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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

The board of directors (the “**Board**”) of Mega Expo Holdings Limited (the “**Company**”) presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 June 2015 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	5	188,314	205,781
Other revenue		1,123	983
Other gains and losses	6	(1,509)	945
Gain on disposal of a subsidiary	12	40,851	–
Advertising and promotion expenses		(25,711)	(18,750)
Agency commission		(3,220)	(3,040)
Exhibition rentals		(33,039)	(32,221)
Staff costs		(43,887)	(45,529)
Booth construction costs		(20,456)	(20,622)
Exhibition expenses		(12,277)	(9,036)
Exhibition co-operation expenses		–	(5,151)
Other operating expenses		(39,234)	(52,377)
Profit before tax	6	50,955	20,983
Taxation	7	(5,089)	(6,892)
Profit for the year		45,866	14,091

	Notes	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other comprehensive income/(loss) for the year			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference on translation of foreign operations		<u>33</u>	<u>(84)</u>
Total comprehensive income for the year		<u>45,899</u>	<u>14,007</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		45,919	14,120
Non-controlling interests		<u>(53)</u>	<u>(29)</u>
		<u>45,866</u>	<u>14,091</u>
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		45,952	14,036
Non-controlling interests		<u>(53)</u>	<u>(29)</u>
		<u>45,899</u>	<u>14,007</u>
Earnings per share attributable to owners of the Company			
Basic and diluted (<i>HK cents</i>)	9	<u>20.46</u>	<u>7.74</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		<u>5,253</u>	<u>9,872</u>
Current assets			
Prepayments, deposits and other receivables	<i>10</i>	39,518	35,315
Amount due from a shareholder		–	22
Cash and cash equivalents		<u>230,721</u>	<u>135,070</u>
		270,239	170,407
Current liabilities			
Receipt in advance		108,117	108,811
Accruals and other payables	<i>11</i>	4,434	1,755
Amount due to a shareholder		8	–
Amount due to a related company		362	373
Amount due to a director		–	5
Income tax payable		<u>4,819</u>	<u>9,027</u>
		117,740	119,971
Net current assets		<u>152,499</u>	<u>50,436</u>
Total assets less current liabilities		<u>157,752</u>	<u>60,308</u>
Net assets		<u>157,752</u>	<u>60,308</u>
EQUITY			
Capital and reserves			
Share capital		2,400	2,000
Reserves		<u>155,405</u>	<u>58,308</u>
Equity attributable to owners of the Company		157,805	60,308
Non-controlling interests		<u>(53)</u>	–
Total equity		<u>157,752</u>	<u>60,308</u>

Notes:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Cayman Islands under the Companies Law of Cayman Islands and is listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principal place of business of the Company in Hong Kong has been changed from 38/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong to Suites 911-912, Level 9, One Pacific Place, 88 Queensway, Hong Kong on 31 July 2015.

The principal activity of the Company is investment holding. The principal activities of the Group are involved in the organisation of exhibitions and trade shows and providing ancillary services and provision of sub-contracting services for exhibitions and trade shows.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand, unless otherwise stated.

2. REORGANISATION

In the preparation for the listing of the Company’s shares on the Main Board of the Stock Exchange on 6 November 2013 (“**Listing**”), the Group underwent series of corporate reorganisation (“**Reorganisation**”), as a result of which the Company became a holding company of the subsidiaries comprising the Group. The Reorganisation included the following principal steps:

- (a) on 19 March 2012, New Heyday Investments Limited (“**New Heyday**”) was incorporated in the British Virgin Islands (the “**BVI**”) to act as the holding company of Idea Trade Limited (“**Idea Trade**”). It has an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each, of which one share was allotted and issued to each of Mr. Lee Chi Sang (“**Mr. Lee**”) and Mr. Cheung Shui Kwai (“**Mr. Cheung**”) at par on 15 June 2012. The said one share held by and registered in the name of Mr. Cheung in New Heyday was held on trust pursuant to a declaration of trust dated 19 November 2012 in favour of Mr. Lee;
- (b) on 3 April 2012, Business Good Holdings Limited (“**Business Good**”) was incorporated in the BVI as an investment holding company of Mr. Lee with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On 15 June 2012, Mr. Lee subscribed for and was allotted and issued one share in the share capital of Business Good at par value;

