The Directors consider that the terms of the Convertible Bonds are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Maturity Dates: 3 years from the date of Agreement

Interest Rate: Nil

Conversion Shares: A maximum of 52,200,000 new Shares will be allotted and issued upon full conversion of the Convertible Bonds, which represent:

- (i) approximately 3.86% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 3.72% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds.

The Conversion Shares shall be allotted and issued pursuant to the General Mandate. No more than 52,200,000 Conversion Shares shall be allotted and issued under the General Mandate.

Conversion Rights:

Bondholder shall have the right, exercisable during the conversion period of the Convertible Bonds in the manner provided in the bond instruments of the Convertible Bonds, to convert the whole or any part (in multiples of HK\$8,004,000) of the outstanding principal amount of the Convertible Bonds.

No fraction of a Share shall be issued on conversion and no amount in lieu thereof shall be regarded to the Bondholder.

**Limitations on
conversion of the
Convertible Bonds:**

The Company shall not allow conversion of any portion of the outstanding principal amount of the Convertible Bonds if upon such conversion, the Bondholder and parties acting in concert with it which when aggregated together with the existing Shares held shall be interested (whether directly or indirectly) in 29.90% or such other percentage as may from time to time be specified in the Takeovers Code as being the level of triggering a mandatory general offer, or the Company shall fail to maintain a 25% public float.

The Company has the right to redeem all or part(s) of the Convertible Bonds from the Bondholder pursuant to the terms and conditions of the Convertible Bonds.

Redemption:

Redemption of the Convertible Bonds at maturity

All Convertible Bonds which have not been redeemed or converted by the Maturity Date, shall, either be redeemed by the Company on the Maturity Date at a redemption amount equal to 100% of the outstanding principal amount of such Convertible Bonds, or be converted into Shares.

Redemption on default

If any of the events of default specified in the bond instrument of the Convertible Bonds the Company shall within 7 Business Days give notice to the Bondholder and the Convertible Bonds shall become immediately due and payable in the amounts which would otherwise be due on the Maturity Date.

- Conversion Period: The Conversion Rights attaching to the Convertible Bonds may be exercised on any Business Days following the date of issue of the Convertible Bonds until 4:00 p.m. on the Maturity Date.
- Ranking: Shares issued upon conversion shall rank pari passu in all respects with all other existing Shares outstanding on the date of allotment and issue of the Conversion Shares.
- Transferability: First Convertible Bond shall be freely transferrable upon Completion.
- Second Convertible Bond, Third Convertible Bond and Forth Convertible Bond shall only be freely transferrable upon meeting the Guaranteed Profits after the end of each of the Relevant Periods.
- The Bond may not be transferred by the Bondholder, without the prior written consent of the Company, to any connected person (as defined in the Listing Rules) of the Company
- Voting: Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of its being a Bondholder.
- Application for listing: Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

INFORMATION OF THE PURCHASER

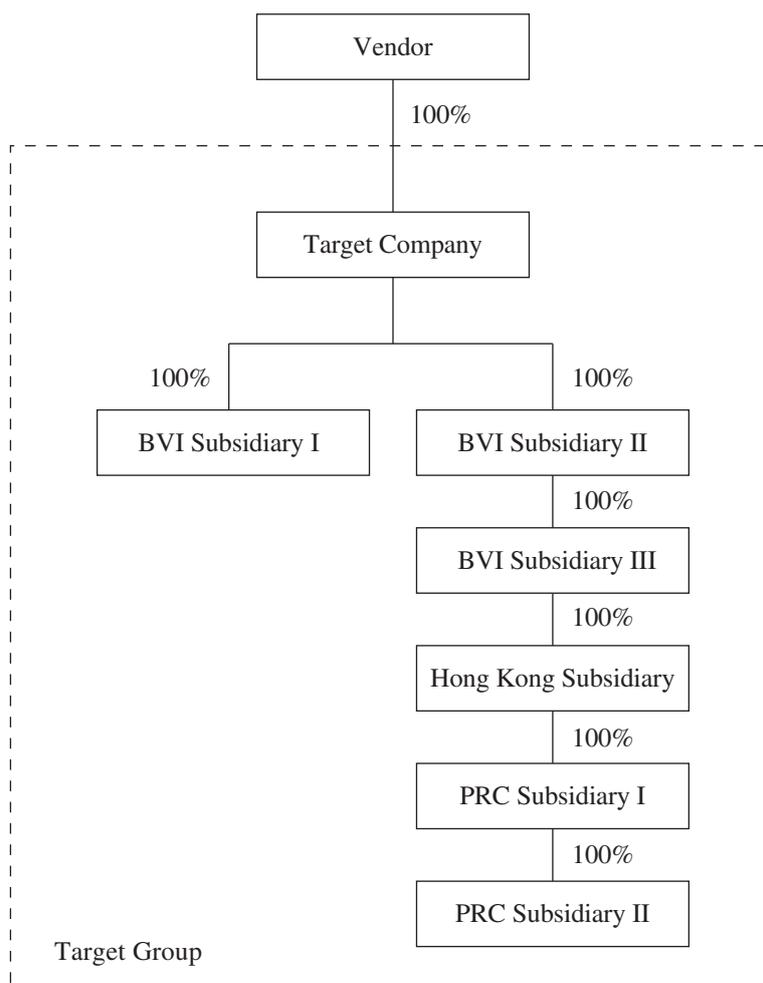
Super Team Developments Limited is a company incorporated under the laws of BVI and is an indirect wholly-owned subsidiary of the Company. It is an investment holding company. The Group is principally engaged in the organisation and management of trade exhibitions and exhibitions management services.

