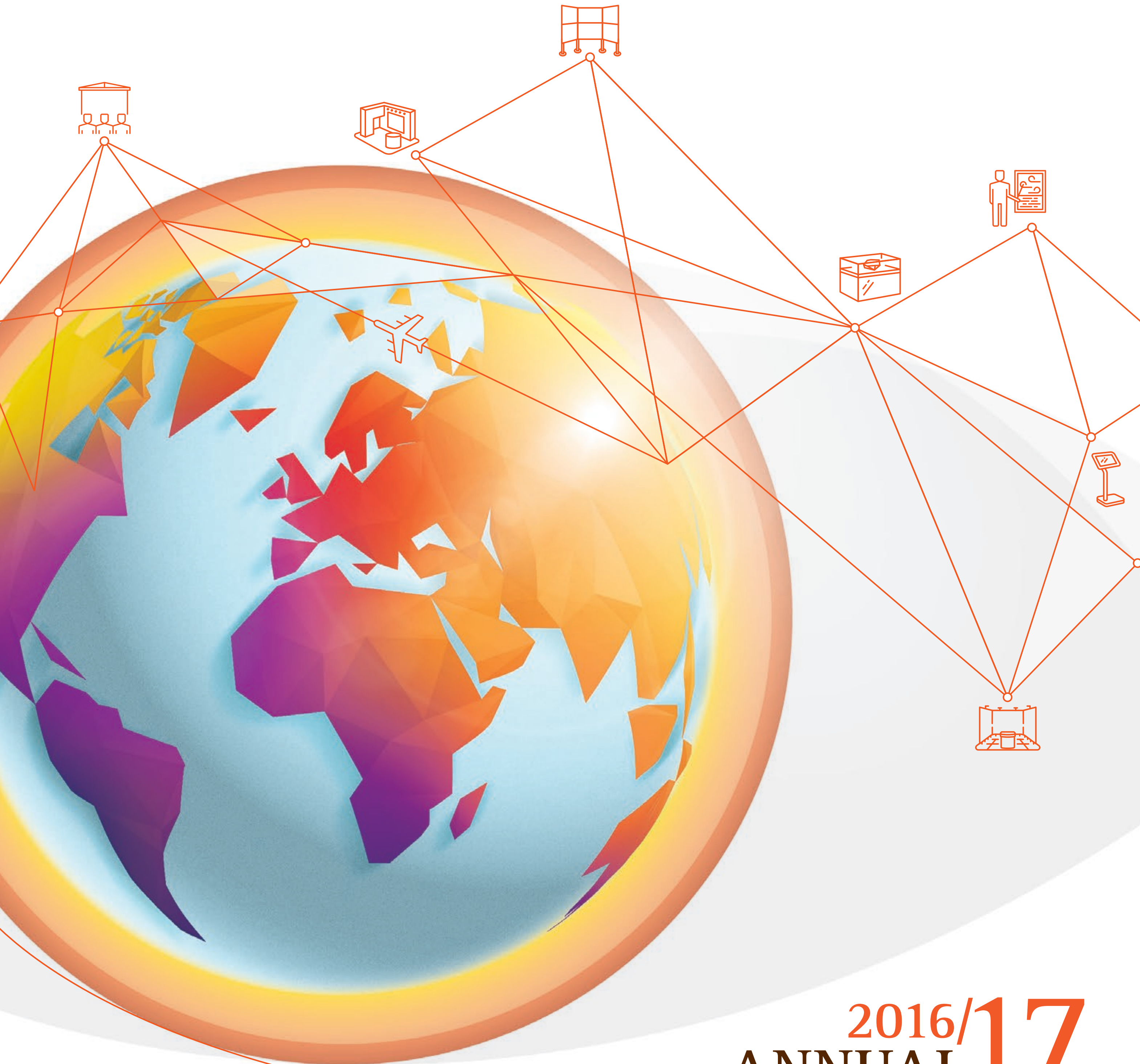
MEGA EXPO HOLDINGS LIMITED

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



2016/17 ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Deng Zhonglin
(Chairman and Chief Executive Officer)
Ms. Zhang Jun
Mr. Lu Linyu

Independent Non-executive Directors

Mr. Choi Hung Fai
Mr. Yang Bo
Mr. Tsang Wing Ki

AUDIT COMMITTEE

Mr. Tsang Wing Ki *(Chairman)*
Mr. Choi Hung Fai
Mr. Yang Bo

REMUNERATION COMMITTEE

Mr. Yang Bo *(Chairman)*
Mr. Deng Zhonglin
Mr. Tsang Wing Ki

NOMINATION COMMITTEE

Mr. Deng Zhonglin *(Chairman)*
Mr. Choi Hung Fai
Mr. Yang Bo

COMPANY SECRETARY

Mr. Lau Wing Chuen

AUTHORISED REPRESENTATIVES

Mr. Deng Zhonglin
Mr. Lau Wing Chuen

AUDITORS

HLM CPA Limited
Certified Public Accountants

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 911-912, Level 9
One Pacific Place
88 Queensway
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road
PO Box 1586
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
22/F, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

1360

CORPORATE WEBSITE

http://www.megaexpoholdings.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 HK$'000	Year ended 30 June 2016 HK$'000	Year ended 30 June 2015 HK$'000
Results			
Revenue			
Organisation of exhibitions	**102,869**	159,333	179,733
Exhibition-related services	**69**	898	8,497
Ancillary services	**–**	58	84
	102,938	160,289	188,314
(Loss)/profit for the year	**(39,317)**	(68,711)	45,866
(Loss)/profit attributable to owners of the Company	**(36,411)**	(67,346)	45,919

	At 30 June 2017 HK$'000	At 30 June 2016 HK$'000	At 30 June 2015 HK$'000
Consolidated statement of financial position			
Total assets	**170,326**	204,340	275,492
Total liabilities	**(28,296)**	(115,358)	(117,740)
Net assets	**142,030**	88,982	157,752

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Mega Expo Holdings Limited (the "**Company**"), I herewith present the report and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2017 to all shareholders and investors.

BUSINESS ENVIRONMENT

The global economy had a sluggish recovery in 2016. The geopolitical risk represented by the North Korea and the United States increased the uncertainty of the global economy recovery. Global financial markets would suffer a tremendous shock, will there be a war. Besides, the monetary policy of various countries maintained differentiation, the Euro Zone and Japan appeared negative interest rate and the recent currency fluctuation of Renminbi. These changes played a great influence on global financial markets and placed a high uncertainty on real economy. Hong Kong, ranked one of the freest and a highly externally oriented economy, is not immune to the effects of the global financial turmoil and the business environment can be derailed unexpectedly.

The financial markets volatility and the falling commodity price had posed challenges to the consumer goods manufacturers in Asia, our Group's target customers. These uncertainties suppressed their intention to launch their exhibition activities and many of them were taking a "wait and see" approach on planning their exhibition events. They became more cautious in spending and they have also tightened their budgets. Along with the keen competition among exhibition organisers in Hong Kong, the Group's gross margin has been put under pressure. During the year, the Group only 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, reflecting a trending down number of fairs and turnover.

The Group believes in turning challenges into opportunities, the expansion of the Group's existing business portfolio in providing organisation of trade exhibitions, exhibition related services and brand management services; and its brand management related downstream business opportunities in The People's Republic of China ("**PRC**"), in particular, the cultural and entertainment business where the Company can fully utilise the brand(s) acquired and its brand management experiences to sub-license, operate and promote its brand management services, is a method to diversify and broaden its income sources. Despite we witnessed sluggish overall growth in the global economy, the overall PRC economy showed stable and healthy development momentum. Steady economic growth and a growing middle class population in PRC all contribute positively to increasing disposable income, which is an important factor that drive the needs of consumer goods and eventually the needs of consumer goods expo. With the rise of middle class, the Group also foresees a drastic demand on cultural and entertainment needs, including activities such as bar and clubbing.

As a top-level design in PRC, the Opinions on Further Promoting Reform and Development of Exhibition Industry released by the State Council in April 2015, would boost the Chinese exhibition industry and facilitate the industry reform in future. Besides, Shanghai has been listed as "World Exhibition Capital" in its "13th Five Year Plan" and the world largest National Exhibition and Convention Center (Shanghai), was built up and operated, making Shanghai become one of the cities with the biggest exhibition area in the world. As a result, the Group believes that its expansion strategy of investing in PRC, in particular, in Shanghai region, is in line with market trends and the China national policy.

OUTLOOK

Operation of exhibition business in PRC

The Group considers there is enormous business potential in PRC. During the year, the Group acquired an exhibition and management consulting group based in Shanghai. Details of the acquisition can be referred to the announcement of the Company dated 10 February 2017 and the acquisition was completed on 3 March 2017. The Group views the prospect of Shanghai exhibition market is optimistic. With favorable macro-economic environment and the acquired business network, all can benefit the Group through exploring business opportunities within the region.

The Group relies previously on outside services providers or subcontractors for exhibition production services, such as booth design planning, equipment procurement, lighting design and showcase decorations. Such reliance relationship has placed the Group a lesser competitive position to serve and response to our customers' needs. Aiming to improve our exhibitors' experience, the Group is evaluating the possibility of offering one-stop exhibition production services from booth design, exhibition equipment procurement and installation to events marketing in PRC. The Group considers such value-added services is a channel to assist the exhibition business growth in PRC and bring synergy with brand management business on events organising, design and marketing services.

Operation of brand management and brand management related downstream business in PRC

The Group has already propelled a remarkable progress in acquiring a company in providing bar brand services under the name of "PHEBE", "菲芘", "MT" and "U.CLUB" in various cities in PRC, including Shanghai, Suzhou, Yixing, Hefei, Nantong, Beihai etc. Details of the acquisition can be referred to the announcements of the Company dated 7 April 2017 and 12 July 2017 respectively and the acquisition was completed at 13 July 2017.

After the acquisition, the Group has obtained a list of franchisees operating under the disclosed brands, which allows the Group to gain sharing on income from franchising and provision of management services. Looking forward, the Group will strive to develop the disclosed brands as brands to offer premium and high end clubbing and entertainment experience, expand to other parts of the country and franchise to potential candidates in suitable location. Taking into account the associated business risk and if opportunities arise, the Group may also consider the possibilities of entering into PRC clubbing and entertainment market by utilising its own prestige brands resources and its event management expertise.

Operation of exhibition business in Hong Kong

Facing the challenges ahead such as increased competition and increased costs, the Group will be prudent in managing our business operations and evaluating business developing opportunities. The Group may also consider to scale down the operations in Hong Kong while exploring business opportunities outside of Hong Kong at the same time in diversifying our revenue sources and strengthening our competitive advantages, so that the Group can minimize possible exposure to the uncertainties.

Money lending business in Hong Kong

Apart from our core exhibition and brand management related business, to further expand our income source, the Group have diversified our business on 18 September 2017 through the acquisition of a company holding a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). It is expected after the completion of the acquisition, the Group can tap into the fast growing money lending industry in Hong Kong.

The Group will continue to put effort to improve and enhance its exhibition and brand management business. In the same time, the Group will explore any synergistic investment and development opportunities which help capitalising on any growth opportunities and thereon enhance our shareholders' value.

APPRECIATION

Finally, on behalf of the Board, I would like to express my sincere gratitude to all staff members for their dedication and contribution, and to our shareholders and business partners for their support. We will continue with our endeavor to pursue growth of our business and create value for our shareholders.

Deng Zhonglin
Chairman
Hong Kong, 22 September 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

General Overview

During the year, loss before tax from continuing operations was approximately HK$20,243,000 (2016: HK$63,457,000) representing a decrease of 68.1%. The decrease in loss was partially attributable to, less loss on financial assets at fair value through profit and loss. For the year ended 30 June 2016, the Group recorded a net loss on financial assets at fair value through profit and loss of approximately HK$40,994,000, whereas such net loss of approximately HK$2,909,000 was recorded during the year.

The revenue generated in Hong Kong during the year was approximately HK$90,728,000 (2016: HK$152,731,000), representing a decrease of 40.6%, with decline in revenue generated in Hong Kong, the Group will endeavor to broaden its income sources and enhance earning profile through exploring investment opportunities in PRC. Besides, significant effort had been be placed on controlling operating costs and review the operating efficiency so as to protect the Group's profitability. These controlling measures had partially offset the decline in revenue during the year and resulted decrease in loss for the year.

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 year, revenue generated from the organisation of exhibitions accounted for approximately HK$102,869,000 (2016: approximately HK$159,333,000), representing a decrease of 35.4% from the corresponding period of last year. As a direct result of weakening sentiment in consumer market caused by slowdown in economic growth and exhibitors were more cautious in their spending and reducing their budget for participating in trade fairs, the Group only staged three trade fairs, namely IGJ held in September 2016 and Mega Show Series held in October 2016 in Hong Kong and nil trade fair was organised in Germany during the year. IGJ was a brand new outdoor exhibition fair launched during the year and contributed a turnover of approximately HK$12,338,000 (2016: Nil).

The Group has successfully acquired an exhibition and management consulting group based in Shanghai, namely Sparkle Mass Limited and its subsidiaries ("**Sparkle Mass Group**") on 3 March 2017 (Details can be referred to the section headed "Material Acquisition and Disposal" below). It is noted that the performance of the Sparkle Mass Group for last few months has been in line with the Group's expectation and during the year, Sparkle Mass Group has contributed a revenue of approximately HK$12,210,000 (2016: Nil) to the Group.

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 2017, revenue generated from exhibition-related services was approximately HK$69,000 (2016: approximately HK$898,000). 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$829,000.

Ancillary services

There was no relevant revenue for ancillary service provided during the year (2016: approximately HK$58,000).

Roadshows

On 3 June 2016, the Company, through its indirect wholly-owned subsidiary, Up Huge Corporation Limited ("**Up Huge**" or "**Sub-Licensee**"), entered into a sub-license agreement ("**Sub-License Agreement**") with Dorian Concept (Group) Limited ("**Licensee**"), pursuant to the Sub-License Agreement, the Licensee shall grant to the Sub-Licensee an exclusive, non-transferable sub-license to use the "Ultraman" all intellectual properties from television programs and movies produced from 1996 to 2016 ("**Sub-Licensed Rights**") at roadshows, events and exhibitions in Hong Kong, Macau and Taiwan. Details can be referred to the announcement of the Company dated 3 June 2016.

After acquired the Sub-Licensed Rights, the Group has collaborated with the Formosan Aboriginal Culture Village (the "**Theme Park**") in Taiwan. However, it has come to the Company's attention that the attendance recorded by the "Ultraman" stadium was below satisfactory.

As a result, the Company re-assessed its investments in the "Ultraman" brand. With no signs or indications that the attendance of the "Ultraman" stadium would be improved in near future after several months' observation, whereas the performance of Sparkle Mass Group, a newly acquired exhibition and management consulting group based in Shanghai has been in line with the Company's expectation, the Company estimated that the operation of the "Ultraman" stadium may not be able to meet the Company's expectation and business strategies. Accordingly, the Company, on 28 June 2017, proceeded to dispose the entire equity interest of Up Huge (Details can be referred to the section headed "Material Acquisition and Disposal" below). As a result of the disclosed disposal plan, Up Huge and its Sub-Licensed Rights were classified as asset classified as held for sale as at 30 June 2017.

During the year, no income was recorded for this segment (2016: Nil). The loss for the year from discontinued operation was HK$13,410,000 (2016: HK$1,087,000).

FINANCIAL REVIEW

Advertising and promotion Expenses

The advertising and promotion expenses primarily consist of advertising and promotional expenses for trade fairs in Hong Kong and Overseas. The advertising and promotion expenses decreased by approximately 71.0% or HK$13,531,000 to approximately HK$5,531,000 for the year ended 30 June 2017 from approximately HK$19,062,000 for the year ended 30 June 2016. Such decrease was mainly due to lesser spending on promotional activities as a result of costs control implemented.