- (c) on 30 May 2012, Expand Trade Investments Limited (“**Expand Trade**”) was incorporated in the BVI for the purpose of acting as the intermediate holding company of the Group with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On 15 June 2012, Business Good subscribed for and was allotted and issued one share in the share capital of Expand Trade at par value;
- (d) on 30 May 2012, Idea Trade was incorporated in the BVI for the purpose of holding certain licences in connection with the trade exhibitions including the license in relation to the Hong Kong International Toys & Gifts Show and Asian Gifts Premium & Household Products Show (the “**Mega Show Part I**”) and Mega Show Part II Giftware, Housewares, Stationery, School & Office (the “**Mega Show Part II**”), and collectively with the Mega Show Part I, (the “**Mega Shows**”) with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On 15 June 2012, New Heyday subscribed for and was allotted and issued one share in the share capital of Idea Trade at par value;
- (e) on 4 July 2012, Mr. Lee transferred one share in the issued share capital of each of Mega Expo Operations Management Limited, Mega Expo (Hong Kong) Limited (incorporated in the BVI), Mega Expo (U.S.A.) Limited and Mega Expo (Berlin) Limited, representing their respective entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing an aggregate of four shares in Business Good to Mr. Lee;
- (f) on 30 July 2012, Mr. Lee transferred one share in the issued share capital of each of Mega Expo (Hong Kong) Limited and i-MegaAsia Limited, representing their respective entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing an aggregate of two shares in Business Good to Mr. Lee;
- (g) on 8 August 2012, Mr. Lee transferred one share in the issued share capital of Profit Topmark Limited, representing its entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing one share in Business Good to Mr. Lee;

- (h) on 21 August 2012, the Company was incorporated in the Cayman Islands under the Companies Law as an exempted company to act as the ultimate holding company of the Group. The authorised share capital of the Company, on incorporation, was HK\$100,000 divided into 1,000,000 shares of HK\$0.1 each. On 21 August 2012, the Company allotted and issued one nil-paid share to Codan Trust Company (Cayman) Limited, which was transferred to Mr. Lee on the same date;
- (i) on 19 November 2012, Mr. Lee and Mr. Cheung entered into a deed (“**Deed**”), pursuant to which the parties thereto confirmed and agreed that, in consideration of Mr. Cheung procuring Hong Kong Convention and Exhibition Centre (Management) Limited, the venue provider of the Mega Shows, to enter into licence agreements for the occupancy of venue for the Mega Shows in 2013 with Idea Trade, Mr. Lee would procure Business Good to allot and issue 68 shares in Business Good to Mr. Cheung, subject to and upon the terms and conditions in the Deed;
- (j) on 19 November 2012, each of Mr. Lee and Mr. Cheung (at the request and as trustee on trust for Mr. Lee) transferred one share in the issued share capital of New Heyday, representing its entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing 924 shares in Business Good to Mr. Lee. On the same day, Business Good allotted and issued 68 shares, credited as fully paid, to Mr. Cheung according to the terms of the Deed;
- (k) on 3 October 2013, each issued and unissued ordinary share of HK\$0.10 each of the Company was sub-divided into 10 shares of HK\$0.01 each and following the sub-division of share capital, the number of shares of the Company increased from 1,000,000 to 10,000,000; and
- (l) on 3 October 2013, Mr. Lee transferred 10 nil-paid shares in the Company to Business Good and Business Good transferred the entire issued share capital in Expand Trade to the Company, in exchange for which the Company (a) issued and allotted 9,999,990 shares to Business Good, credited as fully paid; and (b) credited as fully paid at par the 10 nil-paid shares which was then registered in the name of Business Good.

