

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

The board (“**Board**”) of directors (“**Directors**”) of Mega Expo Holdings Limited (“**Company**”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2016 (“**Reporting Period**”) together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2016

	Notes	For the six months ended 31 December	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	5	91,385	152,793
Other revenue		176	1,405
Other gains	7	475	113
Other losses	6	(5,295)	(26,236)
Advertising and promotion expenses		(5,373)	(14,104)
Agency commission		(4,514)	(4,590)
Exhibition rentals		(16,765)	(28,020)
Staff costs	7	(17,250)	(30,904)
Booth construction costs		(17,583)	(15,179)
Exhibition expenses		(6,747)	(14,619)
Other operating expenses		(25,205)	(30,599)

		For the six months ended	
		31 December	
		2016	2015
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Loss before tax	7	(6,696)	(9,940)
Taxation	8	<u>(5,070)</u>	<u>(6,898)</u>
Loss for the period		(11,766)	(16,838)
Other comprehensive loss			
for the period, net of tax:			
<i>Items that may be subsequently reclassified</i>			
<i>to profit or loss:</i>			
Exchange difference on translation of			
foreign operations		<u>(139)</u>	<u>(93)</u>
Total comprehensive loss for the period,			
net of tax		<u>(11,905)</u>	<u>(16,931)</u>
Loss for the period attributable to:			
Owners of the Company		(8,859)	(16,432)
Non-controlling interests		<u>(2,907)</u>	<u>(406)</u>
		<u>(11,766)</u>	<u>(16,838)</u>
Total comprehensive loss			
for the period attributable to:			
Owners of the Company		(8,998)	(16,525)
Non-controlling interests		<u>(2,907)</u>	<u>(406)</u>
		<u>(11,905)</u>	<u>(16,931)</u>
Loss per share attributable to owners of			
the Company			
– Basic and diluted	10	<u>(1.45) HK cents</u>	<u>(2.05) HK cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

		At 31 December 2016 <i>HK\$'000</i> (Unaudited)	At 30 June 2016 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		21,233	8,507
Intangible assets		42,392	48,913
Interest in associate		7	7
		63,632	57,427
Current assets			
Prepayments, deposits and other receivables	11	36,789	53,704
Financial assets at fair value through profit or loss		4,706	64,827
Cash and cash equivalents		98,176	28,382
		139,671	146,913
Current liabilities			
Receipts in advance		8,587	70,130
Accruals and other payables	12	22,958	43,678
Amount due to a shareholder		–	8
Income tax payable		2,402	1,542
		33,947	115,358
Net current assets		105,724	31,555
Total assets less current liabilities		169,356	88,982
Net assets		169,356	88,982

	At 31 December 2016 <i>HK\$'000</i> (Unaudited)	At 30 June 2016 <i>HK\$'000</i> (Audited)
Capital and reserves		
Share capital	2,702	2,400
Reserves	170,979	88,000
	<hr/>	<hr/>
Equity attributable to owners of the Company	173,681	90,400
Non-controlling interests	(4,325)	(1,418)
	<hr/>	<hr/>
Total equity	169,356	88,982
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2016

1. ORGANISATION AND PRINCIPAL ACTIVITIES

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 (“**Stock Exchange**”). The principal place of business of the Company in Hong Kong is Suites 911-912, Level 9, One Pacific Place, 88 Queensway, Hong Kong.

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, provision of roadshows, providing sub-contracting services and ancillary services for exhibitions and trade shows.

The unaudited condensed consolidated financial statements have not been audited by the Company’s auditor, but have been reviewed by the audit committee of the Board (“**Audit Committee**”).

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the Reporting Period have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“**HKAS 34**”) issued by the Hong Kong Institution of Certified Public Accountants (“**HKICPA**”) and with applicable disclosure requirements as set out in Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). It was authorised for issue on 27 February 2017.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2016 as contained in the Company’s annual report 2015/2016 (“**Annual Report**”).

The preparation of the unaudited condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements are denominated in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. Unless otherwise specifically stated, all amounts are presented in thousand.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the Annual Report, except for the impact of the adoption of the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”). The Group has applied, for the first time, certain new or revised and amendments to HKFRSs issued by the HKICPA that are mandatorily effective for the current period. The application of the new or revised and amendments to HKFRSs has had no material effect on the Group’s financial statements.