Exhibition rentals

The exhibition rentals mainly represent the exhibition hall's rental expenses. The exhibition rentals decreased by approximately 35.6% or HK$10,502,000 to approximately HK$19,037,000 for the year ended 30 June 2017 from approximately HK$29,539,000 for the year ended 30 June 2016. As a result of lesser number of trade fairs were organised, the exhibition rental decreased accordingly.

Staff costs

The staff costs comprise salaries, wages, discretionary bonuses to staff and other benefits including retirement benefit costs and other allowances and benefits payable to the permanent staff. The staff costs decreased by approximately 44.6% or HK$18,579,000 to approximately HK$23,116,000 for the year ended 30 June 2017 from approximately HK$41,695,000 for the year ended 30 June 2016. Such decrease was mainly due to the decrease in manpower in Hong Kong as a result of scaling down strategy in Hong Kong.

Booth construction costs

The booth construction costs represent the subcontracting fee paid to building contractors in relation to construction of the exhibition sites and the decoration of the exhibition booths. The booth construction costs increased slightly by approximately 11.2% or HK$1,876,000 to approximately HK$18,580,000 for the year ended 30 June 2017 from approximately HK$16,704,000 for the year ended 30 June 2016. The slight increase in booth constructions costs was primarily attributable to the relatively higher outdoor sub-contracting cost for the event of IGJ launched during the year.

Liquidity, Financial Resources and Gearing

As at 30 June 2017, the Group's total current assets and current liabilities, exclusive of asset classified as held for sale, were approximately HK$85,002,000 (2016: approximately HK$146,913,000) and approximately HK$28,296,000 (2016: approximately HK$115,358,000) respectively, while the current ratio was about 3.0 times (2016: 1.3 times).

As at 30 June 2017, the Group maintained cash and cash equivalents of approximately HK$54,583,000 (2016: approximately HK$28,382,000). The increase in cash and cash equivalents was primarily due to combined net effect of (i) increase in share capital and share premium of approximately HK$92,404,000 from the issuance of 150,800,000 new ordinary shares at HK$0.63 each completed on 23 December 2016 (Details can be referred to the section headed "Placing of new shares under general mandate" below) and; (ii) acquisition of Sparkle Mass Group by HK$40,000,000 cash (Details can be referred to the section headed "Material Acquisition and Disposal" below).

The cash and cash equivalents of the Group as at 30 June 2017 was mainly denominated in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**").

In the foreseeable future, the Group expects to fund its capital expenditures, working capital and other capital requirements from the internal resources and other financing means which the Company may from time to time consider appropriate. As at 30 June 2017, the Group had no borrowings (2016: Nil). The gearing ratio, which is calculated by dividing total borrowings by total equity, as at 30 June 2017 was zero (2016: zero).

As at 30 June 2017 and 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 30 June 2017 and 2016.

Capital Structure

As at 30 June 2017, the total equity of the Group was approximately HK$142,030,000 (2016: approximately HK$88,982,000). The increase was mainly attributable to combined net effect of (i) increase in share capital and share premium of approximately HK$92,404,000 from the issuance of 150,800,000 new ordinary shares at HK$0.63 each completed on 23 December 2016 (Details can be referred to the section headed "Placing of new shares under general mandate" below) and; (ii) loss for the year of approximately HK$39,317,000.

The Group had no borrowings, debt securities or other capital instruments as at 30 June 2017. The Group manages its capital to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through maintaining the equity and debt in a balanced position. As at 30 June 2017, the Company's issued share capital was approximately HK$2,701,600 (2016: HK$2,400,000) with 1,350,800,000 (2016: 1,200,000,000) ordinary shares of HK$0.002 each in issue.

Material Acquisition and Disposal

On 10 February 2017, Eastern Pioneer Holdings Limited ("**Eastern Pioneer**"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("**Purchase Agreement I**") with Mr. Liu Jiazhen ("**Mr. Liu**"), an independent third party not connected with the Company and its connected person. Pursuant to the Purchase Agreement I, Eastern Pioneer agreed to purchase the entire equity interest of Sparkle Mass Group from Mr. Liu at a consideration of HK$40,000,000 by cash. Details in relation to the acquisition of Sparkle Mass Group can be referred to the announcement of the Company dated 10 February 2017. The transaction was completed on 3 March 2017 and the Company is exercising control over Sparkle Mass Group thereafter.

On 7 April 2017, Super Team Development Limited ("**Super Team**"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("**Purchase Agreement II**") with Ms. Wong Man ("**Ms. Wong**"), an independent third party not connected with the Company and its connected person. Pursuant to the Purchase Agreement II, Super Team agreed to purchase the entire equity interest of Fortune Selection Limited and its subsidiaries ("**Fortune Selection Group**") from Ms. Wong at a consideration of approximately HK$48,024,000, which shall be satisfied by the issuance of four batches of the convertibles bonds ("**Convertible Bonds**") of the Company. Details can be referred to the announcements of the Company dated 7 April 2017 and 12 July 2017 respectively in relation to the acquisitions of Fortune Selection Group and extension of the long stop date. The transaction was completed on 13 July 2017 and Convertible Bonds with principal amount of HK$24,012,000 was issued to Ms. Wong.

On 28 June 2017, Integral Wealth Limited ("**Integral Wealth**"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("**Sale Agreement**") with Ever Genesis Limited ("**Ever Genesis**"), an entity wholly-owned by Mr. Wang Jian, an independent third party not connected with the Company and its connected person. Pursuant to the Sale Agreement, Integral Wealth agreed to sell the entire equity interest of Up Huge to Ever Genesis at a consideration of HK$50,000,000 by cash. Up Huge is an investment vehicle of the Company holding the Ultraman Sub-Licensed Rights. Details can be referred to the announcement of the Company dated 28 June 2017 in relation to the disposal of Up Huge. Since then the completion took place on 10 July 2017, Up Huge is no longer a subsidiary of the Company.

Save as above, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures during the year and up to the date of this report.

Significant Investments

A net loss of approximately HK$2,909,000 (2016: approximately HK$40,994,000) was recognised for the Group's financial assets at fair value through profit or loss during the year. Such net loss comprised (i) loss on fair value change of profit guarantee of approximately HK$210,000 (2016: Nil) and (ii) net realised and unrealised loss on financial assets at fair value through profit or loss of approximately HK$2,699,000 (2016: approximately HK$40,994,000). Details can be referred to Note 10 to the consolidated financial statements.

Pursuant to the Purchases Agreement I, Mr. Liu undertakes that the net profit of the Sparkle Mass Group in the audited financial statements for each of the financial year ended 31 December 2017, 31 December 2018 and 31 December 2019 (the "**Relevant Periods**") shall not be less than HK$13,000,000, HK$14,000,000 and HK$15,000,000 respectively ("**Guaranteed Profit**"). If there is a shortfall on the Guaranteed Profit in each of the Guaranteed Period, there will be cash compensation of the shortfall from Mr. Liu to the Group.

During the year, as a result of disposal and redemption of all listed and unlisted investments, the Group no longer held any portfolio of listed and unlisted investments as at 30 June 2017 (2016: approximately HK$64,827,000). As at 30 June 2017, the financial assets at fair value through profit or loss of approximately HK$3,540,000 solely represented the fair value of the Guaranteed Profit as a result of acquisition of Sparkle Mass Group and the fair values were based on a valuation conducted by an independent firm of professional valuer after assessing the possibility of meeting the Guaranteed Profit and certain assumptions of market conditions. The loss on fair value change of profit guarantee of approximately HK$210,000 (2016: Nil) represented the fair value change of Guaranteed Profit between the date of acquisition of Sparkle Mass Group and the year ended 30 June 2017.

	2017 HK$'000	2016 HK$'000
Financial assets at fair value through profit or loss – Guaranteed Profit	3,540	–
Financial assets at fair value through profit or loss – Listed and unlisted investments	–	64,827
	3,540	64,827

Details of significant portfolio of listed and unlisted investments as at 30 June 2016 and the related realised and unrealised gain/loss on financial assets at fair value through profit or loss for the year ended 30 June 2017 and year ended 30 June 2016 are as follows:

Top 5 gains/(losses) for the year ended 30 June 2017

Name of stock listed on the Stock Exchange	Stock code	Realised gain/(loss) for the year ended 30 June 2017 HK$'000	Unrealised gain/(loss) for the year ended 30 June 2017 HK$'000	Dividend received for the year ended 30 June 2017 HK$'000
Ding He Mining Holdings Limited	705	(2,273)	–	–
Co-Prosperity 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 gain/(loss) for the year ended 30 June 2017 HK$'000	Unrealised gain/(loss) for the year ended 30 June 2017 HK$'000	Dividend received for the year ended 30 June 2017 HK$'000
KKC Capital High Growth Fund Segregated Portfolio	782	–	–

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 shares held as at 30 June 2016	Percentage of shares held as at 30 June 2016	Investment cost as at 30 June 2016 HK$'000	Market value as at 30 June 2016 HK$'000	Percentage to total assets value of the Group as at 30 June 2016
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-Prosperity 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 units held as at 30 June 2016	Investment cost as at 30 June 2016 HK$'000	Market value as at 30 June 2016 HK$'000	Percentage to 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 ("**HKSFC**") 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 year ended 30 June 2016

Name of stock listed on the Stock Exchange	Stock code	Realised gain/(loss) for the year ended 30 June 2016 HK$'000	Unrealised loss for the year ended 30 June 2016 HK$'000	Dividend received for the year ended 30 June 2016 HK$'000
Ding He Mining Holdings Limited	705	–	(7,550)	–
Aurum Pacific (China) Group Limited	8148	–	(10,077)	–
Co-Prosperity Holdings Limited	707	(212)	(4,924)	–
Hong Kong Life Sciences and Technologies Group Limited	8085	–	(5,395)	–
China Minsheng Drawin Technology Group Limited	726	(788)	–	–
China Water Industry Group Limited	1129	(3,164)	–	–
Sino Haijing Holdings Limited	1106	(1,962)	(1,209)	–
Global Energy Resources International Group Limited	8192	940	–	–

Name of unlisted investment	Realised gain/(loss) for the year ended 30 June 2016 HK$'000	Unrealised loss for the year ended 30 June 2016 HK$'000	Dividend received for the year ended 30 June 2016 HK$'000
KKC Capital High Growth Fund Segregated Portfolio	–	(6,481)	–

Share subdivision of the Company

On 20 August 2015, the Company proposed that each of the issued and unissued ordinary shares of HK$0.01 each in the share capital of the Company to be subdivided into five subdivided shares of HK$0.002 each ("**Subdivided Shares**"). An extraordinary general meeting of the Company was convened and held on 21 September 2015 and the resolution in relation to such share subdivision was passed by the Company's shareholders as an ordinary resolution. With effect from 22 September 2015, the board lot size was changed from 2,000 shares to 5,000 Subdivided Shares. For details, please refer to the announcement of the Company dated 20 August 2015, the circular of the Company dated 28 August 2015 and the poll results announcement of the Company dated 21 September 2015.

Subsequent Events

On 10 July 2017, the Group completed the disposal transaction of Up Huge with a consideration of HK$50,000,000. The Group has received the proceeds of the consideration.

On 13 July 2017, an indirect wholly-owned subsidiary of the Company completed the acquisition transaction of 100% equity interest of Fortune Selection Group at a consideration of approximately HK$48,024,000, which shall be satisfied by the issuance of Convertible Bonds of the Company. Convertible Bonds with principal amount of HK$24,012,000 was issued on the date of completion.

Conversion notice was received for the exercise of the conversion rights attached to the Convertible Bonds in respect of the principal amount of HK$24,012,000 at the conversion price of HK$0.92 per share. A total number of 26,100,000 new ordinary shares have been allotted and issued to Ms. Wong on 27 July 2017. Details can be referred to the announcement of the Company dated 27 July 2017.

Future Plans for Material Investment or Capital Assets

The Group will actively seek for market opportunities in order to broaden its capital base and to enhance its income source. As stated in the Chairman's Statement of the Company, the Group is expected to diversify income stream and enhance earning profile through exploring investment opportunities in PRC, which may or may not include any assets and/or business acquisitions or disposals by the Group. Any such plans will be subject to review and approval by the Board and compliance with the applicable requirements under the Listing Rules where appropriate. The Group may also implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable investment opportunities arise.

Placing of new shares under general mandate

On 6 December 2016, the Company and Kingston Securities Limited ("**Placing Agent**") entered into a 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 ordinary shares under general mandate ("**Placing Share(s)**") to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the placing price of HK$0.63 per Placing Share. The Placing was completed on 23 December 2016 and raised net proceeds of approximately HK$92,404,000, which is intended to be used for the general working capital of the Group and/or future investments if opportunities arise. The net price per Placing Share was approximately HK$0.61 after deduction of relevant expenses of the Placing. The Placing Shares had a market value of approximately HK$116,116,000 based on the closing price of the shares of the Company of HK$0.77 on 6 December 2016 (being the date on which the terms of the Placing were fixed) and a nominal value of HK$301,600.

Use of proceeds:

Date of announcement	Completion date	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceed (as at 30 June 2017)
6 December 2016	23 December 2016	Placing of new shares under general mandate	Approximately HK$92.4 million	For the general working capital of the Group and/or future investments if opportunities arise	(i) HK$40 million was used to acquire Sparkle Mass Group to strengthen and enhance the Group's exhibition business in PRC; (ii) approximately HK$15.4 million was used for general working capital of the Group; and (iii) approximately HK$37 million will be used as intended.

Exposure to Fluctuation in Exchange Rates

The Group manages or organises exhibitions held in Hong Kong and PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars ("**US$**") 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 2017, the Group had a total of 23 full-time employees in Hong Kong and 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 of the Company and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management.

The Board of the Company is pleased to present the corporate governance report for the year ended 30 June 2017. This report describes how the Group has applied its corporate governance practices to its daily activities.

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group's corporate governance framework is based 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.

The Company has applied the principles and adopted all code provisions, where applicable, as set out in the Corporate Governance Code ("**CG Code**") as contained in Appendix 14 to the Listing Rules as its own code of corporate governance.

The Company has applied the principles and complied with all applicable code provisions except for the following deviations:

- Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The chairman provides leadership for the Board and ensures that the Board works effectively and discharges its responsibility whilst the chief executive officer of the Company has overall chief executive responsibility for the Group's business development and day-to-day management generally.

  Mr. Deng Zhonglin, being the chief executive officer of the Company ("**CEO**"), was appointed as chairman of the Board ("**Chairman**") on 12 May 2017. In view of the current rapid development of the Group, the Board believes that vesting the roles of both Chairman and CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision of the Board which is comprised of three executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. The Company may seek to re-comply with code provision A.2.1 by identifying and appointing a suitable and qualified candidate to the position of the CEO in due course by considering the business needs and developments of the Group.

- Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Choi Hung Fai and Mr. Yang Bo, being independent non-executive Directors, could not attend the annual general meeting of the Company held on 9 December 2016 because of their other business commitments; Aiming for compliance with this code provision, the Company will continue to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule in such a cautious way to enable all Directors to attend the general meetings as far as possible.

- Under code provision A.7.1, an agenda and accompanying board papers should be sent, in full, to the Directors at least three days before the intended date of a Board or Board committee meeting. For practical reasons, an agenda and accompanying board papers may not be sent in full three days in advance of the meeting concerned, especially in case of meetings held on an ad hoc basis. The Company will endeavour to send the agenda and accompanying board papers in full to the Board and Board committees three days in advance to the extent practicable.

Except for the above deviations from CG Code, the Board is of the view that the Company has complied with the CG Code for the year ended 30 June 2017. The Company reviews its corporate governance practices regularly to ensure compliance with the CG code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**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 Model Code during the year ended 30 June 2017.

CONSTITUTIONAL DOCUMENTS

Subsequent to the adoption of the articles of association of the Company ("**Articles**") upon listing of the shares of the Company on the Stock Exchange pursuant to the shareholders resolution of the Company passed on 18 October 2013, no amendment to the memorandum of association and Articles of the Company was made.

