MEGA EXPO HOLDINGS LIMITED

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2014

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 2014 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Revenue	*5*	**205,781**	220,633
Other revenue		**983**	567
Other income	*6*	**945**	98
Advertising and promotion expenses		**(18,750)**	(10,229)
Agency commission		**(3,040)**	(6,331)
Exhibition rentals		**(32,221)**	(2,982)
Staff costs		**(45,529)**	(34,817)
Booth construction costs		**(20,622)**	(25,582)
Exhibition expenses		**(9,036)**	(8,173)
Exhibition co-operation expenses		**(5,151)**	(58,369)
Other operating expenses		**(52,377)**	(40,574)
Profit before tax	*6*	**20,983**	34,241
Taxation	*7*	**(6,892)**	(8,339)
Profit for the year		**14,091**	25,902

	Notes	**2014** HK$'000	2013 HK$'000
Other comprehensive loss for the year, net of tax			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		**(84)**	(44)
Total comprehensive income for the year, net of tax		**14,007**	25,858
Profit/(loss) for the year attributable to:			
Owners of the Company		**14,120**	26,170
Non-controlling interests		**(29)**	(268)
		14,091	25,902
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		**14,036**	26,124
Non-controlling interests		**(29)**	(266)
		14,007	25,858
Earnings per share attributable to owners of the Company			
Basic and diluted (HK cents)	*9*	**7.74**	17.45
Dividend	*8*	**5,000**	32,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS			
Non-current assets			
Goodwill		–	–
Property, plant and equipment		9,872	1,886
		9,872	1,886
Current assets			
Prepayments, deposits and other receivables	*10*	35,315	34,298
Amount due from ultimate holding company		22	13
Amount due from a director		–	21,824
Cash and cash equivalents		135,070	73,835
		170,407	129,970
Current liabilities			
Receipt in advance		108,811	123,590
Accruals and other payables	*11*	1,755	3,908
Amount due to a related company		373	–
Amount due to a director		5	–
Income tax payable		9,027	8,447
		119,971	135,945
Net current assets/(liabilities)		50,436	(5,975)
Total assets less current liabilities		60,308	(4,089)
Net assets/(liabilities)		60,308	(4,089)
EQUITY			
Capital and reserves			
Share capital		2,000	–
Reserves		58,308	(4,134)
Equity attributable to owners of the Company		60,308	(4,134)
Non-controlling interest		–	45
Total equity		60,308	(4,089)

Notes:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Cayman Islands under the Companies Law on 21 August 2012 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 is 38th Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

In the opinion of the directors of the Company (the "**Directors**"), the Company's ultimate holding company is Business Good Holdings Limited ("**Business Good**"), a company incorporated in the British Virgin Islands (the "**BVI**").

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 financial information are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. All value 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 a 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 BVI to act as the holding company of Idea Trade Limited ("**Idea Trade**"). It has an authorised share capital of US$50,000 shares 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 was incorporated in the BVI as an investment holding company of Mr. Lee with an authorised share capital of US$50,000 shares 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 shares 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 shares 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 HKCEC Management, 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 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 Public Accountants (the "**HKICPA**"), which are effective for the Group's financial year beginning 1 July 2013. A summary of the new HKFRSs are set out as below:

HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvement 2009-2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entitles Transition Guidance
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the above new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[5]
HKAS 19 (2011) (Amendments)	Defined benefit plans: Employee Contribution[2]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statement[5]
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[3]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[7]
HKFRS 9	Financial Instruments[7]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]

HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operation[5]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from contracts with customers[6]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 July 2014
[3] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[4] Effective for first annual HKFRS financial statements beginning on or 1 January 2016
[5] Effective for annual periods beginning on or after 1 January 2016
[6] Effective for annual periods beginning on or after 1 January 2017
[7] Effective for annual periods beginning on or after 1 January 2018

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

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* to be 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 reporting periods. All other debt investments and equity investments are measured at their fair values 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 would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, 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.

The Directors anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the 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.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*

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 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 professional 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.

Amendments to HKFRS 11 – *Accounting for Acquisition of Interests in Joint Operation*

HKFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

HKFRS 14 *Regulatory Deferral Accounts*

HKFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous Generally Accepted Accounting Principles ("**GAAP**") requirements when they adopt HKFRS. However, to enhance comparability with entities that already apply HKFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents HKFRS financial statements is not eligible to apply the standard.

The amendments are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted.

HKFRS 15 *Revenue from contracts with customers*

The core principle of HKFRS 15 is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

HKFRS 15 is effective for annual periods beginning on or after 1 January 2017 with earlier application permitted.

