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

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 31 December 2018 and information currently available to the Board, the Group achieved better overall operational performance as a result of the increasing revenue. However, the Group's overall performance was primarily affected by the increase in loss on change in fair value of contingent considerations payables through profit and loss for the six months ended 31 December 2018. The losses arising on fair value changes in contingent consideration payable were unrealised losses and have no impact on the cash flow of the Group. In view of the above, the Group is expected to record a net loss for the six months ended 31 December 2018 as compared to a net profit for the corresponding period in 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Mega Expo Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 31 December 2018 and information currently available to the Board, the Group achieved better overall operational performance as a result of the increasing revenue. However, the Group’s overall performance was primarily affected by the increase in loss on change in fair value of contingent considerations payables through profit and loss for the six months ended 31 December 2018. The contingent considerations payables mainly comprises of the convertible notes of HK\$168 million issued as contingency consideration for the acquisition of Cheer Sino Group. Details of such acquisition were set out in the announcement of the Company dated 8 March 2018. The losses arising on fair value changes in contingent consideration payable were unrealised losses and have no impact on the cash flow of the Group. In view of the above, the Group is expected to record a net loss for the six months ended 31 December 2018 as compared to a net profit for the corresponding period in 2017.

The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group for the six months ended 31 December 2018 and information currently available to the Board, which have not been audited by the auditors of the Company. The Company is still in the process of finalising the interim results of the Group for the six months ended 31 December 2018 which is expected to be published by the end of February 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 February 2019

As at the date of this announcement, the Board comprises Mr. Deng Zhonglin and Mr. Xu Feng as executive Directors; and Mr. Choi Hung Fai, Mr. Tsang Wing Ki, Dr. Wong Kong Tin, JP and Mr. Qiu Peiyuan as independent non-executive Directors.