BOARD OF DIRECTORS

Board Composition

As at 30 June 2017, the Board comprises three executive Directors and three independent non-executive Directors. The composition of the Board and its changes during the year and up to date of this annual report are as follows:

Executive Directors
Mr. Deng Zhonglin *(Chairman and Chief Executive Officer)* (appointed on 14 October 2016)
Ms. Zhang Jun (appointed on 14 October 2016)
Mr. Lu Linyu (appointed on 9 March 2017)
Mr. Liu Gejiang (resigned on 14 October 2016)
Ms. Yang Yan (resigned on 14 October 2016)
Mr. Sun Sizhi (resigned on 9 March 2017)
Mr. Ge Jin (resigned on 12 May 2017)

Independent Non-executive Directors
Mr. Choi Hung Fai
Mr. Yang Bo
Mr. Tsang Wing Ki (appointed on 9 March 2017)
Mr. Yeung Chun Yue, David (resigned on 9 March 2017)

The biographical details, relationships among them and the terms of appointment of the Directors (including the independent non-executive Directors) as at 30 June 2017 are set out in the section headed "Biographical Details of Directors" of this annual report.

The Board believes that it has a balanced composition of executive Directors and independent non-executive Directors and there is a strong independent element on the Board, which can effectively exercise independent judgment. As at 30 June 2017, the Company has three independent non-executive Directors who provide the Group with adequate check and balance. Each of them is considered to be independent and has complied with the provisions set out in Rule 3.13 of the Listing Rules. All of them are identified as such in all communications that disclose the names of the Directors. Their functions are not limited to a restricted scope and they have contributed to the Group with diversified industry expertise, and advised on the Group's management and proceedings.

One of the independent non-executive Directors, namely Mr. Tsang Wing Ki, has appropriate professional accounting qualifications and related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

Responsibilities of the Board and Delegation

The Board is responsible for the approval and monitoring of the Group's overall strategies and policies, approval of business plans, evaluation of its performance, overseeing the management and in charge of corporate governance function. It is also responsible for promoting the success of the Group and its businesses by directing and supervising the Group's affairs. The Board delegates day-to-day operations of the Group to executive Directors and senior management while reserving certain key matters for its approval. Board committees for specific functions are also set up to ensure efficient Board operations. The respective functions and responsibilities reserved to the Board and those delegated to Board committees have been clearly set out in their respective terms of reference. Decisions of the Board are communicated to the management through executive Directors who have attended the Board meetings.

Chairman and Chief Executive Officer

Mr. Deng Zhonglin has been appointed as an executive Director of the Company on 14 October 2016. Subsequently, Mr. Deng Zhonglin has been appointed as the CEO and the Chairman on 9 March 2017 and 12 May 2017 respectively to fill the causal vacancies caused by the resignation of Mr. Sun Sizhi and Mr. Ge Jin.

As at 30 June 2017, Mr. Deng Zhonglin held the offices of the Chairman and CEO. The Board believes that vesting the roles of both the Chairman and CEO in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

Appointments, Re-election and Removal of Directors

Each executive Directors has entered into a service contract with the Company for a term of three years. After the expiry of the current term, the executive Directors may continue to be appointed by the Company subject to terms and conditions to be agreed thereafter. All non-executive Directors have been appointed for an initial term of one year, renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term appointment. All remuneration paid to executive Directors are covered by respective service contracts and all remuneration paid to non-executive Directors are covered by respective letters of appointment.

Pursuant to the Articles, any Director appointed by the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election. Also, pursuant to the Articles, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including the non-executive Director and independent non-executive Directors) shall be subject to retirement by rotation at least once every three years.

Every newly appointed Director will be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations.

Board Meetings

During the year, the Board met regularly to review the financial and operating performance of the Company and to discuss future strategy. Directors may participate either in person or through electronic means of communications.

For the year ended 30 June 2017, the Company has adopted the practice of holding board meetings regularly for at least four times a year in approximately quarterly intervals. At least 14 days' notice is given to all Directors for all regular board meetings and all Directors are given the opportunity to include matters for discussion in the agenda. For all other board meetings, reasonable notice is given. At the board meetings, the Board reviewed significant matters including the Company's annual consolidated financial statements and interim consolidated financial information, proposals for dividends (if any), annual and interim reports, approved material capital expenditure and other corporate actions of the Group.

In order to ensure that Board procedures, and all applicable rules and regulations are followed, all Directors are able to access the Company's company secretary for advice from time to time. Moreover, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances at the Company's expense. All Directors were given an opportunity to include matters in the agenda of meetings for discussion.

To ensure a competent Board operation, all Directors gave sufficient time and attention to the affairs of the Group. During the year, 19 Board meetings (excluding delegated committees' meetings) were held and attendance of each Director is set out as follows:

	Number of attendance	
Name of Director	**Board meetings Attendance/ Held**	**General meetings Attendance/ Held**
Executive Directors		
Mr. Deng Zhonglin *(Chairman and Chief Executive Officer)* (appointed on 14 October 2016)	14/16	1/1
Ms. Zhang Jun (appointed on 14 October 2016)	13/16	0/1
Mr. Lu Linyu (appointed on 9 March 2017)	8/10	0/0
Mr. Liu Gejiang (resigned on 14 October 2016)	2/3	0/0
Ms. Yang Yan (resigned on 14 October 2016)	2/3	0/0
Mr. Sun Sizhi (resigned on 9 March 2017)	4/9	1/1
Mr. Ge Jin (resigned on 12 May 2017)	8/15	1/1
Independent Non-executive Directors		
Mr. Yang Bo	8/19	0/1
Mr. Choi Hung Fai	9/19	0/1
Mr. Tsang Wing Ki (appointed on 9 March 2017)	10/10	0/0
Mr. Yeung Chun Yue, David (resigned on 9 March 2017)	5/9	1/1

Minutes of Board meetings and meetings of Board committees are kept by the company secretary or other duly authorised person. All minutes are open for inspection by any Director on reasonable notice. Such minutes are recorded in sufficient detail of the matters considered and decisions reached. Draft and final versions of minutes of Board meetings are sent to all Directors for their comments and records.

Directors' Induction and Continuing Professional Development

Each newly appointed Director will receive induction on the first occasion of his/her appointment to ensure a proper understanding of the Company's operations and business and awareness of the Director's responsibilities.

To ensure their contributions to the Board remain informed and relevant, all the Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skill. During the year, all the Directors were provided with regular updates and presentations on changes and developments of the Group's business and the latest developments in laws, rules and regulations relating to director's duties and responsibilities.

For the year ended 30 June 2017, all of the Directors confirmed to the Company that they have obtained sufficient continuous professional development training.

Board Diversity Policy

The Board has adopted a board diversity policy on 18 October 2013 and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

BOARD COMMITTEES

Audit Committee

The Company has established the audit committee of the Board ("**Audit Committee**") with specific written terms of reference that have included the duties which are set out in CG Code provision C.3.3 with appropriate modification when necessary.

The primary duties of our Audit Committee are mainly to make recommendations to our Board on the appointment and removal of the external auditor, review the financial information and material advice in respect of financial reporting and oversee the financial reporting system, risk management and internal control systems of the Company.

During the year, the Audit Committee reviewed the consolidated financial statements for the year ended 30 June 2016 and consolidated financial statements for the six months ended 31 December 2016, including the Group's adopted accounting principles and practices, internal control and risk management systems and financial reporting matters (in conjunction with the external auditor for the annual results). The Audit Committee has discussed the appointment of new auditor and resignation of the previous auditor. The Audit Committee also monitors the effectiveness of the external audit and oversees the remuneration, terms of engagement of the Company's new external auditor, as well as its independence. The Audit Committee endorsed the accounting treatments adopted by the Company and, to the best of its ability assured itself that the disclosures of the financial information in this annual report comply with the applicable accounting standards and Appendix 16 to the Listing Rules.

As at 30 June 2017, the Audit Committee comprised three independent non-executive Directors. During the year, 6 committee meetings were held pursuant to its terms of reference and the attendance of each member as to such meeting is set out as follows:

Audit Committee	**Number of meetings Attendance/ Held**
Independent Non-executive Directors	
Mr. Tsang Wing Ki *(Chairman)* (appointed on 9 March 2017)	2/2
Mr. Choi Hung Fai	6/6
Mr. Yang Bo	3/6
Mr. Yeung Chun Yue, David (resigned on 9 March 2017)	4/4

Remuneration Committee

The Company has set up the Remuneration Committee of the Board ("**Remuneration Committee**") with specific terms of reference with appropriate modification when necessary, which state clearly its authority and duties.

The primary functions of our Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and ensure none of our Directors determine their own remuneration.

The Remuneration Committee conducts review of the remuneration policy and structure of the Directors and senior management which will take into account the prevailing market condition and the responsibility of individual members on an annual basis.

As at 30 June 2017, a majority of the Remuneration Committee's members were independent non-executive Directors. During the year, 3 committee meetings were held for (1) reviewing the remuneration policy and structure for Directors and senior management and (2) proposing remuneration recommendations to the Board on newly appointed Directors. The attendance of each member as to such meeting is set out as follows:

Remuneration Committee	**Number of meetings Attendance/ Held**
Independent Non-executive Directors	
Mr. Yang Bo *(Chairman)*	2/3
Mr. Tsang Wing Ki (appointed on 9 March 2017)	0/0
Mr. Yeung Chun Yue, David (resigned on 9 March 2017)	1/3
Mr. Ge Jin (resigned on 12 May 2017)	3/3
Executive Director	
Mr. Deng Zhonglin (appointed on 12 May 2017)	0/0

Details of the Directors' emoluments, retirement benefits and remuneration payable to members of senior management are disclosed in the Note 11 to the consolidated financial statements.

Nomination Committee

The Company has set up the nomination committee of the Board ("**Nomination Committee**") with specific terms of reference with appropriate modification when necessary, which state clearly its authority and duties.

The primary functions of our Nomination Committee are to make recommendations to the Board regarding the quality of the potential candidates to fill the causal vacancies caused by resignation of the Directors.

The Nomination Committee will review the size and composition of the Board and assess the independence of the independent non-executive Directors on an annual basis. During the year, 3 committee meetings were held for (1) reviewing the structure, size and composition of the Board, (2) reviewing the independence of the independent non-executive Directors, and (3) making recommendation to the Board on the appointment of Directors. The attendance of each member as to such meeting is set out as follows:

Nomination Committee	**Number of meetings Attendance/ Held**
Executive Directors	
Mr. Deng Zhonglin *(Chairman)* (appointed on 12 May 2017)	0/0
Mr. Ge Jin (resigned on 12 May 2017)	3/3
Independent Non-executive Directors	
Mr. Yang Bo	2/3
Mr. Choi Hung Fai	2/3

COMPANY SECRETARY

On 12 May 2017, Mr. Lau Wing Chuen ("**Mr. Lau**") was appointed as the company secretary of the Company ("**Company Secretary**") to replace Mr. Yau Yan Ming, Raymond after his resignation as the Company Secretary on the same day. Both of them are full-time employees of the Company and have day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board on corporate governance matters and facilitating communication between Board members, the shareholders and management of the Company. Mr. Lau has confirmed to the Company that he has attained no less than 15 hours of relevant professional training during the year.

FINANCIAL REPORTING AND AUDIT

The Directors acknowledged their responsibility for preparing the financial statements that give a true and fair view in accordance with applicable statutory requirements and accounting standards and the requirements of the Listing Rules. The Group adopted the going concern basis in preparing its financial statements.

A statement by the external auditor of the Company about its reporting responsibilities is set out in the section headed "Independent Auditor's Report"in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for establishing and maintaining a sound system of risk management and internal control within the Group and reviewing their effectiveness. However, such system was designed to manage various risks of the Group within certain acceptable risk level, rather than complete the elimination of the risk of failure to achieve the business objectives of the Group, and can only provide reasonable but not absolute assurance against material misstatement or loss.

During the Year, the Board, through the Audit Committee, conducted an annual review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee communicates any material issues to the Board.

The Board has engaged an external professional service firm to assist in identifying and assessing the risks of the Group through a series of interviews; independently perform internal control review and assess effectiveness of the Group's risk management and internal control system for the year ended 30 June 2017. The findings and areas for improvement were reported to the Audit Committee and management. The Audit Committee are of the view that there are no material internal control defects noted. All recommendations are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

The Company does not have an internal audit function and the Board is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of the relevant obligations under the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) ("**SFO**") and the Listing Rules. In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures, which include the access of information being restricted to a limited number of employees on a need-to-know basis, to ensure that proper safeguards exist to prevent possible mishandling of inside information within the Group.

Arrangements are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

AUDITOR'S REMUNERATION

During the year, the Group's external auditor provided the following services to the Group:

	HK$'000
Audit services	1,000
Non-audit services	596
Total	1,596

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

General Meetings with Shareholders

The Company communicates with its shareholders through its annual report, interim report and statutory and voluntary announcements. The Directors, the Company Secretary or appropriate members of senior management, where appropriate, also respond to inquiries from shareholders and investors on a timely basis. The Company's annual general meeting provides a useful platform for direct communication between the Board and shareholders.

Resolutions put to vote at the general meetings of the Company are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting. The poll results are posted on the websites of the Stock Exchange and the Company respectively on the same day as the poll.

Shareholders' Rights to Convene Extraordinary General Meeting and Put Forward Proposals at General Meetings

In accordance with the Articles, extraordinary general meetings shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

There is no provision in the Articles setting out procedures for shareholders to put forward a resolution at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

As regards proposing a person for election as a Director by shareholders, please refer to the procedures available on the website of the Company.

Investor Relations

The Company endeavours to disclose all material information about the Group to all interested parties as widely and timely as possible. It has disclosed all necessary information to the shareholders in compliance with the Listing Rules. When announcements are made through the Stock Exchange, the same information will be made available on the Company's website. During the year, the Company has issued announcements which can be viewed on the Company's website.

Shareholders and investors may at any time send their enquiries and concerns to the Board in writing to the Company Secretary at the Company's office in Hong Kong. Shareholders may also raise their enquiries in general meetings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT ("ESG Report")

OVERVIEW

The Group herein discloses the ESG Report which is prepared in accordance with Appendix 27 – Environmental, Social and Governance Reporting Guide (the "**ESG Guide**") of the Listing Rules. This ESG Report follows the principles of materiality, quantitative, balance and consistency as recommended by the ESG Guide, and mainly introduces the Group's policies and measures regarding environmental and social areas and aspects which are considered to have significant impact and are relevant to the Group's business and stakeholders for this reporting period, from 1 July 2016 to 30 June 2017.

The Group's head office is located in Hong Kong, a branch office is set up in Kowloon Bay for administrative purpose, and in Shenzhen, the Group has registered a representative office which has no staff and operation. Its main business, through Mega Expo (Hong Kong) Limited ("**Mega Expo**"), a wholly-owned subsidiary of the Group, is specialised in the organisation of trade exhibitions and events management. It is engaged in the planning, management and execution of the exhibition organisation process including initial exhibition theme planning with relevant feasibility studies, presales preparation, sale of booths, marketing and advertising, and on-site management of the exhibition and post-exhibition review. Other activities include investment in securities.

Mega Expo has successfully performed and acted as the gateway to achieve business opportunities for international buyers and Asian manufacturers from the toys, gifts, premiums, houseware and apparel industries. Its flagship trade show project is the Mega Show organised every October in Hong Kong. In 2016, this show remarkably showcased a very wide range of toys, gifts, premiums, stationery and houseware products from 4,100 exhibitors and attracted more than 40,000 trade buyers from across the world.

Mega Expo is committed to presenting a range of professional trade shows for Asian manufacturers, traders, exporters and buyers across the globe. It also targets to provide professional services and deliver trade shows generating enormous trade opportunities to the mutual benefit of the Asian manufacturers and global buying communities.