The Group has not early applied the following new or revised standards and amendments to HKFRSs (“**New HKFRSs**”) that have been issued but are not yet effective:

HKAS 7 (Amendments)	Disclosure initiative ¹
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealized Losses ¹
HKFRS 2 (Amendments)	Classification and Measurement of Share-Based Payment Transactions ²
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ²
HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers ²
HKFRS 16	Leases ³

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

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

³ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted

The Directors anticipate that the adoption of the New HKFRSs in the future may have certain impact on the amounts reported in respect of the Group’s financial assets and financial liabilities. It is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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 is organised into business units based on the services and has the following operating divisions: organisation of exhibitions, exhibition-related services, ancillary services and provision of roadshows. These divisions are the basis on which the Group reports its segment information.

The 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
Roadshows	Provision of roadshows

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

For the six months ended 31 December

	Organisation of exhibitions		Exhibition-related services		Ancillary services		Roadshows		Total	
	2016 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)	2015 <i>HK\$'000</i> (Unaudited)
Revenue										
Segment revenue	91,315	151,956	70	2,744	-	58	-	-	91,385	154,758
Inter-segment revenue	-	-	-	(1,965)	-	-	-	-	-	(1,965)
Revenue from external customers	91,315	151,956	70	779	-	58	-	-	91,385	152,793
Results										
Segment results	32,391	66,385	70	779	-	52	(6,644)	-	25,817	67,216
Net loss on financial assets at fair value through profit or loss									(5,295)	(26,236)
Unallocated income									635	409
Unallocated corporate expenses									(27,853)	(51,329)
Loss before tax									(6,696)	(9,940)
Taxation									(5,070)	(6,898)
Loss for the period									(11,766)	(16,838)

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

	Organisation of exhibitions		Exhibition-related services		Ancillary services		Roadshows		Total	
	At 31 December 2016	At 30 June 2016	At 31 December 2016	At 30 June 2016	At 31 December 2016	At 30 June 2016	At 31 December 2016	At 30 June 2016	At 31 December 2016	At 30 June 2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets										
Segment assets	5,672	18,861	-	-	-	-	63,542	48,913	69,214	67,774
Unallocated corporate assets									134,089	136,566
									<u>203,303</u>	<u>204,340</u>
Liabilities										
Segment liabilities	26,144	70,130	-	-	-	-	-	-	26,144	70,130
Unallocated corporate liabilities									7,803	45,228
									<u>33,947</u>	<u>115,358</u>

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 six months ended 31 December

	Organisation of exhibitions		Exhibition-related services		Ancillary services		Roadshows		Unallocated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	-	-	-	-	-	-	-	-	1,350	2,289	1,350	2,289
Capital expenditures	-	-	-	-	-	-	15,857	-	64	8,117	15,921	8,117
Net loss on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	5,295	26,236	5,295	26,236
Amortisation of intangible assets	-	-	-	-	-	-	6,522	-	-	-	6,522	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,522</u>	<u>-</u>	<u>1,350</u>	<u>26,236</u>	<u>15,921</u>	<u>26,236</u>

5. REVENUE

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

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

	For the six months ended	
	31 December	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Participation income	91,315	151,956
Additional facilities income	70	779
Other ancillary service income	—	58
	<u>91,385</u>	<u>152,793</u>

6. OTHER LOSSES

	For the six months ended	
	31 December	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net loss on financial assets at fair value through profit or loss		
– Net realised loss on disposal of financial assets at fair value through profit or loss	3,481	110
– Net loss arising on revaluation of financial assets at fair value through profit or loss	1,814	26,126
	<u>5,295</u>	<u>26,236</u>

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	For the six months ended	
	31 December	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs:		
Employee benefit expenses (including directors' remuneration):		
– Salaries, allowance and other benefits	16,876	30,075
– Retirement benefit schemes contributions	374	829
	<u>17,250</u>	<u>30,904</u>
Other items:		
Depreciation of property, plant and equipment	1,350	2,289
Amortisation of intangible assets	6,522	–
Auditors' remuneration	1,147	540
Operating lease rentals in respect of land and building	5,779	7,914
	<u>14,798</u>	<u>10,743</u>
And after crediting:		
Other gains:		
Interest income	502	14
Exchange (losses)/gains, net	(27)	99
	<u>475</u>	<u>113</u>

8. TAXATION

	For the six months ended	
	31 December	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax		
– Hong Kong Profits Tax	5,070	6,820
– Other than Hong Kong	–	78
	<u>5,070</u>	<u>6,898</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 31 December 2016 and 2015.