INFORMATION OF THE TARGET GROUP

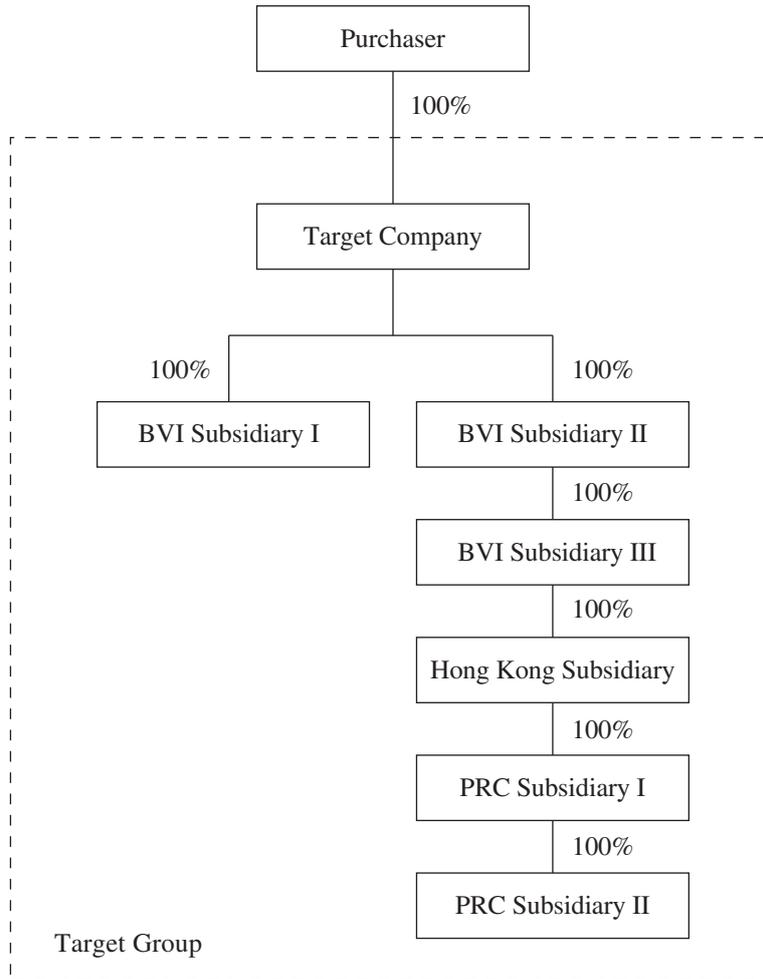
The Target Company is an investment holding company with limited liability incorporated under the laws of BVI on 24 October 2016. The Target Group is engaged in the provision of bar brand management services under the name of “PHEBE”, “菲苾”, “MT” and “U.CLUB” in various cities in the PRC, including Shanghai, Suzhou, Yixing, Hefei, Nantong, Beihai and etc.

The following charts show the group structure of the Target Group immediately before and after Completion:

Immediately before Completion



Immediately after Completion



BVI Subsidiary I

Faithful Progress Limited is a company incorporated under the laws of BVI on 24 October 2016 with limited liability and a direct wholly-owned subsidiary of the Target Company. It is principally engaged in investment holding and provision of bar brand services under the name of “PHEBE”, “菲苾”, “MT” and “U.CLUB” in various cities in the PRC, including Shanghai, Suzhou, Yixing, Hefei, Nantong, Beihai and etc. and has no material assets and liabilities as at the date of this announcement.