To properly manage its "environmental and social obligations" pursuant to the ESG Guide and other relevant international and local laws, rules and regulations, the Group's CEO has been delegated the following responsibilities:

- Review, monitor and report the ESG issues on a regular basis;
- Collect and compile data and statistics as well as Key Performance Indicators ("**KPIs**") on ESG related issues.

The Group's CEO has the overall responsibility to implement the Board's approved strategies and policies on the Group's ESG activities, and reports regularly on any material changes, improvements and/or solutions on ESG related issues.

The Group understands clearly that ESG strategies, policies and practices may change over time to reflect changes in technology, laws and regulations and environments. Hence, the Group will continue to provide adequate resources to monitor the ESG strategies, policies and practices on an ongoing basis, and exercise due responsibility to maintain high ethical standards, transparency in conducting business, strictly comply with all relevant laws, rules and regulations as well as the ESG Guide to achieve sustainable development of the environment, society, employees and itself.

A. Environmental Areas and Aspects

The Group respects and treasures the environment. It recognises the importance of environmental protection and is committed to the social responsibility of protecting the environment as a responsible corporation.

The Group only provides management services and its business activities are mostly confined to offices. The only emission is greenhouse gases, particularly carbon dioxide, indirectly generated from the consumption of electricity, and no polluted water nor wastes are produced.

During the year, the Group was not subject to any confirmed violation case relating to emissions and wastes, or other environmental issues having an adverse impact on the Group. To facilitate a continuous management, the Group has established relevant Key Performance Indicators by collecting and compiling relevant data and information on the material environmental aspects below as suggested by the ESG Guide.

A1. Emissions and Wastes

The Group operates mostly under normal office environments, hence, the main emissions during the normal course of business is greenhouse gases, primarily carbon dioxide, generated indirectly from electricity consumption. It does not produce any polluted water nor wastes. However, a small amount of hazardous waste is produced from the office activities such as toner cartridges, ink boxes and batteries. These wastes will be collected properly and transferred to a qualified organisation for environmentally friendly disposal. Appropriate measures have been introduced and documented in the "Environmental Policy".

During exhibition periods, the consumption of electricity in the exhibition halls will normally be higher, the costs of which are included in the halls' rental expenses, and we do not have respective records to report on the amount of electricity and tons of water used. However, to be responsible, we regularly remind exhibitors to turn off all lights and all electrical items as soon as exhibition hours are over. During the exhibition periods, no hazardous wastes are produced.

A2. Use of Resources

The Group is committed to building a low-carbon workplace and promoting the sustainable development of its business by raising the environmental awareness of its employees and engaging them in energy efficiency and emission reduction activities for effective use and recycling of resources.

Electricity is the main source of energy used by the offices in their daily operations. Other resources such as fresh water for hygiene use, and paper and printing ink for routine office works are also consumed, but their quantities are relatively small.

To achieve low-carbon and build green offices, the Group has implemented various measures to go green and reduce its carbon footprint, sewage and waste production through reduction of energy, fresh water and paper consumption and conservation of energy, fresh water and paper resources, including:

Electricity Consumption Optimisation:

– Use energy-saving electrical appliances e.g. LED lights, refrigerator, etc.

– Support the "Energy Saving Charter on Indoor Temperature" by maintaining a higher/lower temperature for summer and winter.

– Switch off lights, air-conditioners and other electrical appliances in a timely manner.

– Conduct regular energy consumption checks.

Paper Consumption Reduction:

– Apply computer technology in communication and storage of documents.

– Avoid unnecessary printing.

– Print on both sides.

– Reuse paper-made products such as envelopes and folders.

– Set up a waste paper recycling tray nearby the photocopier to collect excessive or wrongly printing paper.

– Use recycled paper.

Water Saving:

– Post water conservation signs to alert and avoid excessive usage of fresh water.

The Group is only responsible for organising and managing the exhibitions and is not involved in (i) the construction of the exhibition sites and (ii) the decoration of the exhibition booths, whereby (i) the former has been totally sub-contracted out to building contractors, and (ii) the latter is normally done by the exhibitors. The Group therefore does not keep nor use much construction or decoration materials.

A3. The Environment and Natural Resources

The Group's businesses and operations have an insignificant impact on the environment and natural resources usage, but the Group still tries to be environmentally responsible by reducing and saving their resources consumption. The Group has always invested on upgrading the systems and equipment, researching and applying new technology and production processes, training and educating employees to enhance skills and mental preparation to reduce resources consumption, to stop wasting and to protect the environment.

During the year, there were no irregularities on natural resources consumption reported which alerted the management.

B. Social Areas and Aspects

Employment and Labour Practices

B1. Employment

The Group values highly its employees who are considered as the most important asset for its development and growth. It is committed to providing equal and fair opportunities to all employees on recruitment, promotion, compensation and benefits; and promoting a safe, healthy and harmonious workplace. The Group strictly complies with the relevant laws and regulations as stipulated in the Employment Ordinance of the Hong Kong Special Administrative Region ("**HKSAR**"). The recruitment of child labor and forced labor is totally forbidden.

Recruitment of new employees will follow a pre-determined process and an employment contract must be signed between the newly recruited employee and the Group before commencement of services. All promotion, internal transfer and secondment decisions as well as new recruitments are handled with no discrimination on sex, race, religion, gender, age or disability bias.

Employees' remunerations are determined with reference to the prevailing market conditions in line with their competency, qualifications and experience. Salaries and wages are paid within the prescribed wage period. The Group honored all obligations including the payment of salaries and wages, holiday and leave, compensation, insurance and health benefits without disputes with its employees for the year ended 30 June 2017.

To build a mutually understanding and acceptable working environment, the Group encourages employees to communicate open-heartedly. Employee representatives are invited regularly to meetings with the Human Resources Manager and on many occasions with the CEO to discuss issues relating to working conditions, health and safety and employment issues. Any employee grievances and complaints received will be treated in strictest confidence and will be handled independently by the senior management.

For the year ended 30 June 2017, the Group did not have any complaint, violation or litigation related to employment and labor.

To ensure a constant understanding about the Group's employee situations, a summary record with breakdown of total number of employees in different sectors, gender and age groups, and staff turnover is updated and reviewed on a regular basis.

B2. Health and Safety

The Group undertakes to safeguard the health and safety of its employees, and has assigned an office and hall manager to always monitor and to alert employees to take reasonable measures and precautions to ensure that the workplace is safe. The Group complies with all requirements for creating a healthy and safe workplace in accordance with the Occupational Safety and Health Ordinance. The Group requires all employees to strictly observe its health and safety policies.

The Group offers medical insurance covering in-patient and out-patient benefits to employees in accordance with their seniority and grading. With doctors' approvals and recommendations, employees can take sick leave with pay. Travel insurance is provided to all employees travelling for business purposes. Employee compensation insurance for all employees has been arranged in compliance with local regulations. As the Group is regularly running exhibitions open to the public, third party liability insurance has been arranged as an extra precaution although all the sub-contractors are liable to arrange insurance for third parties' safety.

The Group did not record any claim or disputes on compensation or work related injury for the year ended 30 June 2017.

B3. Development and Training

The Group recognises the importance of staff development and training. All employees are encouraged to attend external training programs relevant to their work to improve their skills and knowledge. Upon application and approval, training course fees will be reimbursed and examination and revision leave will be granted.

B4. Labor Standards

The Group has set up a human resources policy on recruitment, dismissal, promotion, leave, holidays and benefits to support its management of manpower resources. The Group complies with the HKSAR labor laws and employment regulations and adopts their standards as its minimum labor standards on labor protection and welfare. The Group also maintains strict compliance with the laws in relation to equal employment opportunities, prevention of child or forced labor. At the same time, all job applicants are required to submit their credentials, like academic qualifications, professional skill certificates, references and identity card for verification and record purpose during recruitment.

The Group has honored all its obligations towards staff and no labor disputes or litigation was reported for the year ended 30 June 2017.

Operating Practices

The Group adheres to the principle of integrity first and conducts business according to the operation practices which are in compliance with local and international laws. It requires its employees to strictly follow the code of conduct.

B5. Supply Chain Management

The Group's main business is to organise exhibition venues and activities for the Asian manufactures/sellers and the global buyers. The proposals for sourcing and leasing of exhibition booths are handled by appropriate personnel and submitted to senior management and directors for approval. Detailed procedures and policies have been established under Internal Control and Procedures Manual. Employees are required to familiarise themselves with the procedures, and proper communication between departments is monitored by the Department Manager.

During the course of business, the Group has no liability for material acquisition, waste arrangement and dismantle costs for the exhibition, as the sub-contractors will be responsible to complete the works normally on turnkey basis or under detailed contract terms. As for the purchase of routine office supplies, Internal Control and Procedures Manual is also applicable.

B6. Product Responsibility

The Group is committed to providing quality and professional services in exhibition theme planning, booths design and smooth and successful running of the exhibitions. Its revenue is generated simply from the sales or sub-leases of exhibition spaces to customers who are product owners/sellers/manufacturers.

The Group has established its own sales policy to regulate and monitor the sales process including customer screening, customer background checking, contract signing, payment accounting, etc. Also, during and throughout the course of exhibitions, the Group assigns duty managers and technicians on-site to manage the progress of events, to solve any unforeseen interrupting incidents and accidents and to provide satisfactory supporting services to the clients. For the year ended 30 June 2017, The Group had no serious complaints from the clients on our services and products.

Given the nature of its business, the Group is not required to deal with any intellectual property right issues.

During the course of the business, the Group will access and be given background, operation and financial information of the clients, suppliers as well as business partners. This information is sensitive and confidential, and pursuant to the Personal Data (Privacy) ordinance of Hong Kong, the Group is not permitted to disclose without the owners' approval. The Group has set up a system to encrypt and safe keep this sensitive and confidential information to prevent unauthorised access. Also, in our employment contract, all employees have been notified and under contract are obligated to honor the "Confidentiality Undertaking" that no disclosure and/or leakage is permitted in whatever forms of the confidential information accessed and/or obtained without the approval of the senior management of the Group. Legal actions will be taken if violation takes place. For the year ended 30 June 2017, there was no report on information leakage received.

B7. Anti-Corruption

The Group is well aware of the importance of honesty, integrity and has included appropriate policies and guidelines in the Internal Control and Procedures Manual for assisting all its employees to understand and comply with the legal obligations while under employment with the Group. All reporting for misconduct, malpractice or illegal behaviors will be treated confidentially by the management. For the year ended 30 June 2017, the Group reported no bribery nor corruption cases.

Community

B8. Community Investment

The Group targets to be a responsible corporation and understands and appreciates the principle of "it is better to give than to receive". Its employees have, on their own initiative, participated in many volunteer activities such as the youth mentoring program, secondary schools selection information seminars for primary students, etc. The Group has prepared to place greater emphasis on this area for the coming year, aiming to give more contributions back to the society.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of the Company's principal subsidiaries are set out in Note 20 to the consolidated financial statements.

BUSINESS REVIEW

A discussion and analysis of the Group's performance during the year and the financial key performance indicators affecting its results and financial position are set out in the section headed "Management Discussion and Analysis" ("**MD&A**") of this report.

Information about a fair review of, and an indication of likely future development in, the Group's business is set out in the "Chairman's Statement" and MD&A of this report.

Save as disclosed in the MD&A of this annual report under the sections headed "Material Acquisition and Disposal" and "Subsequent Events", there are no important events affecting the Group that have occurred since the end of the financial year ended 30 June 2017.

Principal Risks and Uncertainties

The followings are the major risks and uncertainties currently faced or anticipated by the Group.

Operation Risk

The Group's business and profitability growth during the year is affected by the increase in competition in the industry and the volatility and uncertainty of macro-economic conditions in the Hong Kong. The Group is expected to continue to be affected by the above factors.

Financial Risk

The details of financial risk management objectives and practices of the Group is set out in Note 6 to the financial statements. There may be other risks and uncertainties in addition to those mentioned above which are not known to the Group or which may not be material now but could turn out to be material in the future.

Environmental Policies and Performance

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise its impact on the environment by reducing its electricity consumption and encouraging recycle of office supplies and double-sided printing. For further details, please refer to the Environmental, Social and Governance Report set out on pages 26 to 31 of this annual report.

Compliance with the Relevant Laws and Regulations

To the best of knowledge the Board and the management, the Group complied with the relevant laws and regulations that have a significant impact on the Group's business and operation during the year ended 30 June 2017.

Key Relationships with Employees, Customers and Suppliers

The Group's management policies, working environment, career prospects and employees' benefits have contributed to building a good employee relations and employee retention of the Group. The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, provident funds, bonuses and a share option scheme. The management regularly reviews its employee's remuneration packages to ensure they are up to prevailing market standard. The Group has established long-term business relationships with its major suppliers and customers. The Group will endeavor to maintain its established relationship with these existing suppliers and customers.

RESULTS

The results of the Group for the year ended 30 June 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 49 to 50.

DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 30 June 2017 (2016: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 118 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 29 to the consolidated financial statements.

SHARES ISSUED

On 23 December 2016, an aggregate of 150,800,000 Placing Shares were allotted and issued at the placing price of HK$0.63 per Placing Share. The net proceeds of the subscription was approximately HK$92,404,000 and it is intended to be used for the general working capital of the Group and/or future investments if opportunities arise. Details on the utilisation of the proceeds can be referred to the MD&A of this report under section headed "Placing of new shares under general mandate".

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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 year ended 30 June 2017.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 31 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

Details of the Company's distributable reserves as at 30 June 2017 are set out in Note 31 to the consolidated financial statements.

CHARITABLE CONTRIBUTIONS

No charitable and other donations were made by the Group during the year (2016: Nil).

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors throughout the year ended 30 June 2017 and as at the date of approval of this report of the Directors.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, revenue generated from the Group's five largest customers accounted for about 15.3% (2016: 18.4%) of the Group's total revenue for the year and the revenue from the largest customer included therein accounted for about 7.4% (2016: 8.1%) of the Group's total revenue.

During the year, the fees paid to the Group's five largest suppliers accounted for about 53.6% (2016: 27.3%) of the Group's total direct operating cost and supplies from the largest supplier included therein accounted for about 25.5% (2016: 11.1%) of the Group's total direct operating cost.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and/or five largest suppliers for the year ended 30 June 2017.

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors
Mr. Deng Zhonglin *(Chairman and Chief Executive Officer)* (appointed on 14 October 2016)
Ms. Zhang Jun (appointed on 14 October 2016)
Mr. Lu Linyu (appointed on 9 March 2017)
Mr. Liu Gejiang (resigned on 14 October 2016)
Ms. Yang Yan (resigned on 14 October 2016)
Mr. Sun Sizhi (resigned on 9 March 2017)
Mr. Ge Jin (resigned on 12 May 2017)

Independent Non-executive Directors
Mr. Yang Bo
Mr. Choi Hung Fai
Mr. Tsang Wing Ki (appointed on 9 March 2017)
Mr. Yeung Chun Yue, David (resigned on 9 March 2017)

In accordance with Article 109 of the Articles, any Director appointed by the Board to fill a casual vacancy of the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. Lu Linyu and Mr. Tsang Wing Ki who were appointed by the Board after the last annual general meeting of the Company held on 9 December 2016, will retire at the forthcoming annual general meeting ("**AGM**") and, being eligible, offer themselves for re-election at the AGM.

In accordance with Article 105(A) of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest but not less than one-third, shall retire from office by rotation. Mr. Yang Bo and Mr. Deng Zhonglin will retire by rotation and, being eligible, offer themselves for re-election at the AGM.

All of the resigned Directors during the year and up to the date of this report (namely, Mr. Liu Gejiang, Ms. Yang Yan, Mr. Sun Sizhi, Mr. Ge Jin and Mr. Yeung Chun Yue, David) have confirmed to the Company that they have no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of shareholders of the Company.