Upon the completion of the Reorganisation on 3 October 2013, the Company became the holding company of the companies now comprising the Group.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“**new HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which are effective for the Group’s financial year beginning on 1 July 2014. A summary of the new HKFRSs are set out as below:

HKAS 19 (Amendments)	Defined benefit plans: Employees Contributions
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC) – Int 21	Levies

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments have been applied retrospectively. As the Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no material impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 Levies

The Group has applied HK(IFRIC) – Int 21 Levies for the first time in the current year. HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) – Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKAS 1 (Amendments)	Disclosure initiative ¹
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ¹
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle ¹
HKFRS 9	Financial Instruments ⁴
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception ¹
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³

¹ *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted*

² *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted*

³ *Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted*

⁴ *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted*

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“**FVTOCI**”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 14 Regulatory Deferral Accounts

HKFRS 14 Regulatory Deferral Accounts, describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with HKFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate regulated goods or services.

The amendments to HKFRS 14 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 14 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group’s consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its property, plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost,
- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted HKFRS 9), or
- Using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards.

The directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.
- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performances focuses on types of services provided.

The Group organised into three operating divisions: organisation of exhibitions, exhibition-related services and ancillary services. These divisions are the basis on which the Group reports its segment information.

The three operating and reportable segments are as follows:

Organisation of exhibitions	Organising trade shows and exhibitions
Exhibition-related services	Provision of additional facilities, sub-contracting and management services for trade shows and exhibitions
Ancillary services	Provision of ancillary services for trade shows and exhibitions

The following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 30 June

	Organisation of exhibitions		Exhibition-related services		Ancillary services		Total	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue								
Segment revenue	179,733	195,679	26,045	31,559	84	80	205,862	227,318
Inter-segment revenue	-	-	(17,548)	(21,537)	-	-	(17,548)	(21,537)
Revenue from external customers	179,733	195,679	8,497	10,022	84	80	188,314	205,781
Results								
Segment results	76,118	98,566	8,497	10,022	84	80	84,699	108,668
Gain on disposal of a subsidiary							40,851	-
Unallocated income							798	1,295
Unallocated corporate expenses							(75,393)	(88,980)
Profit before tax							50,955	20,983
Taxation							(5,089)	(6,892)
Profit for the year							45,866	14,091

The following is an analysis of the Group's assets and liabilities by operating segment:

	Organisation of exhibitions at 30 June		Exhibition-related services at 30 June		Ancillary services at 30 June		Total at 30 June	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Assets								
Segment assets	29,562	23,582	-	-	-	-	29,562	23,582
Unallocated corporate assets							245,930	156,697
							275,492	180,279
Liabilities								
Segment liabilities	108,113	108,808	-	-	4	3	108,117	108,811
Unallocated corporate liabilities							9,623	11,160
							117,740	119,971

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets; and
- all liabilities are allocated to reportable segments other than corporate liabilities.

Other segment information

For the year ended 30 June

	Organisation of exhibitions		Exhibition-related services		Ancillary services		Unallocated		Total	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Depreciation	-	-	-	-	-	-	(3,673)	(2,191)	(3,673)	(2,191)
Capital expenditures	-	-	-	-	-	-	(467)	(10,357)	(467)	(10,357)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,673)</u>	<u>(10,357)</u>	<u>(467)</u>	<u>(10,357)</u>

Geographical segments

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the services provided, and assets are attributed to the segments based on the location of assets.

The following tables present revenue and certain assets and capital expenditure information for the Group's geographical segments, including Hong Kong, the People's Republic of China (the "PRC"), Singapore and Germany.

Segment revenue:

	For the year ended 30 June	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	181,912	190,950
Singapore	-	8,582
Germany	6,402	6,249
	<u>188,314</u>	<u>205,781</u>

Other segment information:

Segment assets:

	At 30 June 2015 <i>HK\$'000</i>	At 30 June 2014 <i>HK\$'000</i>
Hong Kong	273,791	177,193
The PRC	<u>1,701</u>	<u>3,086</u>
	<u><u>275,492</u></u>	<u><u>180,279</u></u>

Capital expenditure:

	For the year ended 30 June 2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	73	10,110
The PRC	<u>394</u>	<u>247</u>
	<u><u>467</u></u>	<u><u>10,357</u></u>

Information about major customers

The Group's customer base includes one customer (2014: one) with whom transactions have exceeded 10% of the Group's revenue during the years. Revenue generated from provision of organisation of exhibitions services to this customer is set out below:

	For the year ended 30 June 2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A	<u><u>20,279</u></u>	<u><u>22,562</u></u>

5. REVENUE

The principal activities of the Group are involved in the organisation of trade shows and exhibitions, providing ancillary services and sub-contracting and management services for exhibitions and trade shows.