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

HKAS 16 and HKAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The amendments are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted.

Amendments to HKAS 16 and HKAS 41 *Agriculture: Bearer Plants*

HKAS 41 currently requires all biological assets related to agricultural activity to be measured at FVLCTS. This is based on the principle that the biological transformation that these assets undergo during their lifespan is best reflected by FV measurement. However, there is a subset of biological assets, known as bearer plants, which are used solely to grow produce over several periods. At the end of their productive lives they are usually scrapped. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates.

The amendments state that bearer plants should be accounted for in the same way as PPE in HKAS 16 because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of HKAS 16, instead of HKAS 41. The produce growing on bearer plants will remain within the scope of HKAS 41.

Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Amendments to HKAS 19 (2011) *Employee Benefits*

The issuance of HKAS 19 (2011) Employee Benefits completes improvements to the accounting requirements for pensions and other post-employment benefits and HKAS 19 (2011) makes important improvements by:

- Eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation.

- Streamlining the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in OCI, thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations.

- Enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

Amendments to HKAS 27 *Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted.

Amendments to HKAS 32 ***Offsetting Financial Assets and Financial Liabilities***

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

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

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 regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

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

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

HK (IFRIC) – Int 21 ***Levies***

HK (IFRIC) – Int 21 *Levies* addresses the issue of when to recognise a liability to pay a levy. 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.

The Group is in the process of assessing the potential impact of the above new HKFRSs upon initial application but is not yet in a position to state whether the above new HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

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 exhibition, 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 exhibition		**Exhibition related services**		**Ancillary services**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue								
Segment revenue	**195,679**	209,753	**31,559**	37,162	**80**	105	**227,318**	247,020
Inter-segment revenue	**–**	–	**(21,537)**	(26,387)	**–**	–	**(21,537)**	(26,387)
Revenue from external customers	**195,679**	209,753	**10,022**	10,775	**80**	105	**205,781**	220,633
Results								
Segment result	**98,566**	90,825	**10,022**	10,775	**80**	(84)	**108,668**	101,516
Unallocated income							**1,295**	94
Unallocated corporate expenses							**(88,980)**	(67,369)
Profit before tax							**20,983**	34,241
Taxation							**(6,892)**	(8,339)
Profit for the year							**14,091**	25,902

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

	Organisation of exhibition as at 30 June		Exhibition related services as at 30 June		Ancillary services as at 30 June		Total as at 30 June	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets								
Segment assets	**23,582**	29,735	**–**	–	**–**	–	**23,582**	29,735
Unallocated corporate assets							**156,697**	102,121
							180,279	131,856
Liabilities								
Segment liabilities	**108,808**	123,581	**–**	–	**3**	9	**108,811**	123,590
Unallocated corporate liabilities							**11,160**	12,355
							119,971	135,945

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

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

Other segment information
For the year ended 30 June

	Organisation of exhibition		Exhibition related services		Ancillary services		Unallocated		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Depreciation and amortisation	**–**	–	**–**	–	**–**	–	**(2,191)**	(912)	**(2,191)**	(912)
Capital expenditures	**–**	–	**–**	–	**–**	–	**(10,357)**	(1,705)	**(10,357)**	(1,705)

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 expenditure information for the Group's geographical segments, including Hong Kong, the People's Republic of China ("**PRC**"), Singapore, Germany and the United States of America ("**US**").

Segment revenue:

	For the year ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**190,950**	195,165
Singapore	**8,582**	10,673
Germany	**6,249**	6,603
The US	**–**	8,192
	205,781	220,633

Other segment information:

Segment assets:

	As at 30 June 2014	As at 30 June 2013
	HK$'000	*HK$'000*
Hong Kong	**177,193**	131,391
The PRC	**3,086**	465
	180,279	131,856

Capital expenditure:

	For the year ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**10,110**	1,649
The PRC	**247**	56
	10,357	1,705

Information about major customers

The Group's customer base includes one customer with whom transactions have exceeded 10% of the Group's revenue during the years, provision of organisation of exhibitions services to this customer is set out below:

	For the year ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Customer A	**22,562**	27,441

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	
	2014	2013
	HK$'000	*HK$'000*
Participation income	**195,679**	209,753
Additional facilities income	**9,464**	10,416
Sub-contracting and management fee income	**558**	359
Other ancillary service income	**80**	105
	205,781	220,633