INDEPENDENCE CONFIRMATIONS FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 3.13 of the Listing Rules, the Company has received an annual confirmation from each independent non-executive Director confirming his independence. The Company has assessed the independence of the independent non-executive Directors and considers that for the year ended 30 June 2017, all of them to be independent based on the independence criteria in accordance with the requirements in the Listing Rules, their non-involvement in the daily operation and management of the Company, and the absence of any relationships which will interfere with the exercise of their independent judgments.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for those disclosed in the section headed "Share Option Scheme" in this Directors' report in this annual report, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' SERVICE CONTRACTS

No Directors proposed for re-election at the forthcoming AGM has or is proposed to have a service contract with the Company not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' REMUNERATION

The Directors' emoluments are determined by the Board after considering the recommendations from the Remuneration Committee with reference to Directors' duties, responsibilities, individual performance and the results of the Group and the emoluments are subject to shareholders' approval at the AGM.

Particulars of the Directors' emoluments for the year ended 30 June 2017 are set out in Note 11 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries was a party, and in which a Director of the Company or any entity connected with the Director had a material interest, whether directly or indirectly, subsisted at the end of the year ended 30 June 2017 or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 30 June 2017, the Board is not aware of any business or interests of the Directors and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

CONNECTED TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in Note 35 to the consolidated financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules which is required to be disclosed.

MANAGEMENT CONTRACT

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year.

SHARE OPTION SCHEME

The Company operates a share option scheme ("**Share Option Scheme**") for the purpose of providing incentives or rewards to selected participants for their contributions to the Group. The Share Option Scheme was adopted by the Company on 18 October 2013 ("**Adoption Date**"). No share options have been granted, exercised, cancelled or lapsed under the Share Option Scheme since the Adoption Date and there were no outstanding share options under the Share Option Scheme as at 30 June 2017.

Summary of terms

(i) Purpose and participants

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Eligible participants of the Share Option Scheme include the following classes of participants:

(a) any employee (whether full-time or part-time including any executive Directors but excluding any non-executive director) of the Company, any of the subsidiaries or any entity ("**Invested Entity**") in which the Group holds an equity interest;

(b) any non-executive directors (including independent non-executive Directors) of the Company, any of the subsidiaries or any Invested Entity;

(c) any supplier of goods or services to any member of the Group or any Invested Entity;

(d) any customer of the Group or any Invested Entity;

(e) any person or entity that provides research, development or other technological support to the Group or any member of any Invested Entity;

(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and

(h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the growth of the Group, and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants.

The eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his/her/its contribution to the development and growth of the Group.

(ii) **Total number of Shares available for issue**

The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 30% of the issued share capital (the "**Issued Share Capital**") of the Company from time to time. The total number of Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group as may from time to time be adopted by the Company as permitted under the Listing Rules initially must not, in aggregate, exceed 10% of the Issued Share Capital as at the time dealings in the Shares first commence on the Main Board of the Stock Exchange (and thereafter, if refreshed, shall not exceed 10% of the Issued Share Capital as at the date of approval of the refreshed limit by the shareholders). As at the date of this report, the maximum number of Shares that may be granted under the Share Option Scheme was 100,000,000 shares of the Company of HK$0.002 each, representing 7.26% of the issued shares of the Company as at the date of this report. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting with such participant and his associates abstaining from voting.

(iii) **Maximum entitlement of each participant**

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the Issued Share Capital for the time being (the "**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the shareholders in general meeting of the Company with such grantee and his associates abstaining from voting.

(iv) **Period within which the Shares must be taken up under an option**

An option may be exercised in accordance with the terms of Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

(v) **Minimum period for which an option must be held before being exercised**

Unless otherwise determined by the Directors and stated in the offer of the grant of options to an eligible participant, there is no minimum period required under Share Option Scheme for the holding of an option before it can be exercised.

(vi) **Amount payable on acceptance of the option and the period within which payments must be paid**

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon receipt by the Company of the payment of a nominal consideration of HK$1 and signed acceptance of offer by the eligible participant.

(vii) **Basis of determining the exercise price**

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant; (ii) the average closing price of the Shares for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.

(viii) **Remaining life**

Subject to any earlier termination in accordance with its rules, the Share Option Scheme shall remain in force for a period of 10 years commencing on 18 October 2013.

EQUITY-LINKED AGREEMENTS

Save as disclosed above in the paragraph headed "Share Option Scheme", no equity-linked agreements were entered into by the Group, or existed during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, none of the Directors and the Company's chief executive, and their respective associates had any interests in the Shares in and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have been taken under such provisions of the SFO) or pursuant to the Model Code, or were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, to the best of the knowledge and belief of the Directors, the following persons had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares/ underlying shares held	Approximate percentage of shareholding
Chen Chao	Beneficial owner	164,235,000 (L)	12.16

Note: The letter "L" denotes the corporation/person's long position (as defined under Part XV of the SFO) in the Shares.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the shares of the Company.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company.

AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Details of the Audit Committee, Remuneration Committee and Nomination Committee are set out in section headed "Corporate Governance Report" of this annual report.

AUDIT COMMITTEE

The Audit Committee comprises all the three independent non-executive Directors, namely Mr. Tsang Wing Ki (chairman), Mr. Choi Hung Fai and Mr. Yang Bo. The Audit Committee has reviewed, with management and the independent auditor of the Company, the annual results and the consolidated financial statements of the Group for the year ended 30 June 2017.

AUDITORS

HLM CPA Limited has been appointed as auditor of the Company on 12 April 2017 to fill the casual vacancy following the resignation of HLB Hodgson Impey Cheng Limited with effective from 31 March 2017. A resolution will be submitted to the forthcoming annual general meeting to re-appoint HLM CPA Limited as auditor of the Company. Save for the above, there were no other changes in the Company's auditor in the past three years.

On behalf of the Board

Deng Zhonglin
Chairman

Hong Kong, 22 September 2017

BIOGRAPHICAL DETAILS OF DIRECTORS

BOARD OF DIRECTORS

Executive Directors

Mr. Deng Zhonglin ("**Mr. Deng**"), aged 43, was appointed as an executive Director of the Company on 14 October 2016. Mr. Deng is currently the chairman of the Board and the chief executive officer of the Company. Mr. Deng has over 17 years of experience in corporate management and strategic planning. He is familiar with the exhibition industry and the operation of advertising business. He graduated from Shenzhen University in 1995. From 1999 to 2003, he served as an assistant to the general manager of Shanghai Wanzhou Shipping Co., Limited*（上海萬舟航運有限公司）. From 2004 to 2009, he was the managing director of Ever Maru Shipping Co., Limited*（永安商船海運有限公司）. From 2010 to present, he has been serving as the general manager of Shanghai Public Advertising Communications Co., Limited*（上海覽眾廣告傳播有限公司）which is mainly engaged in advertising, display and exhibition services as well as conference services.

Ms. Zhang Jun ("**Ms. Zhang**"), aged 38, was appointed as an executive Director of the Company on 14 October 2016. Ms. Zhang has over 10 years of experience in financial management and financial industry. She is well-versed in financial, administration, treasury management and financial planning industries. She has extensive network in the financial industry, strong knowledge of financial management and operations as well as financial products. She graduated from The Open University of China (formerly known as China Central Radio and TV University). From 2009 to 2013, she worked as a supervisor of Wealth Management Centre of Guotai Junan Securities Co., Limited*（國泰君安證券股份有限公司）. From 2013 to 2015, she served as the deputy marketing director of Bosc Asset Management Co., Limited*（上銀基金管理有限公司）. Ms. Zhang is now the president of Yihao (Shanghai) Asset Management Co., Limited*（壹浩資產管理（上海）有限公司）.

Mr. Lu Linyu ("**Mr. Lu**"), aged 35, was appointed as an executive Director of the Company on 9 March 2017. Mr. Lu graduated with a master's degree in business administration from Xiamen University in PRC. Mr. Lu has held several directorship and senior management positions in the PRC listed companies, such as Shanghai Dingli Technology Development (Group) Co., Ltd*（上海鼎立科技發展（集團）股份有限公司）, Shanghai Broadband Technology Co., Ltd*（上海寬頻科技股份有限公司）and Guanghe Landscape Culture Communication Co., Ltd*（山西廣和山水文化傳播股份有限公司）. Mr. Lu has devoted himself to the operation and management of listed companies in the PRC for many years and has gained profound experience in project and strategic planning. Mr. Lu has also held senior management positions in a number of private companies and Hong Kong listed companies. He was an executive director of Chinese Energy Holdings Limited, a company listed on the Growth Enterprise Market (the "**GEM**") of The Stock Exchange (stock code: 8009) from 6 January 2015 to 14 August 2015 and an independent non-executive director of Global Energy Resources International Group Limited, a company listed on the GEM of the Stock Exchange (stock code: 8192) from 17 December 2015 to 14 November 2016.

Independent Non-executive Directors

Mr. Choi Hung Fai ("**Mr. Choi**"), aged 32, was appointed as an independent non-executive Director of the Company on 17 July 2015. Mr. Choi has over 8 years of experience in securities trading, fundraising activities, corporate finance and project investments. Mr. Choi possesses knowledge in financial analysis, corporate finance, corporate valuation and corporate governance. Mr. Choi graduated with a bachelor's degree in business administration from the Chinese University of Hong Kong, and obtained a master of finance degree in corporate finance from the University of New South Wales in Australia.

Mr. Choi is currently a vice-president of corporate finance department in RHB Capital Hong Kong Limited and a licensed representative for Type 1 (dealing in securities) regulated activity and responsible officer for Type 6 (advising on corporate finance) regulated activity of RHB Capital Hong Kong Limited under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Choi is principally responsible for advising on corporate finance activities, initial public offerings, merger & acquisitions, fundraising activities and corporate restructurings for private and public companies in the PRC, Singapore, Malaysia and Hong Kong.

Mr. Yang Bo ("**Mr. Yang**"), aged 38, was appointed as an independent non-executive Director of the Company on 9 November 2015. Mr. Yang has over 9 years of experience in the hotel and tourism industry. Mr. Yang graduated from Guangxi Education College*（廣西教育學院）in June 2004. Mr. Yang has experience in management in the cultural industries, and he currently serves as a deputy general manager of Yangshuo Impression Liu Sanjie*（陽朔印象劉三姐實景演出）at Gui Lin Guangwei Wenhua Tourism and Culture Industry Co., Ltd.*（桂林廣維文華旅遊文化產業有限公司）, which is principally engaged in art performance and musicals.

Mr. Tsang Wing Ki ("**Mr. Tsang**"), aged 55, was appointed as an independent non-executive Director of the Company on 9 March 2017. Mr. Tsang has over 22 years of experience in finance, accounting and auditing. Mr. Tsang obtained a professional diploma in accountancy from Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University) in November 1987 and a master of professional accounting from the Hong Kong Polytechnic University in November 2000. Mr. Tsang is a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA) and a fellow member of the Chartered Association of Certified Accountants (FCCA).

Mr. Tsang is a chief financial officer of Xin Dau Ji Catering Holdings (HK) Limited from May 2013. He is an independent non-executive director of VBG International Holdings Limited, a company listed on the GEM Board of the Stock Exchange (stock code: 8365) from May 2017. He was an independent non-executive director of ICube Technology Holdings Limited (currently known as China Soft Power Technology Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 139) from November 2014 to June 2016. He was an independent non-executive director of Unity Investments Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 913) from September 2004 to October 2014, and a financial controller from May 2005 to May 2013 and an executive director from August 2008 to December 2011 of Noble Jewelry Limited, a subsidiary of Noble Jewelry Holdings Limited (currently known as Zhong Fa Zhan Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 475).

* *For identification purpose only*

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

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TO THE MEMBERS OF MEGA EXPO HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Mega Expo Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 49 to 117, which comprise the consolidated statement of financial position as at 30 June 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment assessment of trade and other receivables	
As set out in Notes 10 to the consolidated financial statements, an impairment loss on other receivables of approximately HK$13,140,000 which represented management's estimates of the amounts which are potentially irrecoverable, and no impairment loss on trade receivables were provided in current year. Given that certain counterparties may not be able to perform their obligations and settle their liabilities when due, allowance for impairment loss may have to be made for potentially irrecoverable amounts. We identified the impairment assessment of trade and other receivables, which requires the use of estimates and significant management judgment, as a key audit matter because of the inherent uncertainty in the making of estimates for the assessment.	Our audit procedures in relation to management's impairment assessment of trade and other receivables included: – assessing the assumptions and estimates made by the management in determining the impairment of trade and other receivables; – performing substantive procedures relating to trade and other receivables, including vouching test, sending confirmation etc; – testing the ageing analysis of the receivables, on a sample basis, to the source documents; and – reviewing the subsequent settlement of trade and other receivables and inspecting underlying documents relating to the payment received, on a sample basis. We considered that the judgement and assumptions made by management used in assessing the provision of impairment of trade and other receivables are reasonable and appropriate.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment assessment of goodwill	
As set out in Note 18 to the consolidated financial statements, the Group recorded a balance of goodwill amounting to approximately HK$35,998,000 as at 30 June 2017, which arose from a business combination and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The management had made an assessment of the recoverable amount of cash-generating units ("**CGU**") with reference to a valuation performed by an independent professional valuer and concluded that no impairment loss on goodwill is required. The recoverable amount of the CGU was determined by the value in use calculation which used cash flow projections based on financial forecasts covering a three-year period, with reference to discount rate, market conditions and other relevant factors. We identified the impairment of goodwill as a key audit matter due to the quantum of the carrying value of goodwill and the risk relating to the key assumptions and assertions used by the management to support their assessment and judgement in determining the recoverable amount of the CGU.	Our audit procedures in relation to management's impairment assessment of goodwill included: – examining the terms of the relevant sale and purchase agreements for business combination; – evaluating the objectivity, independence and competency of the valuer; – discussing with and challenging the valuer on the valuation methodologies, assumptions and key estimates used in the valuation; – assessing the sensitivity of the forecasts to change in assumptions, specifically the discount rate used in the model, to assess the appropriateness of the carrying amount of the goodwill; – checking the mathematical accuracy of the valuation; – obtaining an understanding of management's process of assessing the recoverable amount of CGU and their value in use; and – challenging the cashflow forecasts used in the model against historical performance. We considered that the judgement and assumptions made by management in its impairment assessment for goodwill were supportable by the available evidences and information.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of asset classified as held for sale	
As set out in Note 13 to the consolidated financial statements, the Group committed to a plan to dispose of an indirect wholly-owned subsidiary within the roadshows segment which owned an intangible asset of Sub-Licensed Rights carried at approximately HK$35,870,000 as at 30 June 2017. The intangible asset has been classified as asset held for sale and recorded based on the lower of carrying amount and fair value less costs to sell. The management assessed that the net proceeds of the disposal are expected to exceed the carrying amount of the relevant asset and accordingly, no impairment loss has been recognised. We identified the valuation of asset classified as held for sale as a key audit matter due to the significant judgement and assumptions made by the management on the evaluation of the fair value of asset classified as held for sale.	Our audit procedures in relation to assess the valuation of asset classified as held for sale included: – evaluating the management's judgement on the classification of the disposal asset as held for sale through understanding the status of the sales process and reviewing the corresponding sales and purchase agreement; – involving our own valuation specialist to assist in evaluating the fair value of the asset held for sale; and – discussing with the independent professional valuer and challenging the appropriateness of valuation methodologies, assumptions, and input date used in the valuation model. We considered that the judgement and assumptions made by management in its assessment of the fair value of asset classified as held for sale to be reasonable and appropriate.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

– obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

– evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLM CPA Limited
Certified Public Accountants