An analysis of the Group's revenue is as follows:

	For the year ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Participation income	179,733	195,679
Additional facilities income	8,078	9,464
Sub-contracting and management fee income	419	558
Other ancillary service income	84	80
	<u>188,314</u>	<u>205,781</u>

6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	For the year ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Staff costs:		
Employee benefit expenses (including directors' remuneration)		
– Wages and salaries	42,286	43,913
– Retirement benefit schemes contributions	1,601	1,616
	<u>43,887</u>	<u>45,529</u>
Other items:		
Depreciation of owned property, plant and equipment	3,673	2,191
Auditors' remuneration	1,500	1,563
Loss on disposal of property, plant and equipment	43	12
Operating lease rentals in respect of land and building	9,843	10,829

	For the year ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
And after (charging)/crediting:		
Other gains and losses:		
Interest income	421	394
Gain on deregistration of a subsidiary	–	69
Net exchange (losses)/gains	<u>(1,930)</u>	<u>482</u>
	<u>(1,509)</u>	<u>945</u>

7. TAXATION

	For the year ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
– Hong Kong profits tax	<u>5,089</u>	<u>6,892</u>

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits in Hong Kong during the year.

No provision for the Singapore corporate tax has been made as the Group had no estimated assessable profits arising in Singapore for the year ended 30 June 2015 and 2014.

No provision for the PRC enterprise income tax has been made as the PRC subsidiaries did not have any assessable profits in the PRC for the year ended 30 June 2015 and 2014.

No provision for the US federal income tax and branch profits tax has been made as the US-incorporated subsidiary did not have any assessable profits in the US for the year ended 30 June 2015 and 2014.

No deferred tax has been provided for as there were no material temporary differences.

8. DIVIDENDS

	For the year ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Dividends	–	5,000

During the year ended 30 June 2014, the Company declared and paid an interim dividend of 2.5 HK cents per share. No final dividend was recommended by the Board of the Company for the year ended 30 June 2014.

The directors of the Company do not recommend the payment of any dividend for the year ended 30 June 2015.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the year ended 30 June 2015 amounted to approximately HK\$45,919,000 (2014: approximately HK\$14,120,000) and on weighted average number of approximately 224,438,000 ordinary shares (2014: approximately 182,466,000 ordinary shares) in issue during the year.

There was no dilutive potential ordinary shares in existence during the years ended 30 June 2015 and 2014, therefore the diluted earnings per share is the same as the basic earnings per share.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At	At
	30 June	30 June
	2015	2014
	HK\$'000	HK\$'000
Prepayments	33,248	30,159
Deposits	6,226	5,128
Other receivables	44	28
	<u>39,518</u>	<u>35,315</u>

11. ACCRUALS AND OTHER PAYABLES

	At 30 June 2015 <i>HK\$'000</i>	At 30 June 2014 <i>HK\$'000</i>
Accruals	4,377	1,717
Other payables	<u>57</u>	<u>38</u>
	<u>4,434</u>	<u>1,755</u>

12. DISPOSAL OF A SUBSIDIARY

On 11 May 2015, an indirectly wholly owned subsidiary of the Company disposed its entire interest in Idea Trade. The principle activity of Idea Trade is license holding.

Summary of the effects of the disposal of Idea Trade is as follows:

Analysis of assets and liabilities over which control was lost

	<i>HK\$'000</i>
Current assets	
Prepayments	11,283
Cash and cash equivalents	6
Non-current asset	
Property, plant and equipment	1,371
Current liability	
Amounts due to the Group (<i>Note</i>)	<u>(13,124)</u>
Net liabilities disposed of	<u>(464)</u>

Gain on disposal of a subsidiary

	<i>HK\$'000</i>
Consideration received	42,500
Waiver of amounts due to the Group	(2,113)
Net liabilities disposed of	<u>464</u>
Gain on disposal of a subsidiary	<u><u>40,851</u></u>