6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	For the year ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Staff costs:		
Employee benefit expenses (including directors' remuneration)		
– Wages and salaries	**43,913**	33,583
– Retirement benefit schemes contributions	**1,616**	1,234
	45,529	34,817
Other items:		
Depreciation of owned property, plant and equipment	**2,191**	912
Impairment loss recognised in respect of goodwill	**–**	322
Impairment loss recognised in respect of prepayments	**261**	–
Auditors' remuneration	**1,563**	1,025
Loss on disposal of property, plant and equipment	**12**	–
Operating lease rentals in respect of land and building	**10,829**	9,902

And after crediting:

Other income:		
Interest income	**394**	8
Gain on deregistration of a subsidiary	**69**	–
Exchange gains	**482**	90
	945	98

7. TAXATION

	For the year ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Current tax		
– Hong Kong profits tax	**6,892**	8,339

Hong Kong profits tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profit in Hong Kong during the year.

Singapore corporate tax is calculated at 17% on assessable profit derived from Singapore. During the year ended 30 June 2013, the estimated corporate tax liability was approximately HK$17,000 and the amount was indemnified by the controlling shareholders of the Company, as a result no provision was recognised.

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.

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 2014 (2013: N/A).

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

8. DIVIDENDS

	For the year ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
Dividends – interim dividend	**5,000**	32,000

During the year ended 30 June 2013, the Group declared and paid HK$32,000,000 interim dividend to its shareholders. 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.

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 2014 amounted to approximately HK$14,120,000 (2013: approximately HK$26,170,000) and on weighted average number of 182,466,000 ordinary shares (2013: on the assumption that 150,000,000 ordinary shares) in issue during the year.

There was no dilutive potential ordinary shares in existence during the years ended 30 June 2014 and 2013, therefore the diluted earnings per share is the same as the basic earnings per share.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2014	As at 30 June 2013
	HK$'000	*HK$'000*
Prepayments	**30,159**	29,735
Deposits	**5,128**	3,028
Other receivables	**28**	1,535
	35,315	34,298

11. ACCRUALS AND OTHER PAYABLES

	As at 30 June 2014	As at 30 June 2013
	HK$'000	*HK$'000*
Other payables	**1,717**	445
Accruals	**38**	3,463
	1,755	3,908

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

General Overview

For the year ended 30 June 2014, the Group recorded a total revenue of approximately HK$205.8 million (2013: approximately HK$220.6 million), representing a decline of 6.7% for the corresponding period of last year. The lower turnover was due to the postponement of Las Vegas Asia Expo ("**Vegas Expo**") 2013 originally to be held in August 2013 and keen competition from other exhibition organisers. For the year ended 30 June 2014, revenue from organisation of exhibitions accounted for 95.1% (2013: 95.1%) of the total revenue, while revenue from provision of exhibition related services accounted for 4.9% (2013: 4.9%).

During the year under review, profit before taxation was approximately HK$21.0 million (2013: approximately HK$34.2 million), representing a decrease of 38.7% than the same period of last year which was driven by (i) the staging of the Group's first Asian Lighting & Consumer Electronics Exhibition ("**ALEEX**") in Guangzhou, the PRC, in 2014, which required additional manpower and a higher promotional budget in order to launch effectively a brand new exhibition. It incurred a deficit of approximately HK$5 million; (ii) enhanced promotion for existing 4 exhibitions which resulted in an increased promotion cost of approximately HK$4 million; and (iii) increase in listing expenses of approximately HK$5 million as compared to the corresponding period of last year, representing the remaining portion of the listing expenses to be recognised in the current year.

Organisation of Exhibitions

We take lead 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 2014, revenue generated from the organisation of exhibitions accounted for approximately HK$195.7 million (2013: approximately HK$209.8 million), representing a decrease of 6.7%. Due to the Boston Marathon explosion which occurred in April 2013, our Vegas Expo originally scheduled in August 2013 was postponed to 2014. However, the Group was unable to secure a suitable timing for the organisation of the event in 2014 and the Group is in the course of discussion with the venue operator in finding suitable dates for organising the event in 2015. Revenue generated from Vegas Expo in 2012 amounted to approximately HK$7.7 million. In addition, the keen competition from other organisers also led to a decrease in our revenue during the same period as compared to the corresponding period of last year.

In 2012, the Group has entered into project management agreement with the organiser of the Mega Shows 2012 and other trade fairs, of which the Group provided exhibition management services during the exhibitions. It was agreed that the Group should share the revenue generated from the exhibitions to the organiser. During the period, the Group acted as the organiser of Mega Shows 2013, which resulted in an increase in the direct exhibition cost.