Tax arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. DIVIDEND

No dividend was paid, declared or proposed for the Reporting Period (six months ended 31 December 2015: Nil).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the Reporting Period of approximately HK\$8,859,000 (2015: profit of approximately HK\$16,432,000) and on the weighted average number of 611,972,603 ordinary shares (2015: 800,272,492 ordinary shares) in issue during the Reporting Period.

There was no dilutive potential ordinary shares in existence during the six months ended 31 December 2016 and 2015 respectively, therefore the diluted loss per share is the same as the basic loss per share.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December 2016 <i>HK\$'000</i> (Unaudited)	At 30 June 2016 <i>HK\$'000</i> (Audited)
Prepayments	11,456	32,803
Deposits	2,187	6,151
Other receivables	<u>23,146</u>	<u>14,750</u>
	<u>36,789</u>	<u>53,704</u>

12. ACCRUALS AND OTHER PAYABLES

	At 31 December 2016 <i>HK\$'000</i> (Unaudited)	At 30 June 2016 <i>HK\$'000</i> (Audited)
Accruals	5,083	2,458
Other payables	<u>17,875</u>	<u>41,220</u>
	<u>22,958</u>	<u>43,678</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

For the Reporting Period, the Group recorded a total revenue of approximately HK\$91,385,000 (2015: approximately HK\$152,793,000), representing a decrease of 40.2% for the corresponding period of last year. The decline in revenue was mainly caused by keen competition among exhibition organisers and the uncertain global economic atmosphere which led to a decrease in exhibitors' incentive of participating in trade fairs. For the Reporting Period, revenue from organisation of exhibitions accounted for 99.9% (2015: 99.5%) of the total revenue, while revenue from provision of exhibition-related services accounted for 0.1% (2015: 0.5%) of the total revenue.

During the Reporting Period, loss before tax was approximately HK\$6,696,000 (2015: approximately HK\$9,940,000), representing a decrease of 32.6% from the corresponding period of last year which was mainly due to the slow down in exhibition activities of which the revenue decline of approximately HK\$61,408,000, decline in related expenses and decline in net loss on financial assets at fair value through profit or loss of approximately HK\$20,941,000.

REVIEW OF BUSINESS ACTIVITIES

Organisation of exhibitions

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

During the Reporting Period, the Group successfully staged three trade fairs, namely International Gem & Jewellery Festival (“**IGJ**”) held in September 2016, Mega Show Part I and Mega Show Part II (collectively the “**Mega Show Series**”) held in October 2016 in Hong Kong.

During the Reporting Period, revenue generated from the organisation of exhibitions accounted for approximately HK\$91,315,000 (2015: approximately HK\$151,956,000), representing a decrease of 39.9% from the corresponding period of last year. With the uncertain global economic climate, we believe that exhibitors were more cautious in their spending and they might also be reducing their budget for participating in trade fairs; this factor coupled with the cessation of the engagement of sales agents for Mega Show Series during the Reporting Period, led to a drop in our participation income of approximately HK\$60,641,000 for Mega Show Series.

During the Reporting Period, the Group has launched a brand new fair, named IGJ in September 2016 which contributed a turnover of approximately HK\$12,338,000. The cessation of engagement of sales agents causing our agency commission dropped to approximately HK\$4,514,000 (2015: approximately HK\$4,590,000).

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 Reporting Period, revenue generated from exhibition-related services was approximately HK\$70,000 (2015: approximately HK\$779,000), representing a decrease of 91.0%. Since the organiser of Mega Show Series has engaged service provider for booth construction, the Group only served the on-site additional facilities services to exhibitors and resulted in a decrease in revenue of approximately HK\$709,000.

Ancillary services

Since the Group has ceased the publication of the show magazines during the Reporting Period, there was no relevant revenue for ancillary services provided (2015: approximately HK\$58,000).

Roadshows

During the Reporting Period, no roadshow had been organised and no income was recorded for this segment. The soft opening of the “Ultraman” stadium in the theme park was held at Formosan Aboriginal Cultural Village in Taiwan in late January 2017.