Net cash inflow on disposal of a subsidiary

	<i>HK\$'000</i>
Consideration received in cash and cash equivalents	42,500
<i>Less:</i> cash and cash equivalent balances disposed of	<u>(6)</u>
Net cash inflow on disposal of a subsidiary	<u><u>42,494</u></u>

Note:

Included in the amounts due to the Group of approximately HK\$11,011,000 represented the prepaid exhibition rental in advance by Mega Expo (Hong Kong) Limited, one of the subsidiaries of the Company, on behalf of Idea Trade as an organiser of the Mega Show 2015. The amount has been regarded as prepaid fee to Idea Trade pursuant to the project management agreement entered into upon the completion of disposal on 11 May 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

General Overview

For the year ended 30 June 2015, the Group recorded a total revenue of approximately HK\$188,314,000 (2014: approximately HK\$205,781,000), representing a decline of 8.5% for the corresponding period of last year. The decline in turnover was due to the end of co-operation agreement of Asia Expo-Singapore. For the year ended 30 June 2015, revenue from organisation of exhibitions accounted for 95.4% (2014: 95.1%) of the total revenue, while revenue from provision of exhibition-related services accounted for 4.6% (2014: 4.9%).

During the year, profit before taxation was approximately HK\$50,955,000 (2014: approximately HK\$20,983,000) representing an increase of approximately HK\$29,972,000 than the last year which was mainly raised from the gain on disposal of Idea Trade during the year ended 30 June 2015 amounted to approximately HK\$40,851,000.

Organisation of Exhibitions

We engage in the planning, management and execution of the entire exhibition organisation process including handling initial exhibition theme planning and relevant feasibility studies, booth construction management, pre-sales preparation, sale of booths, marketing and advertising, and on-site management of the exhibition and post-exhibition review.

During the year ended 30 June 2015, revenue generated from the organisation of exhibitions accounted for approximately HK\$179,733,000 (2014: approximately HK\$195,679,000), representing a decrease of 8.1%, since the cooperation agreement of Singapore Expo 2014 has ended during the year which contributed a turnover of approximately HK\$8,582,000 for the year ended 30 June 2014. In addition, uncertain world economic climate also lead to a drop in the number of exhibitors and a decrease in our revenue comparing to the year ended 30 June 2014.

In order to meet with the keen competition among competitors, the Group has enhanced promotion and other exhibition-related services for exhibitions which resulted in an increase in advertising and promotion cost and exhibition expenses from approximately HK\$18,750,000 and HK\$9,036,000 respectively for the year ended 30 June 2014 to approximately HK\$25,711,000 and HK\$12,277,000 respectively for the year ended 30 June 2015.

Exhibition-related services

We have provided various exhibition-related services to assist other exhibition organisers or project managers and to coordinate and manage exhibitions.

For the year ended 30 June 2015, revenue generated from exhibition-related services was approximately HK\$8,497,000 (2014: approximately HK\$10,022,000), representing a decrease of 15.2%. Since the revenue mainly represents the income from additional facilities provided to the exhibitors, it was affected by the cessation of Singapore Expo and the decrease in the number of exhibition booths sold.

Ancillary services

We have also provided ancillary services for trade shows and exhibitions. The Group recorded a revenue from provision of ancillary service for year ended 30 June 2015 of approximately HK\$84,000 (2014: approximately HK\$80,000). The increase represented an increase in advertising income generated from the advertisement of the exhibitors to be published in the show magazine.

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing

As at 30 June 2015, the Group has a total assets of approximately HK\$275,492,000 (2014: approximately HK\$180,279,000) which was financed by current liabilities of approximately HK\$117,740,000 (2014: approximately HK\$119,971,000), non-controlling interest of approximately HK\$53,000 (2014: Nil) and shareholders' equity of approximately HK\$157,752,000 (2014: approximately HK\$60,308,000). The receipt of proceeds from the placing of shares of the Company in November 2014 led to the increase in cash and cash equivalents and the shareholders' equity. The decrease in current liabilities was due to the decrease in income tax payable.

The cash and cash equivalents of the Group as at 30 June 2015 was mainly denominated in Hong Kong dollars, United States dollars (“**USD**”) and Renminbi (“**RMB**”) respectively.