In April 2014, the Group's first ALEEX was held in Guangzhou, the PRC. As a first launched exhibition, the Group have input more human and financial resources in promotion and organisation aspect in order to attract more exhibitors and build up the reputation of a brand new exhibition.

Due to the change in organisation practice of Mega Shows, the exhibition rental increased from approximately HK$3.0 million for the year ended 30 June 2013 to approximately HK$32.2 million for the year ended 30 June 2014 and the exhibition co-operation expenses decreased from approximately HK$58.4 million for the year ended 30 June 2013 to approximately HK$5.2 million for the year ended 30 June 2014. In order to enhance the promotion for the existing exhibition and the organisation of the brand new exhibition, the advertising and promotion expenses increased from approximately HK$10.2 million for the year ended 30 June 2013 to approximately HK$18.6 million for the year ended 30 June 2014 and the staff cost increased from approximately HK$34.8 million for the year ended 30 June 2013 to approximately HK$45.5 million for the year ended 30 June 2014.

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 2014, revenue generated from exhibition related service was approximately HK$10.0 million (2013: approximately HK$10.8 million), representing a decrease of 7.0%. Since the revenue mainly represents the income from additional facilities provided to the exhibitors, it was affected by the postponement of Vegas Expo 2013 and the decrease in number of exhibition booths sold.

Ancillary services

We have also provided ancillary services for trade shows and exhibitions. Our Group recorded a revenue from provision of ancillary service for year ended 30 June 2014 of approximately HK$80,000 (2013: approximately HK$105,000). The decrease represented a drop 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 2014, the Group has a total assets of approximately HK$180.3 million (2013: approximately HK$131.9 million) which was financed by current liabilities of approximately HK$120.0 million (2013: approximately HK$135.9 million), non-controlling interest of HK$ Nil (2013: approximately HK$45,000) and shareholders' equity of approximately HK$60.6 million (2013: approximately negative HK$4.1 million). The receipt of proceeds from the initial public offering led to the increase in cash and cash equivalent and the shareholders' equity. The decrease in current liabilities was due to the decrease in receipt in advance from exhibition booth sold.

The cash and cash equivalent of the Group as at 30 June 2014 was mainly denominated in Hong Kong dollars, United States dollars ("**USD**") and Renminbi ("**RMB**") respectively.

As at 30 June 2014, the Group's current ratio was 1.42 (2013: 0.96); and since the Group did not have any debts, no gearing ratio was presented.

As at 30 June 2014, 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 2014.

Capital Structure

Shareholders' equity increased to approximately HK$60.6 million as at 30 June 2014 from approximately negative HK$4.1 million as at 30 June 2013. The main reason for the change is the group reorganisation upon the initial listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). As at 30 June 2014, the Group did not have any long term debts (2013: Nil).

Material Acquisition and Disposal

Save as disclosed in the prospectus of the Company dated 25 October 2013 ("**Prospectus**"), 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, the PRC, Germany, Singapore and the US 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 2014, the Group has a total of 133 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

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

For the existing trade exhibitions, the Group intends to further improve the overall management and to improve 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. 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 growth potential. Feasibility studies will be carried out from time to time if the Group comes across any potential opportunities.

In 2014, the Group coordinated with an exhibition organiser in the PRC to organise ALEEX in Guangzhou, the PRC and the first edition was launched in April 2014.

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

To broaden our future income stream and to capitalise on our vast database of international manufacturers, the Group will seek to identify new opportunities to become sales agents of overseas exhibitions.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2014.

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.

During the period from the date of Listing (i.e. 6 November 2013) (the "**Listing Date**"), to 30 June 2014, 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 2014 *HK$ million*	**Actual use of proceeds from the Listing Date to 30 June 2014** *HK$ million*
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	10.0
To expand existing exhibitions organised by the Group, by increasing our marketing	8.8	4.8
General working capital and other corporate purpose of the Group	2.9	2.9
	29.2	17.7

The Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group. Announcement will be made regarding any adjustment of the use of the proceeds if and when appropriate.

All the unutilised balance of the net proceeds from the Listing have been placed in licensed banks in Hong Kong.

EVENT AFTER REPORTING PERIOD

The Group do not have any material subsequent event after the reporting period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Since the listing of the shares of the Company on the Main Board of the Stock Exchange on the Listing Date, neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company.

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.