Ho Pak Tat
Practising Certificate Number: P05215

Hong Kong, 22 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	**2017** **HK$'000**	2016 HK$'000 (Restated)
Continuing operations			
Revenue	*8*	**102,938**	160,289
Other revenue	*9*	**464**	1,444
Other gains and losses	*10*	**(11,817)**	582
Net loss on financial assets at fair value through profit or loss	*10*	**(2,909)**	(40,994)
Advertising and promotion expenses		**(5,531)**	(19,062)
Agency commission		**(4,514)**	(4,958)
Exhibition rentals		**(19,037)**	(29,539)
Staff costs		**(23,116)**	(41,695)
Booth construction costs		**(18,580)**	(16,704)
Exhibition expenses		**(6,529)**	(17,897)
Other operating expenses		**(31,612)**	(54,923)
Loss before tax from continuing operations	*10*	**(20,243)**	(63,457)
Income tax expenses	*12*	**(5,664)**	(4,167)
Loss for the year from continuing operations		**(25,907)**	(67,624)
Discontinued operation	*13*		
Loss for the year from discontinued operation		**(13,410)**	(1,087)
Loss for the year		**(39,317)**	(68,711)
Other comprehensive expenses			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(39)**	(59)
Total comprehensive expenses for the year		**(39,356)**	(68,770)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Continued)

For the year ended 30 June 2017

	Notes	**2017 HK$'000**	2016 HK$'000 (Restated)
Loss for the year attributable to owners of the Company arises from:			
Continuing operations		**(23,001)**	(66,259)
Discontinued operation		**(13,410)**	(1,087)
		(36,411)	(67,346)
Loss for the year attributable to non-controlling interests arises from:			
Continuing operations		**(2,906)**	(1,365)
Discontinued operation		**–**	–
		(39,317)	(68,711)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(36,450)**	(67,405)
Non-controlling interests		**(2,906)**	(1,365)
		(39,356)	(68,770)
Loss per share attributable to owners of the Company:			
Basic and diluted *(HK cents)*	*15*		
– From continuing operations		**(1.80)**	(5.52)
– From discontinued operation		**(1.05)**	(0.09)
		(2.85)	(5.61)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment	*16*	**10,368**	8,507
Intangible assets	*17*	**–**	48,913
Goodwill	*18*	**35,998**	–
Financial assets at fair value through profit or loss	*23*	**3,080**	–
Interest in an associate	*19*	**8**	7
		49,454	57,427
Current assets			
Trade receivables	*21*	**3,880**	–
Prepayments, deposits and other receivables	*22*	**26,079**	53,704
Financial assets at fair value through profit or loss	*23*	**460**	64,827
Cash and cash equivalents	*24*	**54,583**	28,382
		85,002	146,913
Asset classified as held for sale	*13*	**35,870**	–
		120,872	146,913
Current liabilities			
Receipts in advance	*25*	**17,330**	70,130
Accruals, deposits received and other payables	*26*	**8,432**	43,678
Amount due to a shareholder	*27*	**–**	8
Income tax payables		**2,534**	1,542
		28,296	115,358
Net current assets		**92,576**	31,555
Total assets less current liabilities		**142,030**	88,982
NET ASSETS		**142,030**	88,982

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 30 June 2017

	Notes	**2017 HK$'000**	2016 HK$'000
Capital and reserves			
Share capital	*29*	**2,702**	2,400
Reserves		**143,652**	88,000
Equity attributable to owners of the Company		**146,354**	90,400
Non-controlling interests		**(4,324)**	(1,418)
TOTAL EQUITY		**142,030**	88,982

The consolidated financial statements on pages 49 to 117 were approved and authorised for issue by the Board of Directors on 22 September 2017 and are signed on its behalf by:

Deng Zhonglin
Chairman

Lu Linyu
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Attributable to owners of the Company							
	Share capital HK$'000	Share premium HK$'000	Exchange reserve HK$'000 (Note (a))	Other reserve HK$'000 (Note (b))	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2015	2,400	104,704	(57)	(107)	50,865	157,805	(53)	157,752
Loss for the year	–	–	–	–	(67,346)	(67,346)	(1,365)	(68,711)
Other comprehensive expenses for the year, net of tax	–	–	(59)	–	–	(59)	–	(59)
Total comprehensive expenses for the year	–	–	(59)	–	(67,346)	(67,405)	(1,365)	(68,770)
At 30 June 2016 and 1 July 2016	2,400	104,704	(116)	(107)	(16,481)	90,400	(1,418)	88,982
Loss for the year	**–**	**–**	**–**	**–**	**(36,411)**	**(36,411)**	**(2,906)**	**(39,317)**
Other comprehensive expenses for the year, net of tax	**–**	**–**	**(39)**	**–**	**–**	**(39)**	**–**	**(39)**
Total comprehensive expenses for the year	**–**	**–**	**(39)**	**–**	**(36,411)**	**(36,450)**	**(2,906)**	**(39,356)**
Placing of shares	**302**	**94,702**	**–**	**–**	**–**	**95,004**	**–**	**95,004**
Expense incurred in connection with the placing of shares	**–**	**(2,600)**	**–**	**–**	**–**	**(2,600)**	**–**	**(2,600)**
At 30 June 2017	**2,702**	**196,806**	**(155)**	**(107)**	**(52,892)**	**146,354**	**(4,324)**	**142,030**

The accompanying notes form an integral part of these consolidated financial statements.

Notes:

(a) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that have functional currency other than HK$ which are dealt with in accordance with the accounting policies as set out in Note 4 to the consolidated financial statements.

(b) Other reserve

Other reserve represented the difference between the Group's share of nominal value of the paid-up capital of the subsidiary acquired over the Group's cost of acquisition of the subsidiary under common control upon completion of reorganisation on 3 October 2013.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Notes	2017 HK$'000	2016 HK$'000
OPERATING ACTIVITIES			
Loss before tax (including discontinued operation)		**(33,653)**	(64,544)
Adjustments for:			
Depreciation of property, plant and equipment	*16*	**2,311**	4,862
Amortisation of intangible assets	*17*	**13,043**	1,087
Loss on disposal of property, plant and equipment		**120**	2
Write off of property, plant and equipment		**1,655**	–
Net loss on financial assets at fair value through profit or loss	*10*	**2,909**	40,994
Interest income	*10*	**(1,323)**	(517)
Impairment loss on other receivables	*10*	**13,140**	–
Operating cash flows before movement in working capital		**(1,798)**	(18,116)
Increase in amount due from an associate		**(1)**	(7)
Increase in trade receivables		**(3,880)**	–
Decrease/(increase) in prepayments, deposits and other receivables		**16,175**	(14,186)
Decrease/(increase) in financial assets at fair value through profit or loss		**62,128**	(105,821)
(Decrease)/increase in accruals, deposits received and other payables		**(37,117)**	9,244
Decrease in receipts in advance		**(52,800)**	(37,987)
Decrease in amount due to a related company		**–**	(362)
Decrease in amount due to a shareholder		**(8)**	–
Cash used in operations		**(17,301)**	(167,235)
Tax paid		**(4,796)**	(7,444)
Net cash used in operating activities		**(22,097)**	(174,679)
INVESTING ACTIVITIES			
Interest received		**7**	517
Payment for acquisition of a subsidiary	*32*	**(38,206)**	–
Proceeds from disposal of property, plant and equipment		**58**	9
Purchase of property, plant and equipment		**(5,949)**	(8,162)
Payment for intangible assets		**–**	(20,000)
Net cash used in investing activities		**(44,090)**	(27,636)
FINANCING ACTIVITIES			
Proceeds from placing of shares		**95,004**	–
Expense incurred in connection with placing of shares		**(2,600)**	–
Net cash generated from financing activities		**92,404**	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**26,217**	(202,315)
Cash and cash equivalents at the beginning of the year		**28,382**	230,721
Effect of foreign currency exchange rate changes		**(16)**	(24)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**54,583**	28,382
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents		**54,583**	28,382

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the 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 is Suites 911-912, Level 9, One Pacific Place, 88 Queensway, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in management, as well as the organisation of trade exhibitions and the provision of exhibition related service for other exhibition organisers or project managers.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate. All values are rounded to the nearest thousand, unless otherwise stated.

2. CORRECTION OF PRIOR YEAR ERROR

The weighted average number of ordinary shares previously presented in the consolidated financial statements for the year ended 30 June 2016 did not retrospectively adjust for the share subdivision effect on 22 September 2015. Accordingly, the weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been retrospectively adjusted to assume that share subdivision was in effect since 1 July 2015.

The impact of the restatement made in respect of the above error is summarised below:

Consolidated statement of profit of loss and other comprehensive income for the year ended 30 June 2016 (extracted)

	As previously reported	Decrease	As restated
Basic and diluted loss per share *(HK cents)*	6.86	(1.25)	5.61

2. CORRECTION OF PRIOR YEAR ERROR *(Continued)*

Notes to the consolidated financial statements

For the year ended 30 June 2016

13. (Loss)/Earnings per share

(i) Original Disclosure

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company for the year ended 30 June 2016 amounted to approximately HK$67,346,000 (2015: profit of approximately HK$45,919,000) and on weighted average number of approximately 981,699,000 ordinary shares (2015: approximately 1,122,190,000 ordinary shares (restated)) in issue during the year.

(ii) Restated Disclosure

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company for the year ended 30 June 2016 amounted to approximately HK$67,346,000 (2015: profit of approximately HK$45,919,000) and on weighted average number of approximately 1,200,000,000 ordinary shares (2015: approximately 1,122,190,000 ordinary shares (restated)) in issue during the year.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and amendments to HKFRSs

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interest in Joint Operations
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements

The adoption of the above amendments to HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective in the consolidated financial statements:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle[5]
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 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[2]
HKFRS 16	Leases[3]
HKAS 1 (Amendments)	Presentation of Financial Statements[1]
HKAS 7 (Amendments)	Statement of Cash Flow: Disclosure Initiative[1]
HKAS 12 (Amendments)	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses[1]
HKAS 40 (Amendments)	Investment Property[2]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[2]
HK (IFRIC) – Int 23	Uncertainty Over Income Tax Treatments[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.
4 The original effective date has been deferred to a date yet to be determined.
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

HKFRS 9 Financial Instruments

HKFRS 9 introduced new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirement for financial assets.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 9 Financial Instruments *(Continued)*

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKFRS 9 are required 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 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 values at the end of subsequent reporting 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 mechanisms currently available in HKAS 39. Under HKFRS 9, 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 retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company (the "**Directors**") anticipate that the application of HKFRS 9 in the future may have impact on amounts reported and disclosure made in respect of the Group's consolidated financial statements. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until the Group performs a detailed review.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 15 Revenue from Contracts with Customers

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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors anticipate that the application of HKFRS 15 in the future may have 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.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

The Directors anticipate that the application of HKFRS 16 in the future may have 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 HKFRSs 16 until the Group performs a detailed review.

The Directors anticipate that the application of the other new and amendments to HKFRSs will have no material impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("**Listing Rules**") on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of preparation *(Continued)*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill *(Continued)*

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such change in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to any reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods or services, or for administrative purpose are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful life, using the straight-line method, at the following rates per annum:

Leasehold improvements	Over the lease terms
Furniture, fixtures and equipment	20%
Computer equipment	25%-33%
Motor vehicle	20%

The residual values and estimated useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting periods, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at fair value at the acquisition date (which is regarded as their cost).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets acquired separately *(Continued)*

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain and loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Amortisation of capitalised development costs is charged to profit or loss over the estimated life cycle (not more than 5 years) of the relevant products. Amortisation of other intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over their estimated useful lives as follows:

Sub-Licensed Rights	46 months

Both the period and method of amortisation are reviewed annually.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss" (FVTPL) and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FTVPL or (iii) contingent consideration that may be received by an acquirer as part of a business combination to which HKFRS 3 applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading or contingent consideration that may be received by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "other gains and losses" in the consolidated statement of profit or loss. Fair value is determined in the manner described in Note 6(c) to the consolidated financial statements.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, deposits and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL, of which the interest expenses in include in net gains or losses.

Financial liabilities at amortised cost

Other financial liabilities (including accruals, deposits received and other payables and amount due to a shareholder) are subsequently measured at amortised cost using the effective interest method.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises of cash on hand, cash at bank and other financial institutions which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand, cash at bank and other financial institutions, which are not restricted to use.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably on the following bases:

(i) Participation fee income

Participation fee income is derived from allowing the exhibitors to participate in relevant exhibitions and the provision of decoration facilities for the exhibition booths, and is recognised when the decoration facilities are provided and when the exhibitions are held.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(iii) Additional facilities income

Additional facilities income is recognised when the services are rendered.

(iv) Other ancillary service income

Other ancillary service income is recognised when the services are rendered.

Retirement benefits costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held by separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

As stipulated by the rules and regulations of the People's Republic of China ("**PRC**"), the Company's subsidiaries registered in the PRC are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. The state-sponsored retirement plan is responsible for the entire retirement benefit obligations payable to retired employees and the Group has no further obligations for the actual retirement benefit payments or other post retirement benefits beyond the annual contribution.

The costs of employee retirement benefits are recognised as expenses in profit or loss in the period in which they are incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to noncontrolling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

(i) A person or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control of the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or a parent of the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) both entities are joint ventures of the same third party.

(4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(6) the entity is controlled or jointly-controlled by a person identified in (i).

(7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker ("**CODM**") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in Note 4 to the consolidated financial statements, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year, are discussed below:

Income taxes

The Group is subject to income taxes in various tax authorities. Significant judgement is required in determining the provision for income taxes and the timing of payment of the related tax. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

Depreciation and amortisation

Property, plant and equipment and intangible assets except for development costs (see Notes 16 and 17 to the consolidated financial statements respectively) are depreciated and amortised on a straight-line basis over their estimated useful lives. The Group annually reviews the useful life of an asset and its residual value, if any. The useful life is based on the Group's historical experience with similar assets and taking into account anticipated technology changes. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units ("**CGU**") to which goodwill has been allocated which is the higher of the value-in-use or fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of trade and other receivables

The Group estimates the impairment allowances for trade and other receivables by assessing the recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgements. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed.

Fair value measurement of profit guarantee

The fair value measurement of profit guarantee was carried out by an independent professional valuer appointed by the Group using Monte Carlo simulation model. The Group uses its judgement to select a variety of methods and make assumptions, including the discount rates, estimation of post-acquisition performance of the acquired subsidiaries and the probability of meeting each profit target. It is subsequently re-measured to fair value at the end of each reporting period. Changes in assumptions used could materially affect the fair value of the balances and, as a result, affect the Group's financial position and results of operation.

6. FINANCIAL RISK MANAGEMENT

(a) Categories of financial instruments

	2017 HK$'000	2016 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**77,137**	49,283
Financial assets at fair value through profit or loss	**3,540**	64,827
	80,677	114,110
Financial liabilities		
– Accruals, deposits received and other payables	**8,432**	43,678
– Amount due to a shareholder	**–**	8
	8,432	43,686

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Financial risk management objectives and policies

The Group's financial instruments include trade receivables, deposits and other receivables, cash and cash equivalents, financial assets at fair value through profit or loss, accruals, deposits received and other payables and amount due to a shareholder. The details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regards, the Directors consider that the Group's credit risk is significantly reduced.

The Group has a concentration of credit risk as 72% (2016: Nil) and 100% (2016: Nil) of the total trade receivables were due from the Group's largest customer and the top two largest customers respectively. The Group's concentration of credit risk by geographical location is in PRC, which accounted for 100% (2016: Nil) of the trade receivables as at 30 June 2017. These customers have good historical repayment records and no default in payment.

The credit risk on liquid funds is limited because the counterparties are banks and other financial institutions which are reputable in the opinion of management.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities. The Group will consistently maintain a prudent financial policy and ensure that it maintains sufficient cash to meet its liquidity requirements.