BVI Subsidiary II

Supreme Highview Limited is a company incorporated under the laws of BVI on 3 November 2016 with limited liability and a direct wholly-owned subsidiary of the Target Company. It is principally engaged in investment holding and has no material assets and liabilities as at the date of this announcement.

BVI Subsidiary III

Phebe Shanghai Limited is a company incorporated under the laws of BVI on 8 June 2016 with limited liability and an indirect wholly-owned subsidiary of the Target Company. It is principally engaged in investment holding and has no material assets and liabilities as at the date of this announcement.

Hong Kong Subsidiary

Phebe (HK) Holding Limited is a company incorporated under the laws of Hong Kong on 27 June 2016 with limited liability and an indirect wholly-owned subsidiary of the Target Company. It is principally engaged in investment holding and has no material assets and liabilities as at the date of this announcement.

PRC Subsidiary I

上海菲益苾餐飲管理有限公司 is a company established in the PRC on 8 September 2016 and an indirect wholly-owned subsidiary of the Target Company. It is principally engaged in catering management, cultural event planning/consulting and brand management services.

PRC Subsidiary II

菲益苾(上海)品牌管理有限公司 is a company established in the PRC on 24 October 2016 and an indirect wholly-owned subsidiary of the Target Company. It is principally engaged in brand management, marketing planning, corporate image planning, catering management and services. As at 31 March 2017, the company has entered into agreements in relation to bar brand management services with its customers, the terms of which range from 3 years to 5 years. The total amount of the agreements involved is more than RMB20 million and certain brand management services have commenced in accordance with the terms of the agreements.

Financial information of the Target Group

The following table sets out the unaudited financial information of the Target Group for the period from 24 October 2016 (date of incorporation of the Target Company) to 31 March 2017:

	For the period from 24 October 2016 to 31 March 2017 RMB'000 (Unaudited)
Revenue	3,606
Profit before taxation	3,303
Profit after taxation	2,960

The unaudited net assets of the Target Group as at 31 March 2017 was approximately RMB2,849,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group 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.

The Board considers that the Acquisition is a valuable investment opportunity for the Company as it diversifies the Group's existing business of trade exhibitions and related services. The Acquisition allow the Group to enter the brand management business in the PRC. This is a growing business due to the rapidly growing customer base and increasing purchasing power of consumers in the PRC. Accordingly, the Directors believe that the Acquisition will enable the Company to strengthen and enhance its business profile in the PRC and diversify its income source.

In consideration of the above, the Board considers that the terms of the Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately after the full conversion of the Convertible Bonds after the First Relevant Period, the Second Relevant Period and the Third Relevant Period, assuming that all Guaranteed Profits are achieved in each of the Relevant Period and there is no other change in the shareholding structure of the Company since the date of this announcement:

Shareholders	As at the date of this announcement		Immediately upon the full conversion of the Convertible Bonds after Completion		Immediately upon full conversion of the Convertible Bonds after the First Relevant Period		Immediately upon full conversion of the Convertible Bonds after the Second Relevant Period		Immediately upon full conversion of the Convertible Bonds after the Third Relevant Period	
	Number of Shares	% (approximately)	Number of Shares	% (approximately)	Number of Shares	% (approximately)	Number of Shares	% (approximately)	Number of Shares	% (approximately)
Chen Chao	135,375,000	10.02	135,375,000	9.83	135,375,000	9.77	135,375,000	9.71	135,375,000	9.65
Vendor	-	-	26,100,000	1.9	34,800,000	2.51	43,500,000	3.12	52,200,000	3.72
Other public Shareholders	1,215,425,000	89.98	1,215,425,000	88.27	1,215,425,000	87.72	1,215,425,000	87.17	1,215,425,000	86.63
Total	1,350,800,000	100.00	1,376,900,000	100.00	1,385,600,000	100.00	1,394,300,000	100.00	1,403,000,000	100.00

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) are less than 5% and the Consideration is satisfied by way of issue of Convertible Bonds, the Acquisition constitutes a share transaction of the Company under the Listing Rules and is therefore subject to reporting and announcement requirements.

As Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Agreement;
“Agreement”	the sale and purchase agreement dated 7 April 2017 entered into between the Purchaser and the Vendor in relation to the Acquisition;
“AGM”	the annual general meeting of the Company held on 9 December 2016;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bondholder”	holder of the Convertible Bonds;
“Business Day(s)”	day(s) (other than a Saturday or any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning is hoisted at 10:00 a.m.) on which licenced banks are generally open for business in Hong Kong;
“BVI”	the British Virgin Islands;
“BVI Subsidiaries”	collectively BVI Subsidiary I, BVI Subsidiary II and BVI Subsidiary III;
“BVI Subsidiary I”	Faithful Progress Limited, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Target Company;

“BVI Subsidiary II”	Supreme Highview Limited, a company incorporated under the laws of BVI and a direct wholly-owned subsidiary of the Target Company;
“BVI Subsidiary III”	Phebe Shanghai Limited, a company incorporated under the laws of BVI and an indirect wholly-owned subsidiary of the Target Company;
“Company”	Mega Expo Holdings Limited (stock code: 1360), a company incorporated in Cayman Islands with limited liability and the Shares of which are listed on the main board of Stock Exchange;
“Completion”	completion of the Acquisition in accordance with terms and conditions of the Agreement;
“Completion Date”	the 3 rd Business Day after all of the conditions precedents set out in the Agreement have been satisfied or waived thereof, where applicable (or such other date as the Vendor and the Purchaser may agree);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable by the Purchaser pursuant to the Agreement;
“Conversion Price”	HK\$0.92 per Conversion Share;
“Conversion Share(s)”	maximum of 52,200,000 new Share(s) to be allotted and issued by the Company under the Convertible Bonds at the Conversion Price of HK\$0.92 per Conversion Share;
“Convertible Bonds”	First Convertible Bond, Second Convertible Bond, Third Convertible Bond and Fourth Convertible Bond;

“Convertible Bond Certificate”	collectively First Convertible Bond Certificate, Second Convertible Bond Certificate, Third Convertible Bond Certificate, and Fourth Convertible Bond Certificate;
“Director(s)”	director(s) of the Company;
“First Relevant Period”	the period commencing from 1 January 2017 and ending on 31 December 2017;
“First Convertible Bond”	an interest-free and unsecured convertible bond in the principal sum of HK\$24,012,000 due in three years from the date of the Agreement;
“First Convertible Bond Certificate”	the certificate for the First Convertible Bond;
“Fourth Convertible Bond”	an interest-free and unsecured convertible bond in the principal sum of HK\$8,004,000 due in three years from the date of the Agreement;
“Fourth Convertible Bond Certificate”	the certificate for the Fourth Convertible Bond;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal up to 20% of the then issued share capital of the Company as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Subsidiary”	Phebe (HK) Holding Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Target Company;

“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on main board of the Stock Exchange;
“Long Stop Date”	the date following 3 months from the date of the Agreement, or such other date the Purchaser and the Vendor agreed in writing;
“Net Loss”	the net loss before taxation of the Target Group as set out in the consolidated accounts prepared by a Hong Kong certified public accountant in accordance with the Hong Kong Financial Reporting Standards within 3 months after the end of each of the Relevant Periods;
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“PRC Subsidiaries”	collectively PRC Subsidiary I and PRC Subsidiary II;
“PRC Subsidiary I”	上海菲益芑餐飲管理有限公司, a company established in the PRC and an indirect wholly-owned subsidiary of the Target Company;
“PRC Subsidiary II”	菲益芑(上海)品牌管理有限公司, a company established in the PRC and an indirect wholly-owned subsidiary of the Target Company;
“Purchaser”	Super Team Developments Limited, a company incorporated under the laws of BVI and an indirect wholly-owned subsidiary of the Company;
“Purchaser’s Solicitor”	Messrs Robertsons;

“Relevant Periods”	the First Relevant Period, the Second Relevant Period and the Third Relevant Period, and each refer to the Relevant Period;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	100 shares in the Target Company, representing the entire issued share capital of the Target Company;
“Second Relevant Period”	the period commencing from 1 January 2018 and ending on 31 December 2018;
“Second Convertible Bond”	an interest-free and unsecured convertible bond in the principal sum of HK\$8,004,000 due in three years from the date of the Agreement;
“Second Convertible Bond Certificate”	the certificate for the Second Convertible Bond;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Target Company”	Fortune Selection Limited, a company incorporated under the laws of BVI with limited liability;
“Target Group”	Target Company together with the BVI Subsidiaries, the Hong Kong Subsidiary and the PRC Subsidiaries;
“Third Relevant Period”	the period commencing from 1 January 2019 and ending on 31 December 2019;

“Third Convertible Bond”	an interest-free and unsecured convertible bond in the principal sum of HK\$8,004,000 due in three years from the date of the Agreement;
“Third Convertible Bond Certificate”	the certificate for the Third Convertible Bond;
“Vendor”	Ms. Wong Man; and
“%”	per cent.