FUTURE PLANS AND PROSPECT

Looking ahead, we believe the global market is still facing many uncertainties, including the global economic performance, the United Kingdom's referendum to leave the European Union, the diplomatic and monetary policy of newly United States President Donald Trump as well as the changes of the global interest rate, etc.

Due to the increased competition and increased costs in Hong Kong and the switch to online platform and China for physical exhibition, the management sees the prospect with the exhibition business in Hong Kong is not promising and would scale down the operations in Hong Kong and shift the focus to China in terms of the exhibition business.

The Group successfully diversify its revenue source by entering into a sub-license agreement (“**Sub-License Agreement**”) with Dorian Concept (Group) Limited which valid until March 2020. The Sub-License Agreement allows the Group to have the right to exploit all series and types of Ultraman from TV programs and movies produced from 1996 to 2016 (“**Ultraman Licensed Rights**”) and its related intangible property that is acknowledged general rights by the law at roadshows, events and exhibitions in Hong Kong, Macau and Taiwan. In January 2017, the Group have collaborated with the Formosan Aboriginal Culture Village in Taiwan and developing an “Ultraman” stadium in the theme park. The Group will take hold of this Sub-License Agreement and collaborate with manufacturers to organize large-scale roadshows and exhibitions in the coming future.

In addition, the Group will continue to identify suitable acquisition opportunities such as franchise theme and virtual online exhibition platform. On 10 February 2017, the Group entered into the sale and purchase agreement in relation to the acquisition of an exhibition and management consulting company based in Shanghai (“**Acquisition**”). We believe the Acquisition will enable the Company to strengthen and enhance its exhibition business in the People's Republic of China (“**PRC**”) which will broaden income source in the region. Shanghai, as one of the most prosperous and cultural cities in the PRC, the Group will continue to actively identify other business opportunities in the region.

The recent global stock market showed signs of regaining vitality. It is expected that the economy will improve as a consequence of capital inflow revitalizing stock market which helps to restore the demand for the exhibition market. As we have mentioned in our Annual Report, the Group will continue to strengthen its own competitive advantages and introduce more brand new and diverse exhibition and roadshow opportunities.

INTERIM DIVIDEND

The Board do not recommend the payment of an interim dividend for the Reporting Period (2015: Nil).

CAPITAL STRUCTURE

Shareholders' equity increased to approximately HK\$169,356,000 as at 31 December 2016 from approximately HK\$88,982,000 as at 30 June 2016. The main reason for the change is the net proceeds from the placing of new shares under general mandate during the Reporting Period of approximately HK\$92,278,900. As at 31 December 2016, the Group did not have any long term debts (30 June 2016: Nil).

Placing of new shares under general mandate

On 6 December 2016, the Company and Kingston Securities Limited ("**Placing Agent**") entered into the placing agreement ("**Placing Agreement**"), whereby the Company has conditionally agreed to place, through the Placing Agent ("**Placing**"), on a best effort basis, of up to 150,800,000 new shares under general mandate ("**Placing Share(s)**") to not less than six places who and whose ultimate beneficial owners shall be independent third parties at the placing price ("**Placing Price**") of HK\$0.63 per Placing Share.

The Placing was completed on 23 December 2016 and an aggregate of 150,800,000 Placing Shares, represent (i) approximately 12.57% of the existing issued share capital of the Company of 1,200,000,000 shares; and (ii) approximately 11.16% of the Company's issued share capital of 1,350,800,000 shares as enlarged by the allotment and issue of the Placing Shares. The Placing Price of HK\$0.63 represents (i) a discount of approximately 18.18% to the closing price of HK\$0.77 per share as quoted on the Stock Exchange; and (ii) a discount of approximately 18.81% to the average closing price of HK\$0.776 per share as quoted on the Stock Exchange for last five consecutive trading days immediately prior to the date of the Placing Agreement. 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\$92,279,000 are intended to be used for general working capital of the Group and/or future investments if opportunities arise.

USE OF PROCEEDS

The proceeds from the Placing dated 23 December 2016 were HK\$95,004,000, which was based on the Placing Price of HK\$0.63 per Placing Share and the actual expenses related to the Placing. 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\$92,279,000 are intended to be used for general working capital of the Group and/or future investments if opportunities arise. As at 31 December 2016, the proceeds had not been used and were deposited in a reputable bank in Hong Kong.