As at 30 June 2015, the Group’s current ratio was 2.30 (2014: 1.42); and since the Group did not have any debts, no gearing ratio was presented.

As at 30 June 2015, the Group did not pledge any of its assets and had no material capital commitment and contingent liabilities. The Group did not have any charges on assets as at 30 June 2015.

Capital Structure

Shareholders’ equity increased to approximately HK\$157,752,000 as at 30 June 2015 from approximately HK\$60,308,000 as at 30 June 2014. The main reason for the change is the Company and a placing agent entered into a placing agreement to place up to 40,000,000 new share at a placing price of HK\$1.381 per share (the “**Placing**”). The Placing has been fulfilled and completed on 20 November 2014. As at 30 June 2015, the Group did not have any long term debts (2014: Nil).

Material Acquisition and Disposal

On 21 April 2015, New Heyday Investments Limited, an indirect wholly-owned subsidiary of the Company (“**Vendor**”), and Geniune Heart Trading Limited, an independent third party of the Company (“**Purchaser**”), entered into the sale and purchase agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the entire issued share capital of Idea Trade, an indirect wholly owned subsidiary of the Company, at a consideration of HK\$42,500,000 (“**Disposal**”). Please refer to the Company’s announcement dated 21 April 2015 for information regarding the Disposal.

Save as disclosed above, during the year under review, there was no material acquisition or disposals of subsidiaries or associates of the Company.

Exposure to Fluctuation in Exchange Rates

The Group manages or organises exhibitions held in Hong Kong, Macau, the PRC and Germany, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and RMB. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency same as the functional currency of each entity of the Group and had not employed any financial instruments for hedging purpose.

Employee and Remuneration Policy

As at 30 June 2015, the Group has a total of 118 full-time employees in Hong Kong and the PRC. The remuneration payable to our employees includes salaries, discretionary bonus and commission. Remuneration package are generally structured according to market situations and individual performance. Apart from the mandatory provident fund and statutory retirement benefits, the Group also provided medical benefits.

Furthermore, the remuneration committee of the Board (“**Remuneration Committee**”) will review and give recommendations to the Board as to the compensation package of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management.

Prospect

Entering the second half of 2015, the Group is still facing global macro-economic challenges which are beyond the control of the Group. The critical drop in the price of raw materials and commodities and the global fluctuation in exchange rates are posing uncertainties to consumer goods manufacturers in Asia, who are the main target group of customers of the Group.

Due to the high rental and labour costs, the Hong Kong-based manufacturing industry is also shrinking. This is evident from the declining number of exhibition booths originating from Hong Kong companies at Mega Show Part I and II. The general economic outlook of Hong Kong may also be affected due to the unstable Hong Kong economy as reflected in the unstable fluctuation in the Hong Kong and PRC stock market in the past few months.

It is our main business goal to promote and facilitate trade between international buyers and manufacturers, particularly those from Asia, through the trade exhibitions managed or organised by the Group. To achieve our business goal, we plan to build on our competitive strengths to expand and improve our existing trade exhibitions, introduce new exhibitions and broaden our exhibition management expertise and exposure.

For the existing trade shows, the Group intends to further improve the overall management and their attractiveness to existing and potential visitors. We also plan to introduce new themes to these existing exhibitions.

We also plan to utilise our experience and expertise, both from the Group's business operation track record and of our senior management, in the exhibition organisation industry and apply our business model to develop new exhibitions in other areas of the world. In particular, the Group organised and managed a new exhibition which was held in Macao in July 2015, with exhibition theme on the product sector of diamond, gem and pearl. Apart from developing new exhibitions, the Group may from time to time explore opportunities to invest in, to acquire or to co-organise new exhibitions with potential growth. Feasibility studies will be carried out from time to time if the Group comes across any potential opportunities.

We will continue to explore opportunities to cooperate with other local organisers, industry associations or governmental organisations to participate in new exhibitions.

In April 2015, as 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 Vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into a disposal agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the entire issued share capital of Idea Trade at the consideration of HK\$42.5 million. 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 entered into between the Group and Idea Trade 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. For further details, please refer to the announcement of the Company dated 21 April 2015.