By order of the Board
Mega Expo Holdings Limited
Ge Jin
Chairman

Hong Kong, 7 April 2017

As at the date of this announcement, the Board comprises Mr. Ge Jin, 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.

APPENDIX I – LETTER FROM HLM

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

Room 305, Arion Commercial Centre
2-12 Queen's Road West, Hong Kong.
香港皇后大道西2-12號聯發商業中心305室
Tel 電話: (852) 3103 6980
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E-mail 電郵: info@hlm.com.hk

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

Dear Sirs,

Re: Share Transaction — Valuation of 100% equity interest of Fortune Selection Limited (the “Target Company”) and its subsidiaries (collectively, the “Target Group”) in relation to the acquisition of 100% equity interest in the Target Company

We refer to the discounted future cash flows on which the valuation dated 7 April 2017 prepared by Peak Vision Appraisal Limited in respect of the valuation of 100% equity interest in the Target Group as at 31 March 2017 (the “**Valuation**”) is based. The Valuation based on the discounted future cash flows and 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**”).

Directors’ Responsibilities

The directors of the Company (the “**Directors**”) are responsible for the preparation of the discounted future cash flows of the Target Group in accordance with the bases and assumptions (the “**Assumptions**”) determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future 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 behaviour.

The firm applies Hong Kong Standard on Quality Control 1 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 Accountants’ Responsibility

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Group or an expression of an audit or review opinion on the Valuation. The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Review of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows has been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Yours faithfully,

HLM CPA Limited

Certified Public Accountants

Ho Pak Tat

Practising Certificate Number: P05215

Hong Kong

7 April 2017

APPENDIX II – LETTER FROM KINGSTON CORPORATE FINANCE RELATING TO THE PROFIT FORECAST

7 April 2017

The Directors

Mega Expo Holdings Limited

Suites 911-912 on Level 9

One Pacific Place

88 Queensway

Hong Kong

Dear Sirs,

Share transaction – valuation of entire equity interest of Fortune Selection Limited (the “Target Company”) and its subsidiary (collectively, the “Target Group”) in relation to the acquisition of entire equity interest in the Target Company

Reference is made to the announcement of the Company dated 7 April 2017 (the “**Announcement**”) in respect of the acquisition of Fortune Selection Limited. Unless defined otherwise, capitalised terms used in this letter shall have the same meaning as ascribed to them in the Announcement.

We refer to the projection of the future cash flows of the Target Group, which were prepared on a discounted cash flow basis provided by the management of the Group, underlying the preliminary valuation prepared by Peak Vision Appraisal Limited (the “**Valuer**”) in relation to the valuation of the business of the Target Group as at 31 March 2017 (the “**Valuation**”). The Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

The Valuation, for which the directors of the Company (the “**Directors**”) are solely responsible, has been prepared based on, among other things, the projection of the future cash flows of the Target Group provided by the management of the Group (the “**Profit Forecast**”).

We have reviewed the Profit Forecast upon which the Valuation has been made and discussed with you on the bases and assumptions upon which the Profit Forecast has been made. We have also considered the letter dated 7 April 2017 addressed to you from HLM CPA Limited (“HLM”) regarding its opinion on the discounted future estimated cash flows of the Valuation is based which, so far as the calculations are concerned, have been properly compiled in accordance with the bases and assumptions determined by the Directors in the Valuation.

On the basis of the foregoing and on the bases and assumptions made by you and the calculations adopted by you and reviewed by HLM, we have formed the opinion that the Profit Forecast, for which you as the Directors are solely responsible, has been made after due and careful enquiry. However, we express no opinion on whether the actual cash flows would eventually be achieved in correspondence with the Profit Forecast. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Our work in connection with the Profit Forecast has been undertaken solely for the strict compliance with Rule 14.61 of the Listing Rules and for no other purposes.

Yours faithfully,
Kingston Corporate Finance Limited
Gregory Ho
Managing Director