SIGNIFICANT INVESTMENTS

A net loss of approximately HK\$5,295,000 (2015: approximately HK\$26,236,000) was recognised for the Group's financial assets at fair value through profit or loss during the Reporting Period. The Group held a diversified portfolio of listed investments for the six months ended 31 December 2016 and 2015, and details of the most significant investments are as follows:

Financial assets at fair value through profit or loss in terms of market value as at 31 December 2016

Name of unlisted investment	Brief description of the business	Number of	Investment	Market value	Percentage
		units held	cost as at	as at	to total
		as at	31 December	31 December	assets value
		31 December	2016	2016	of the
		2016	2016	2016	Group as at
			<i>HK\$'000</i>	<i>HK\$'000</i>	31 December
					2016
KKC Capital High Growth Fund Segregated Portfolio	Focus on long-term capital gain; the fund's non-cash investments primarily invest in Hong Kong equities, which is managed by KKC Capital Limited. Investment advisor is Avia Asset Management Limited ("Avia"). Avia is licensed with the Hong Kong Securities and Futures Commission ("HKSF") for Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities.	13,000	13,000	4,706	2.31%

Top 5 gains/(losses) for the six months ended 31 December 2016

Name of stock listed on the Stock Exchange	Stock code	Realised	Unrealised	Dividend
		gain/(loss)	gain/(loss)	received for the
		for the	for the	six months
		six months	six months	ended
		ended	ended	ended
		31 December	31 December	31 December
		2016	2016	2016
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Ding He Mining Holdings Limited	705	(2,273)	–	–
Co-Prosperty Holdings Limited	707	(480)	–	–
Hong Kong Life Sciences and Technologies Group Limited	8085	(2,098)	–	–
Sino Haijing Holdings Limited	1106	215	–	–
Leyou Technologies Holdings Limited	1089	1,191	–	–

Name of unlisted investment	Realised	Unrealised	Dividend
	gain/(loss)	gain/(loss)	received for the
	for the	for the	six months
	six months	six months	ended
	ended	ended	ended
	31 December	31 December	31 December
	2016	2016	2016
	HK\$'000	HK\$'000	HK\$'000
KKC Capital High Growth Fund Segregated Portfolio	–	(1,814)	–

Top 5 stocks in terms of market value as at 30 June 2016

Name of stock listed on the Stock Exchange	Stock code	Brief description of the business	Number of	Percentage of	Investment	Market value	Percentage to
			shares held as at 30 June 2016	shares held as at 30 June 2016	cost as at 30 June 2016	as at 30 June 2016	total assets value of the Group as at 30 June 2016
					HK\$'000	HK\$'000	
Ding He Mining Holdings Limited	705	Mining of dolomite and manufacture of magnesium ingots, exploration of iron ore, coal and manganese, extraction and bottling of mineral water.	120,006,000	2.18%	18,950	11,401	5.58%
Co-Prosperty Holdings Limited	707	Processing, printing and sales of finished fabrics; and trading of fabrics and clothing.	30,000,000	0.91%	12,724	7,800	3.82%
Leyou Technologies Holdings Limited	1089	Trading and manufacturing of chicken meat products, animal feeds and chicken breeds.	17,945,000	0.63%	15,762	17,945	8.78%
Hong Kong Life Sciences and Technologies Group Limited	8085	Anti-aging and stem cell technology businesses; trading business; money lending business; and securities investment.	115,396,000	2.43%	22,127	16,732	8.19%

Name of unlisted investment	Brief description of the business	Number of	Investment	Market value	Percentage to
		units held as at 30 June 2016	cost as at 30 June 2016 <i>HK\$'000</i>	as at 30 June 2016 <i>HK\$'000</i>	total assets value of the Group as at 30 June 2016
KKC Capital High Growth Fund Segregated Portfolio	Focus on long-term capital gain; the fund's non-cash investments primarily invest in Hong Kong equities, which is managed by KKC Capital Limited. Investment advisor is Avia Asset Management Limited ("Avia"). Avia is licensed with the Hong Kong Securities and Futures Commission ("HKSF") for Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities.	13,000	13,000	6,519	3.19%