The Group's financial liabilities are analysed into relevant maturity groupings based on the remaining period at the respective end of the reporting periods to the contractual maturity date, using the contractual undiscounted cash flows, as follows:

At 30 June 2017

	Weighted average interest rate %	**Carrying amount HK$'000**	**On demand HK$'000**	**Within 1 year HK$'000**	**Over 1 year HK$'000**	**Total undiscounted cash flows HK$'000**
Accruals, deposits received and other payables	**–**	**8,432**	**8,432**	**–**	**–**	**8,432**

At 30 June 2016

	Weighted average interest rate %	Carrying amount HK$'000	On demand HK$'000	Within 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flow HK$'000
Accruals, deposits received and other payables	–	43,678	43,678	–	–	43,678
Amount due to a shareholder	–	8	8	–	–	8
		43,686	43,686	–	–	43,686

Interest rate risk

The Group has no interest-bearing liabilities, and is therefore not exposed to significant interest rate risk. The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Currency risk

The Group operates in Hong Kong and PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars ("**US$**") and Renminbi ("**RMB**"). Currency risk arises from the foreign currency denomination of commercial transactions, assets and liabilities. 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.

(c) Fair value measurement of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

(i) the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

(ii) the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to the relatively short-term nature of these financial instruments.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets are determined.

Financial assets	**Fair value as at 30 June 2017 HK$'000**	Fair value as at 30 June 2016 HK$'000	**Fair value hierarchy**	**Valuation technique/ key inputs**
Financial assets at fair value through profit or loss:				
Equity securities listed in Hong Kong	**–**	58,308	Level 1	Quoted bid price in an active market
Unlisted investment in Hong Kong	**–**	6,519	Level 2	Quoted value from financial institution
Profit guarantee	**3,540**	–	Level 3	Monte Carlo simulation

There were no transfer between Level 1, 2 and 3 during the year.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Fair value measurement of financial instruments *(Continued)*

Reconciliation of assets measured at fair value based on Level 3:

	Profit guarantee HK$'000
At 1 July 2016	–
Acquired from the acquisition of the subsidiary *(Note 32)*	3,750
Loss on fair value change of profit guarantee *(Note 10)*	(210)
At 30 June 2017	3,540

The valuation techniques and inputs used in Level 3 fair value measurement are as follows:

Profit guarantee

Valuation technique	**Significant unobservable inputs**	**Range**	**Effect on fair value for increase of inputs**	**Fair value as at 30 June**	
				2017 HK$'000	2016 HK$,000
Monte Carlo simulation	(i) Volatility	28.89%-30.58%	Increase	**3,540**	–
	(ii) Discount rates	9.02%-9.48%	Decrease		

The Group appointed an independent professional valuer to determine the fair value of the profit guarantee using the Monte Carlo simulation model. The Monte Carlo simulation model considers the probability weighted distribution of the possible outcomes and factors the volatility of these outcomes. The fair value is then determined based on the present value of the expected cash flow that are discounted at appropriate discount rates.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Capital risk management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages the capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a gearing ratio, which is total debt divided by total assets. The Group policy is to keep the gearing ratio at a reasonable level. The gearing ratios at the end of each reporting period are as follows:

	2017 **HK$'000**	2016 HK$'000
Total debt	**–**	8
Total assets	**170,326**	204,340
Gearing ratio	**–**	0.004%

Note: Total debt comprises of amount due to a shareholder which disclosed in Note 27 to the consolidated financial statements.

7. SEGMENT INFORMATION

Information reported to the management of the Group, being the CODM, for the purposes of resources allocation and assessment of segment performances focuses on types of services provided.

The four 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 (discontinued operation)	Provision of roadshows

7. SEGMENT INFORMATION *(Continued)*

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

For the year ended 30 June

	Continuing operations						Discontinued operation			
	Organisation of exhibitions		Exhibition-related services		Ancillary services		Roadshows		Total	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Revenue										
Segment revenue	**102,869**	159,333	**1,727**	2,864	**–**	58	**–**	–	**104,596**	162,255
Inter-segment revenue	**–**	–	**(1,658)**	(1,966)	**–**	–	**–**	–	**(1,658)**	(1,966)
Revenue from external customers	**102,869**	159,333	**69**	898	**–**	58	**–**	–	**102,938**	160,289
Results										
Segment results	**41,922**	64,625	**69**	898	**–**	52	**(13,043)**	(1,087)	**28,948**	64,488
Net loss on financial assets at fair value through profit or loss									**(2,909)**	(40,994)
Unallocated income and other gains and losses									**(11,806)**	499
Unallocated corporate expenses									**(47,886)**	(88,537)
Loss before tax									**(33,653)**	(64,544)
Income tax expenses									**(5,664)**	(4,167)
Loss for the year									**(39,317)**	(68,711)

7. SEGMENT INFORMATION *(Continued)*

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

	Continuing operations						Discontinued operation			
	Organisation of exhibitions		Exhibition-related services		Ancillary services		Roadshows		Total	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Assets										
Segment assets	**50,614**	18,861	**–**	–	**–**	–	**35,870**	48,913	**86,484**	67,774
Unallocated corporate assets									**83,842**	136,566
									170,326	204,340
Liabilities										
Segment liabilities	**18,638**	70,130	**–**	–	**–**	–	**–**	–	**18,638**	70,130
Unallocated corporate liabilities									**9,658**	45,228
									28,296	115,358

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

	Continuing operations						Discontinued operation					
	Organisation of exhibitions		Exhibition-related services		Ancillary services		Roadshows		Unallocated		Total	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Depreciation of property, plant and equipment	**–**	–	**–**	–	**–**	–	**–**	–	**(2,311)**	(4,862)	**(2,311)**	(4,862)
Capital expenditures *(Note)*	**(35,998)**	–	**–**	–	**–**	–	**–**	(50,000)	**(6,009)**	(8,162)	**(42,007)**	(58,162)
Net loss on financial assets at fair value through profit or loss	**(210)**	–	**–**	–	**–**	–	**–**	–	**(2,699)**	(40,994)	**(2,909)**	(40,994)
Amortisation of intangible assets	**–**	–	**–**	–	**–**	–	**(13,043)**	(1,087)	**–**	–	**(13,043)**	(1,087)

Note: Capital expenditures included additions to property, plant and equipment and intangible assets.

7. SEGMENT INFORMATION *(Continued)*

Geographical segments

In determining the Group's geographical segments, revenue 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, certain assets and capital expenditure information for the Group's geographical segments, including Hong Kong, PRC and Germany.

(i) Segment revenue:

	2017 HK$'000	2016 HK$'000
Continuing operations:		
Hong Kong	**90,728**	152,731
Germany	**–**	7,558
PRC	**12,210**	–
	102,938	160,289

(ii) Segment assets:

	2017 HK$'000	2016 HK$'000
Continuing operations:		
Hong Kong	**86,181**	154,439
PRC	**48,275**	988
	134,456	155,427
Discontinued operation:		
Hong Kong	**35,870**	48,913
	170,326	204,340

(iii) Capital expenditures:

	2017 HK$'000	2016 HK$'000
Continuing operations:		
Hong Kong	**5,921**	8,146
PRC	**36,086**	16
	42,007	8,162
Discontinued operation:		
Hong Kong	**–**	50,000
	42,007	58,162

7. SEGMENT INFORMATION *(Continued)*

Information about major customers

There are no customers of the Group for both years 2016 and 2017 whose transactions have exceeded 10% of the Group's revenue during the years ended 30 June 2016 and 2017.

8. REVENUE

The principal activities of the Group are the organisation of trade exhibitions and providing exhibition related services.

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

	2017 **HK$'000**	2016 HK$'000
Participation income	**102,869**	159,333
Additional facilities income	**69**	898
Other ancillary service income	**–**	58
	102,938	160,289

9. OTHER REVENUE

	2017 **HK$'000**	2016 HK$'000
Admission income	**–**	259
Sundry income	**464**	1,185
	464	1,444

10. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

Loss before tax from continuing operations has been arrived at after charging/(crediting):

	2017 **HK$'000**	2016 HK$'000 (Restated)
Staff costs:		
Employee benefit expenses (including Directors' emoluments)		
– Salaries, allowance and other benefits	**22,582**	40,342
– Retirement benefit schemes contributions	**534**	1,353
	23,116	41,695
Other items:		
Depreciation of property, plant and equipment *(Note 16)*	**2,311**	4,862
Auditor's remuneration		
– Audit services	**1,000**	1,500
– Non-audit services	**596**	85
Loss on disposal of property, plant and equipment	**120**	2
Write off of property, plant and equipment	**1,655**	–
Operating lease rentals in respect of land and building	**9,353**	15,106
Net loss on financial assets at fair value through profit or loss:		
Proceeds on sales	**(62,128)**	(23,982)
Less: Cost of sales	**64,827**	29,168
Net realised loss on financial assets at fair value through profit or loss	**2,699**	5,186
Unrealised loss on financial assets at fair value through profit or loss	**–**	35,808
Loss on fair value change of profit guarantee *(Note 23)*	**210**	–
Net loss on financial assets at fair value through profit or loss	**2,909**	40,994
Other gains and losses:		
Interest income	**(1,323)**	(517)
Net exchange gains	**–**	(65)
Impairment loss on other receivables	**13,140**	–
	11,817	(582)

11. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID EMPLOYEES REMUNERATION

(i) Benefits and interests of Directors

(a) Directors' and chief executive's emoluments

The aggregate amounts of emoluments payable to Directors and chief executive of the Company during the year are as follows:

	2017 HK$'000	2016 HK$'000
Fee	**679**	658
Other emoluments:		
Salaries, allowance and benefits in kind	**3,428**	4,450
Retirement benefits scheme contributions	**–**	3
Total	**4,107**	5,111

Directors' and chief executive's emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Fee		Salaries, allowance and benefits in kind		Retirement benefits scheme contributions		Total remuneration	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Executive Directors								
Mr. Deng Zhonglin *(Note a)*	**–**	–	**636**	–	**–**	–	**636**	–
Ms. Zhang Jun *(Note b)*	**–**	–	**612**	–	**–**	–	**612**	–
Mr. Lu Linyu *(Note c)*	**–**	–	**200**	–	**–**	–	**200**	–
Mr. Ge Jin *(Note d)*	**–**	–	**1,103**	206	**–**	–	**1,103**	206
Mr. Liu Gejiang *(Note e)*	**–**	–	**276**	1,758	**–**	–	**276**	1,758
Mr. Sun Sizhi *(Note f)*	**–**	–	**463**	573	**–**	–	**463**	573
Ms. Yang Yan *(Note g)*	**–**	–	**138**	92	**–**	–	**138**	92
Mr. Du Changqing *(Note h)*	**–**	–	**–**	114	**–**	–	**–**	114
Mr. Lam Wa *(Note i)*	**–**	–	**–**	945	**–**	–	**–**	945
Mr. Lee Chi Sang *(Note j)*	**–**	–	**–**	450	**–**	–	**–**	450
Mr. Si Tze Fung *(Note k)*	**–**	–	**–**	312	**–**	3	**–**	315
Independent non-executive Directors								
Mr. Tsang Wing Ki *(Note l)*	**75**	–	**–**	–	**–**	–	**75**	–
Mr. Choi Hung Fai *(Note m)*	**240**	229	**–**	–	**–**	–	**240**	229
Mr. Yang Bo *(Note n)*	**240**	155	**–**	–	**–**	–	**240**	155
Mr. Yeung Chun Yue, David *(Note o)*	**124**	180	**–**	–	**–**	–	**124**	180
Mr. Law Sung Ching, Gavin *(Note p)*	**–**	8	**–**	–	**–**	–	**–**	8
Mr. Wong Ka Fai, Paul *(Note q)*	**–**	86	**–**	–	**–**	–	**–**	86
	679	658	**3,428**	4,450	**–**	3	**4,107**	5,111

11. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID EMPLOYEES REMUNERATION *(Continued)*

(i) Benefits and interests of Directors *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

Notes:

(a) Mr. Deng Zhonglin was appointed as the executive director, the chief executive officer and the chairman of the Company on 14 October 2016, 9 March 2017 and 12 May 2017 respectively.

(b) Ms. Zhang Jun was appointed as the executive director of the Company on 14 October 2016.

(c) Mr. Lu Linyu was appointed as the executive director of the Company on 9 March 2017.

(d) Mr. Ge Jin was appointed as the executive director and the chairman of the Company on 29 April 2016 and resigned on 12 May 2017.

(e) Mr. Liu Gejiang resigned as the executive director of the Company on 14 October 2016.

(f) Mr. Sun Sizhi was appointed as the executive director and the chief executive officer of the Company on 31 July 2015 and resigned on 9 March 2017.

(g) Ms. Yang Yan was appointed as the executive director of the Company on 22 April 2016 and resigned on 14 October 2016.

(h) Mr. Du Changqing was appointed as the executive director of the Company on 9 November 2015 and resigned on 18 January 2016.

(i) Mr. Lam Wa was appointed as the executive director and the chairman of the Company on 31 July 2015 and resigned on 29 April 2016.

(j) Mr. Lee Chi Sang resigned as the executive director, the chairman and the chief executive officer of the Company on 31 July 2015.

(k) Mr. Si Tze Fung resigned as the executive director of the Company on 9 November 2015.

(l) Mr. Tsang Wing Ki was appointed as the independent non-executive director of the Company on 9 March 2017.

(m) Mr. Choi Hung Fai was appointed as the independent non-executive director of the Company on 17 July 2015.

(n) Mr. Yang Bo was appointed as the independent non-executive director of the Company on 9 November 2015.

(o) Mr. Yeung Chun Yue, David resigned as the independent non-executive director of the Company on 9 March 2017.

11. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID EMPLOYEES REMUNERATION *(Continued)*

(i) Benefits and interests of Directors *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

Notes: (Continued)

(p) Mr. Law Sung Ching, Gavin resigned as the independent non-executive director of the Company on 17 July 2015.

(q) Mr. Wong Ka Fai, Paul resigned as the independent non-executive director of the Company on 9 November 2015.

(r) During the year ended 30 June 2017, no bonus (2016: no bonus) were paid to the executive directors of the Company. During the years ended 30 June 2017 and 2016, no directors waived or agreed to waive any remuneration. In addition no emoluments were paid by the Group to the executive directors and independent non-executive directors as an inducement to join, or upon joining the Group, or as a compensation for loss of office.

(s) During the years ended 30 June 2017 and 2016, no share options were granted to the executive directors and independent non-executive directors to subscribe for ordinary shares of the Company under the Company's share option scheme.

(b) Directors' retirement benefits

None of the Directors received any retirement benefits during the year (2016: Nil).

(c) Directors' termination benefits

None of the Directors received any termination benefits during the year (2016: Nil).

(d) Consideration provided to third parties for making available Directors' services

During the year ended 30 June 2017, the Company did not pay consideration to any third parties for making available Directors' services (2016: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporates and connected entities with such Directors

During the year ended 30 June 2017, there was no loans, quasi-loans and other dealing arrangements in favour of the Directors, or controlled body corporates and connected entities of such Directors (2016: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2016: Nil).

11. BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID EMPLOYEES REMUNERATION *(Continued)*

(ii) Five highest paid employees remuneration

The five highest paid employees of the Group during the year included one (2016: two) director, details of whose emoluments is set out above. The emoluments of the remaining four (2016: three) individuals are as follows:

	2017 **HK$'000**	2016 HK$'000
Salaries, allowances and benefits in kind	**2,995**	3,090
Retirement benefits scheme contributions	**68**	54
Discretionary bonus	**282**	–
Total	**3,345**	3,144

The number of the highest paid employees who are not the Directors and the chief executive officer of the Company whose remuneration fell within the following bands is as follows:

	2017 **HK$'000**	2016 HK$'000
Nil to HK$1,000,000	**3**	2
HK$1,000,001 to HK$1,500,000	**1**	1
Total	**4**	3

No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during each of the years ended 30 June 2017 and 2016.

12. INCOME TAX EXPENSES

	2017 HK$'000	2016 HK$'000
Current tax		
– Hong Kong Profits Tax	**4,045**	4,167
– PRC Enterprise Income Tax	**1,619**	–
Total	**5,664**	4,167

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits in Hong Kong for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of certain subsidiaries of the Group in PRC is 25% (2016: 25%).

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 years ended 30 June 2016 and 2017.