As the Company was listed on the Main Board of the Stock Exchange on 6 November 2013, the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Listing Rules was not applicable to the Company for the period from 1 July 2013 to 5 November 2013, being the date immediately before the Listing Date. Save as disclosed below, the Company applied the principles and complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date to 30 June 2014 ("**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 code on Corporate Governance Practices as set out in the CG Code, save as the following:

- Under code provision C.1.2 of the CG Code, the management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

  During the Relevant Period, Mr. Lee and Mr. Si Tze Fung ("**Mr. Si**"), the executive Directors, have not provided all members of the Board with monthly updates due to the exhibitions which the Group organised were not held every calendar month. The executive Directors have updated the independent non-executive Directors ("**INEDs**") at the relevant time (Mr. Leung Hung Kee, Mr. Chu Kwok Man and Mr. Yeung Wai Keung ("**Mr. Yeung**") (the then INED who resigned on 4 July 2014) of the business developments of the Group during the Board meeting to approve the interim results of the Group on 28 February 2014. As a good corporate governance practice, the management will provide all Directors with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail in the coming future in order to comply with the CG Code.

- Each newly appointed Director will receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has proper understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Directors are committed to comply with code provision A.6.5 of CG Code on directors' training to develop and refresh their knowledge and skills so as to ensure that their contribution to the Board will be informed and relevant. Prior to the listing of the Company, in April 2013, all Directors (except for Mr. Law Sung Ching, Gavin, who was appointed in September 2014 as an INED) received training on, among others, disclosure of inside information according to the Listing Rules. During the year ended 30 June 2014, all Directors complied with the code provision A.6.5 of the CG Code on participation in continuous professional training, except for Mr. Yeung (the then INED who resigned on 4 July 2014) who was yet to have the opportunity to participate in professional training courses prior to his departure during the Relevant Period, and Mr. Lee and Mr. Si who had both participated in a professional training course in September 2014 after the Relevant Period due to other commitments during the Relevant Period. Furthermore, the other Directors plan to participate in similar training course(s) or seminar(s) as and when appropriate specifically on corporate governance and disclosure of inside information under the requirements of the Listing Rules. In the future, the Directors will ensure that each of them will participate in the professional training courses to ensure that their contribution to the Board remains informed and relevant.

- Under code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the independent non-executive Directors without the executive Directors present. In order to allow the Directors to have full consideration of the affairs of the Company during the past calendar year after Listing, such meeting is scheduled to be held in early October 2014.

- Under Code Provision A.1.1, the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. Under code provision A.5.2 of the CG Code, the nomination committee of the Board ("**Nomination Committee**") should review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the issuer's corporate strategy. Under Code Provision C.3.3, members of the audit committee of the Board ("**Audit Committee**") should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the issuer's auditors. Furthermore, under code provision C.2, the Directors should annually conduct review of the issuer's internal control systems and consider the adequacy of resources, staff experience, and training and budget of the issuer's accounting and financial reporting system. Since the Relevant Period was less than one full calendar year and in order to allow the Directors to have full consideration of the affairs of the Company, such Board meeting held to, among others, review the issuer's internal control system was only held in September 2014 to satisfy the relevant code provisions as mentioned above. Furthermore, as the Relevant Period was less than one full calendar year, the Board had only held regular Board meetings twice during the Relevant Period and three other Board meetings after the Relevant Period. In order to allow the Directors to have full consideration of the affairs of the Company during the past calendar year after Listing, the Board will arrange the relevant meetings of the Board, Nomination Committee, Audit Committee and Remuneration Committee to be held in October 2014 and in the future to satisfy the requirements of the code provisions stated in the above paragraph. The Board shall ensure that relevant meetings of the Board and Board committees will be held regularly to satisfy the code provisions of the CG Code during the relevant financial year in the future.

- Following the resignation of 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**").

  Mr. Law Sung Ching, Gavin was appointed as an INED, member of the Nomination Committee and the Audit Committee on 12 September 2014, subsequent to which, the Company has fulfilled the Relevant Provisions.

- Under the code provision A.2.1, the roles of chairman and chief executive officer ("**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 of the Group should be clearly established and set out in writing. The roles of the chairman and the CEO of the Group was not separated and was performed by the same individual, Mr. Lee who acted as both the chairman and CEO throughout the period under review. The Directors will meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

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.mega-expo.com) and the Stock Exchange (www.hkexnews.hk). The annual report for the year ended 30 June 2014 of the Company will be despatched to the shareholders and available on the same websites in due course.

Order of the Board
Mega Expo Holdings Limited
Mr. Lee Chi Sang
Chairman

Hong Kong, 26 September 2014

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