The Group will look at other business opportunities which could provide more stable sources of income. The Board shall keep a keen eye on any business or investment opportunities in the future in the event that such opportunities arise which may provide a steady and alternative source of income in the interest of the shareholders of the Company.

In particular, as disclosed in the Company's announcement dated 4 September 2015 (“**MOU Announcement**”), the Company and International Investment & Cooperation Promotion Bureau of the Huangdao District* (黃島區國際招商局) (“**Huangdao Investment Promotion Bureau**”) entered into a memorandum of understanding indicating, among others, their intention to enter into a definitive legally binding cooperation agreement in respect of a possible investment (the “**Possible Investment**”) in the Projects (as defined in the MOU Announcement) at Qingdao West Coast New Zone* (青島西海岸新區) (“**West Coast**”) in Qingdao, Shandong Province, the PRC.

The Possible Investment will provide the Group with the opportunity to leverage on its extensive experience in event and logistics management in the organisation of exhibitions and conferences and the future operation and management of the Projects. The Possible Investment could also expand the Group's business scope and broaden its income sources and enhance its financial performance and will be beneficial to the future growth and business development of the Group as a whole.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015.

USE OF PROCEEDS

The net proceeds from the Listing were approximately HK\$29.2 million, which was based on the final share offer price of HK\$1.33 per share and the actual expenses related to the Listing. Accordingly, the Group adjusted the use of proceeds in the same manner and proportion as shown in the Prospectus.

* *For identification purpose only*

During the period from the date of Listing (i.e. 6 November 2013) (the “**Listing Date**”), to 30 June 2015, the net proceeds from the Listing had been applied as follows:

	Adjusted use of proceeds in the same manner and proportion as show in the Prospectus from the Listing Date to 30 June 2015 <i>HK\$ million</i>	Actual use of proceeds from the Listing Date to 30 June 2015 <i>HK\$ million</i>
To organise or develop new exhibitions or for consideration of potential acquisition opportunities or for cooperation with other players in the exhibition industry in Hong Kong and overseas	17.5	17.5
To expand existing exhibitions organised by the Group, by increasing our marketing	8.8	8.8
General working capital and other corporate purpose of the Group	2.9	2.9
	<u>29.2</u>	<u>29.2</u>

The proceeds from the Placing were approximately HK\$55,240,000, which was based on the placing price of HK\$1.381 per share and the actual expenses related to the Placing. Accordingly, the Group adjusted the use of proceeds in the same manner and proportion as shown in announcement.

The net proceeds from the Placing, after the deduction of the commission payable to the placing agent and other related expenses incurred in the Placing, of approximately HK\$51,000,000 are intended to be used for general working capital of the Group. As at 30 June 2015, the proceeds had not been used and were deposited in a reputable bank in Hong Kong.

EVENT AFTER REPORTING PERIOD

On 17 July 2015, Mr. Law Sung Ching, Gavin (“**Mr. Law**”) resigned from his positions of independent non-executive Director (“**INED**”), member of the audit committee of the Board (“**Audit Committee**”) and member of the nomination committee of the Board (“**Nomination Committee**”), and Mr. Choi Hung Fai took up Mr. Law’s positions on even date. On 31 July 2015, (i) Mr. Lam Wa was appointed as an executive Director (“**ED**”) and the chairman of the Group (“**Chairman**”), the chairman of the Nomination Committee and a member of the Remuneration Committee; and (ii) Mr. Sun Sizhi was appointed as an ED, and chief executive officer of the Group (“**CEO**”). Mr. Lee Chi Sang resigned as an ED, the Chairman, CEO, the chairman of the Nomination Committee and a member of the Remuneration Committee on even date.

On 20 August 2015, the Company proposes that each of the issued and unissued Shares of HK\$0.01 each in the share capital of the Company be subdivided into five (5) subdivided shares of HK\$0.002 each (“**Subdivided Shares**”). Further, subject to and upon such share subdivision becoming effective, the board lot size will be changed from 2,000 Shares to 5,000 Subdivided Shares. An extraordinary general meeting of the Company will be convened and held on 21 September 2015 to consider and, if thought fit, approve such share subdivision. Please refer to the circular of the Company dated 28 August 2015 for information.