Top 5 gains/(losses) for the six months ended 31 December 2015

Name of stock listed on the Stock Exchange	Stock code	Realised	Unrealised	Dividend
		gain/(loss) for the six months ended 31 December 2015 <i>HK\$'000</i>	loss for the six months ended 31 December 2015 <i>HK\$'000</i>	received for the six months ended 31 December 2015 <i>HK\$'000</i>
Ding He Mining Holdings Limited	705	–	(3,709)	–
Aurum Pacific (China) Group Limited	8148	–	(2,605)	–
Co-Prosperty Holdings Limited	707	(212)	(4,474)	–
China Minsheng Drawin Technology Group Limited	726	(411)	(272)	–
Leyou Technologies Holdings Limited	1089	–	(2,303)	–
Hong Kong Life Sciences and Technologies Group Limited	8085	–	(3,664)	–
Sino Haijing Holdings Limited	1106	(573)	(2,200)	–
Global Energy Resources International Group Limited	8192	940	–	–

MATERIAL ACQUISITION AND DISPOSAL

During the Reporting Period, there was no material acquisition or disposals of subsidiaries or associates of the Company.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 31 December 2016, the Group has total assets of approximately HK\$203,303,000 (30 June 2016: approximately HK\$204,340,000) which was financed by shareholders' equity of approximately HK\$169,356,000 (30 June 2016: approximately HK\$88,982,000) and non-controlling interest of approximately HK\$4,325,000 (30 June 2016: approximately HK\$1,418,000). During the Reporting Period, the Group invested its idle cash in the construction of the "Ultraman" stadium in the theme park of the Formosan Aboriginal Culture Village in Taiwan. The placing of new shares generated cash of approximately HK\$92,278,000 which contributed to the increase in the total assets of the Group.

The cash and cash equivalents of the Group as at 31 December 2016 was mainly denominated in Hong Kong dollars ("**HK\$**"). It also contains a minimal amount of United States dollars ("**USD**") and Renminbi ("**RMB**").

As at 31 December 2016, the Group's current ratio was 4.11 (30 June 2016: 1.27); and since the Group did not have any debts, no gearing ratio presented (30 June 2016: Nil).

As at 31 December 2016, 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 its assets as at 31 December 2016.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group manages or organises exhibitions held in Hong Kong and roadshows in Taiwan and maintains a back-up office in the PRC, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and only minimal with respect to RMB and TWD. 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 31 December 2016, the Group had a total of 42 full-time employees in Hong Kong and the PRC. The remuneration payable to its employees included salaries, discretionary bonus and commission. Remuneration packages were 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 to its employees.

Furthermore, the remuneration committee of the Board 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.

EVENTS AFTER REPORTING PERIOD

On 10 February 2017, Eastern Pioneer Holdings Limited, an indirect wholly-owned subsidiary of the Company (“**Eastern Pioneer**”) as purchaser, entered into the sale and purchase agreement with Mr. Liu Jiazhen (“**Vendor**”), an independent third party, pursuant to which the Vendor has agreed to sell and Eastern Pioneer has agreed to purchase, the entire issued share capital of Sparkle Mass Limited (“**Target Company**”) at the consideration of HK\$40,000,000. For details, please refer to the announcement of the Company dated 10 February 2017.

Save as disclosed, the Group do not have any material subsequent event after the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the Reporting Period.

CORPORATE GOVERNANCE

The Board regularly reviews the corporate governance practices and procedures of the Group. Throughout the Reporting Period, the Group had applied the principles and complied with the code provisions and certain recommended best practices as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The Audit Committee, comprises three independent non-executive Directors, has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Group's unaudited condensed consolidated financial statements for the Reporting Period have been reviewed by the Audit Committee, which was of the opinion that such financial statements have complied with the applicable accounting policies and requirements of the Stock Exchange and legal requirements, and that adequate disclosures have been made.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company (www.megaexpoholdings.com) and the Stock Exchange (www.hkexnews.hk). The interim report for the six months ended 31 December 2016 of the Company will be despatched to the shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 27 February 2017

As at the date of this announcement, the Board comprises Mr. Ge Jin, Mr. Sun Sizhi, Mr. Deng Zhonglin and Ms. Zhang Jun as executive Directors; Mr. Yeung Chun Yue, David, Mr. Choi Hung Fai and Mr. Yang Bo as independent non-executive Directors.