On 4 September 2015, the Company entered into the non-legally binding memorandum of understanding with Huangdao Investment Promotion Bureau in relation to the possible investment in Qingdao, Shandong Province, the PRC. Please refer to the MOU Announcement for information.

Save as the above, the Group do not have any material subsequent event after the reporting period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company during the year ended 30 June 2015.

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group's corporate governance framework bases on two main beliefs:

- we are well-committed to maintaining good corporate governance practices and procedures; and
- we recognise the need to adopt practices that improve ourselves continuously for a quality management.

Save as disclosed below, the Company applied the principles and complied with all applicable code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 14 to the Listing Rules during the year ended 30 June 2015 (“**Relevant Period**”).

The Group has applied these principles and adopted all code provisions, where applicable, of the CG Code as our own code of corporate governance. The Directors consider that the Company has complied with the applicable code provisions under the CG Code during the Relevant Period, save as the following:

- under the code provision A.2.1 of the CG Code, the roles of Chairman and CEO of the Group should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. The roles of the Chairman and the CEO was not separated and was performed by the same individual, Mr. Lee who acted as both the Chairman and CEO throughout the Relevant Period.

Mr. Lee resigned as an ED, Chairman, CEO, the chairman of the Nomination Committee and member of the Remuneration Committee with effect from 31 July 2015 due to his other personal commitments. Following which, the role of Chairman is performed by Mr. Lam Wa and the role of CEO was performed by Mr. Sun Sizhi (who were both appointed as EDs with effect from 31 July 2015), which complies with code provision A.2.1 of the CG Code;

- following the resignation of Mr. Yeung Wai Keung (“**Mr. Yeung**”), a then INED, on 4 July 2014, the Company has only two INEDs and two members for each of the Audit Committee and the Nomination Committee, and does not meet the requirement under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules and the requirement under code provision A.5.1 of the CG Code respectively (collectively, the “**Relevant Provisions**”). The Company has taken remedial steps by actively identifying an appropriate candidate to fill such vacancy following Mr. Yeung’s resignation. Subsequently, Mr. Law was appointed as an INED, member of the Nomination Committee and the Audit Committee on 12 September 2014, and the Company has then fulfilled the Relevant Provisions. For background information, Mr. Law resigned as an INED, member of the Audit Committee and member of the Nomination Committee with effect from 17 July 2015, and his positions with the Company was replaced by Mr. Choi Hung Fai on even date; and
- following the resignation of Mr. Leung Hung Kee, a then INED, with effect from 11 November 2014, (i) the number of the INEDs has fallen below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules; (ii) the Board does not have at least one of its INEDs possessing appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules; (iii) there is a vacancy for chairman of the Audit Committee, the number of members of the Audit Committee has fallen below the minimum number, and no INED who possesses appropriate qualifications or expertise has been appointed as a member of the Audit Committee as required under Rule 3.21 of the Listing Rules; and (iv) the Remuneration Committee to comprise a majority of INEDs cannot be met, which do not fulfil the requirement under Rule 3.25 of the Listing Rules.

Following the appointment of Mr. Yeung Chun Yue, David with effect from 2 December 2014 as an INED, chairman of the Audit Committee and a member of the Remuneration Committee, the Company has fulfilled the requirements of Rule 3.10, Rule 3.10A, Rule 3.21 and Rule 3.25 of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. In response to specific enquiry made by the Company, each of the Directors confirmed that he/she had complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the Relevant Period.

REVIEW OF FINAL RESULTS

The Audit Committee has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and the above annual results.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.megaexpoholdings.com) and the Stock Exchange (www.hkexnews.hk). The annual report for the year ended 30 June 2015 of the Company will be despatched to the shareholders and available on the same websites in due course.

By Order of the Board
Mega Expo Holdings Limited
Yau Yan Ming Raymond
Company Secretary

Hong Kong, 14 September 2015

As at the date of this announcement, the Board comprises Mr. Lam Wa, Mr. Si Tze Fung, Mr. Liu Gejiang and Mr. Sun Sizhi as executive Directors; Mr. Yeung Chun Yue, David, Mr. Wong Ka Fai, Paul and Mr. Choi Hung Fai as independent non-executive Directors.