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

A reconciliation of the taxation applicable to loss before tax using the statutory rate for the location in which the Group are domiciled to the tax expense at the effective tax rate are as follows:

	2017 HK$'000	2016 HK$'000 (Restated)
Loss before tax from continuing operations	**(20,243)**	(63,457)
Tax expenses at the Hong Kong Profits Tax rate 16.5%	**(3,340)**	(10,471)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**550**	(54)
Effect of income and expenses not taxable or deductible for tax purposes	**5,158**	6,481
Effect of losses not recognised for tax purpose	**3,316**	8,211
Effect of tax reduction	**(20)**	–
Tax charge for the year	**5,664**	4,167

13. DISCONTINUED OPERATION AND ASSET CLASSIFIED AS HELD FOR SALE

On 28 June 2017, the Group entered into a sale and purchase agreement with an independent third party to dispose of Up Huge Corporation Limited ("**Up Huge**"), an indirect wholly-owned subsidiary of the Company. Up Huge owns Sub-Licensed Rights of "Ultraman" which was accounted for as an intangible asset. The results of Up Huge which was under the business segment of roadshows was presented as discontinued operation, and the intangible asset was classified as asset held for sale in the consolidated statement of financial position. The management assessed that the net proceeds of the disposal are expected to exceed the carrying amount of the asset that is to be disposed of and accordingly, no impairment has been recognised. The disposal transaction was completed on 10 July 2017.

The results of the discontinued operation are presented below:

	2017 **HK$'000**	2016 HK$'000
Amortisation of intangible asset	**13,043**	1,087
Other operating expenses	**367**	–
Loss before tax from discontinued operation	**13,410**	1,087
Income tax expenses	**–**	–
Loss for the year from discontinued operation	**13,410**	1,087

The asset classified as held for sale and measured at the lower of carrying amount and fair value less cost of disposal as at 30 June 2017 is as follows:

	HK$'000
Intangible asset	35,870
Asset classified as held for sale	35,870

There are no cash flow movement for the discontinued operation during the financial year ended 30 June 2017.

14. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the year (2016: Nil).

15. LOSS PER SHARE

The calculations of basic and diluted loss per share from the continuing and discontinued operations are based on:

	2017 **HK$'000**	2016 HK$'000 (Restated)
Loss from continuing operations attributable to owners of the Company	**(23,001)**	(66,259)
Loss from discontinued operation attributable to owners of the Company	**(13,410)**	(1,087)
Loss attributable to owners of the Company	**(36,411)**	(67,346)

	Number of ordinary shares	
	2017	2016 (Restated)
Weighted average number of ordinary shares used in basic and diluted loss per share	**1,278,499,000**	1,200,000,000

	2017 **HK cents**	2016 HK cents (Restated)
Loss per share attributable to owners of the Company:		
Basic and diluted		
– From continuing operations	**(1.80)**	(5.52)
– From discontinued operation	**(1.05)**	(0.09)
	(2.85)	(5.61)

The calculation of basic loss per share is based on the loss from continuing operations attributable to owners of the Company for the year ended 30 June 2017 of approximately HK$23,001,000 (2016: approximately HK$66,259,000 (restated)), loss from discontinued operation attributable to owners of the Company for the year ended 30 June 2017 of approximately HK$13,410,000 (2016: approximately HK$1,087,000 (restated)) and on weighted average number of approximately 1,278,499,000 ordinary shares (2016: 1,200,000,000 ordinary shares (restated)) in issue during the year.

There was no dilutive potential ordinary shares in existence during the years ended 30 June 2016 and 2017, therefore the diluted loss per share is the same as the basic loss per share.

16. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle HK$'000	Leasehold improvement HK$'000	Computer equipment HK$'000	Furniture, fixtures and equipment HK$'000	Total HK$'000
Cost					
At 1 July 2015	351	7,468	1,921	1,703	11,443
Additions	5,563	2,343	223	33	8,162
Disposals	–	–	–	(20)	(20)
Exchange realignment	(27)	–	(14)	(18)	(59)
At 30 June 2016 and 1 July 2016	5,887	9,811	2,130	1,698	19,526
Acquisition of a subsidiary	**–**	**–**	**–**	**62**	**62**
Additions	**5,850**	**64**	**23**	**12**	**5,949**
Disposals	**–**	**(47)**	**(429)**	**(92)**	**(568)**
Write off	**–**	**(7,115)**	**–**	**(788)**	**(7,903)**
Exchange realignment	**(3)**	**–**	**(2)**	**(1)**	**(6)**
At 30 June 2017	**11,734**	**2,713**	**1,722**	**891**	**17,060**
Accumulated depreciation and impairment					
At 1 July 2015	50	3,888	1,230	1,022	6,190
Charge for the year	955	3,152	447	308	4,862
Disposals	–	–	–	(9)	(9)
Exchange realignment	(5)	–	(11)	(8)	(24)
At 30 June 2016 and 1 July 2016	1,000	7,040	1,666	1,313	11,019
Acquisition of a subsidiary	**–**	**–**	**–**	**2**	**2**
Charge for the year	**1,189**	**858**	**184**	**80**	**2,311**
Disposals	**–**	**(41)**	**(275)**	**(74)**	**(390)**
Write off	**–**	**(5,717)**	**–**	**(531)**	**(6,248)**
Exchange realignment	**40**	**–**	**(5)**	**(37)**	**(2)**
At 30 June 2017	**2,229**	**2,140**	**1,570**	**753**	**6,692**
Carrying amounts					
At 30 June 2017	**9,505**	**573**	**152**	**138**	**10,368**
At 30 June 2016	4,887	2,771	464	385	8,507

17. INTANGIBLE ASSETS

	Sub-Licensed Rights HK$'000
Cost	
At 1 July 2015	–
Additions	50,000
At 30 June 2016 and 1 July 2016	50,000
Transfer to asset classified as held for sale	(50,000)
At 30 June 2017	–
Accumulated amortisation and impairment	
At 1 July 2015	–
Charge for the year	1,087
At 30 June 2016 and 1 July 2016	1,087
Charge for the year	13,043
Transfer to asset classified as held for sale	(14,130)
At 30 June 2017	–
Carrying amount	
At 30 June 2017	**–**
At 30 June 2016	48,913

Notes:

(a) The intangible asset represents the Sub-Licensed Rights granted to the Group for using intellectual properties at any time legally licensed to or controlled by the licensee in relation to all series and any types of "Ultraman" at roadshows, events, exhibitions in the Territory.

(b) The Sub-Licensed Rights is amortised on a straight-line basis over its estimated economic useful life. The economic useful life is 46 months according to the sub-license contract term.

18. GOODWILL

	2017 **HK$'000**	2016 HK$'000
Carrying amount		
Arising from acquisition of a subsidiary *(Note 32)*	**35,998**	–
	35,998	–

Goodwill acquired in a business combination is allocated to a CGU that is expected to benefit from that business combination. The carrying amount of goodwill of approximately HK$35,998,000 is allocated to the subsidiary group, Sparkle Mass Group as disclosed in Note 32 to the consolidated financial statements, in the segment of organisation of exhibitions business.

The Group tests goodwill impairment annually or more frequently if there are indications that goodwill might be impaired. During the year ended 30 June 2017, the Group determined that no impairment loss has been identified.

The recoverable amount of CGU has been determined based on value in use calculation by an independent professional valuer not connected with the Group. The calculation used cash flow projections based on the financial forecasts approved by the management covering a three-year period.

The key assumptions for the value in use calculations are as follow:

Discount rate	18.64%
Terminal growth rate	3.00%

Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The terminal growth rate used is with reference to the long term average growth rates and expected market development. Management believes that any reasonably possible change in key assumptions would not cause the recoverable amount of CGU to fall below its carrying amount.

Other assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which included budgeted revenue and profit margin. Such estimation is based on past performance, existing sales contracts and management expectations for the market development.

19. INTEREST IN AN ASSOCIATE

Details of the Group's interest in an associate are as follows:

	2017 HK$'000	2016 HK$'000
Unlisted		
Cost of investment in an associate	**–**	–
Share of result of an associate	**–**	–
	–	–
Amount due from an associate	**8**	7
Total	**8**	7

Details of the Group's associate at the end of the reporting period are as follows:

Name of an associate	Place of incorporation and business	Particulars of issued share capital	Proportion of ownership interest held by the Group	Principal activities
Universe Unity Limited	BVI	US$100	49%	Inactive

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

19. INTEREST IN AN ASSOCIATE *(Continued)*

An associate is accounted for using the equity method in the consolidated financial statements.

	2017 **HK$'000**	2016 HK$'000
Current assets	**–**	–
Current liabilities	**(16)**	(14)
Revenue	**–**	–
Loss for the year	**(2)**	(14)
Other comprehensive loss for the year	**–**	–
Total comprehensive loss for the year	**(2)**	(14)

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

	2017 **HK$'000**	2016 HK$'000
Net liabilities of associate	**(16)**	(14)
Proportion of ownership interest in an associate by the Group	**49%**	49%
Amount due from an associate	**8**	7
Carrying amount of ownership interest in an associate by the Group	**8**	7

Unrecognised share of loss of Universe Unity Limited

	2017 **HK$'000**	2016 HK$'000
The unrecognised share of loss of Universe Unity Limited	**(1)**	(7)
Cumulative unrecognised share of loss of Universe Unity Limited	**(8)**	(7)

20. PARTICULARS OF SUBSIDIARIES

Details of the Company's significant subsidiaries as at 30 June 2017 are set out as follow:

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid ordinary share capital/ registered capital	Percentage of equity and voting power attributable to the Group				Principal activities
			Directly		Indirectly		
			2017	2016	**2017**	2016	
Ace Builder Limited	BVI	Ordinary US$1	**100%**	–	**–**	–	Investment holding
Big Leader Limited	BVI	Ordinary US$1	**100%**	100%	**–**	–	Investment holding
Broaden Delight Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Investment holding
Corporate Charm Holdings Limited	BVI	Ordinary US$1	**–**	–	**100%**	100%	Investment holding
Eastern Pioneer Holdings Limited	BVI	Ordinary US$1	**–**	–	**100%**	100%	Investment holding
Expand Trade Investments Limited	BVI	Ordinary US$1	**100%**	100%	**–**	–	Investment holding
Great Getter Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Investment holding
Greatest Best Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Investment holding
Hero Sea Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Investment holding
Huge World Corporation Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Investment holding
i-MegAsia Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Provision of ancillary services for trade shows
International Jewellery Event Limited	Hong Kong	Ordinary HK$100	**–**	–	**70%**	70%	Organisation of exhibitions and trade shows
Integral Wealth Limited	BVI	Ordinary US$1	**–**	–	**100%**	100%	Investment holding
Mega Expo (Berlin) Limited	BVI/Hong Kong	Ordinary US$1	**–**	–	**100%**	100%	Organisation of exhibitions and trade shows
Mega Expo (Hong Kong) Limited	BVI/Hong Kong	Ordinary US$1	**–**	–	**100%**	100%	Organisation of exhibitions and trade shows
Mega Expo (Hong Kong) Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Organisation of exhibitions and trade shows and providing ancillary services

20. PARTICULARS OF SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid ordinary share capital/ registered capital	Percentage of equity and voting power attributable to the Group Directly		Indirectly		Principal activities
			2017	2016	**2017**	2016	
Mega Expo Operations Management Limited	BVI/Hong Kong	Ordinary US$1	**–**	–	**100%**	100%	Provision of sub–contracting services for exhibitions and shows
Shenzhen Hengjian Exhibition Planning Limited*	PRC	Registered US$650,000	**–**	–	**100%**	100%	Provision of exhibition-related consultancy services
Sparkle Mass Limited	BVI	Ordinary US$1	**–**	–	**100%**	–	Investment holding
Splendor Reward Investment Limited	BVI	Ordinary US$1	**–**	–	**100%**	–	Investment holding
Speed Reach Investment Holding Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	–	Investment holding
Shanghai Lin Yun Enterprise Management Consulting Co., Ltd*	PRC	Registered US$100,000	**–**	–	**100%**	–	Investment holding
Shanghai Lin Yun Exhibition Service Limited Liability Company*	PRC	Registered RMB1,000,000	**–**	–	**100%**	–	Organisation of exhibition and trade shows
Super Marine International Limited	BVI	Ordinary US$1	**100%**	100%	**–**	–	Investment holding
Top Force (Hong Kong) Limited	Hong Kong	Ordinary HK$1	**–**	–	**100%**	100%	Investment holding
Treasure Spy Limited	BVI	Ordinary US$1	**–**	–	**100%**	100%	Investment holding
Up Huge Corporation Limited	Hong Kong	Ordinary HK$100	**–**	–	**100%**	100%	Provision of roadshows

* for identification purposes only

Note:

The above table lists the subsidiaries of the Group, which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive lengths.

In addition, the Directors made an assessment as at the date of application of HKFRS 12 and at the end of the reporting period. In the opinion of the Directors, there is no subsidiary that has non-controlling interest individually that is material to the Group and therefore no information is disclosed for these non-wholly owned subsidiaries.

None of the subsidiaries had any debt securities outstanding at 30 June 2017 or at any time during the year.

21. TRADE RECEIVABLES

	2017 HK$'000	2016 HK$'000
Trade receivables	**3,880**	–

Note:

The following is an ageing analysis of trade receivables presented on the basis of the dates of the invoices and net of allowance for doubtful debts:

	2017 HK$'000	2016 HK$'000
0-30 days	**3,880**	–

There were no trade receivables that are past due but not impaired for both years ended 30 June 2016 and 2017.

The Group's trade receivables arose from provision of exhibition services to companies in PRC. The Group's credit period granted to each customer was generally for an average period of 90 days. The Group sought to maintain strict control over its outstanding receivables and overdue balances were regularly reviewed by senior management. The carrying amounts of trade receivables approximate their fair value.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2017 HK$'000	2016 HK$'000
Prepayments	**7,405**	32,803
Deposits	**1,848**	6,151
Other receivables	**16,826**	14,750
	26,079	53,704

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 **HK$'000**	2016 HK$'000
Equity securities listed in Hong Kong	**–**	58,308
Unlisted investment in Hong Kong	**–**	6,519
Profit guarantee *(Note)*	**3,540**	–
Total	**3,540**	64,827
Analysed for reporting purposes as:		
Current portion	**460**	64,827
Non-current portion	**3,080**	–
Total	**3,540**	64,827

Note:

During the year, the Group acquired 100% equity interest in Sparkle Mass Group, details of which are set out in Note 32 to the consolidated financial statements. Pursuant to the Agreement, the Vendor, irrevocably warrants and guarantees ("**Profit Guarantee**") to the purchaser that the net profit for the First Relevant Period, the Second Relevant Period and the Third Relevant Period ("**Relevant Periods**") will not be less than the following amounts ("**Guaranteed Profit**"):

Relevant Periods	**Guaranteed Profit** HK$'000
First Relevant Period (1 January 2017 to 31 December 2017)	13,000
Second Relevant Period (1 January 2018 to 31 December 2018)	14,000
Third Relevant Period (1 January 2019 to 31 December 2019)	15,000

As at 3 March 2017, the completion date of acquisition of 100% equity interest of Sparkle Mass Group, the fair value of Profit Guarantee was approximately HK$3,750,000.

	Profit Guarantee HK$'000
At 1 July 2016	–
Acquired from the acquisition of the subsidiary *(Note 32)*	3,750
Loss on fair value change of Profit Guarantee *(Note 10)*	(210)
At 30 June 2017	3,540

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

Note: *(Continued)*

As at 30 June 2017, the fair value of Profit Guarantee was approximately HK$3,540,000, resulting in a loss on fair value change of approximately HK$210,000.

The Group appointed independent professional valuer, Peak Vision Appraisals Limited, for making a valuation of the fair value of the Profit Guarantee at the acquisition date which was 3 March 2017 and as at the year end date 30 June 2017.

24. CASH AND CASH EQUIVALENTS

	2017 **HK$'000**	2016 HK$'000
Cash and cash equivalents	**54,583**	28,382

Bank balances carry interest ranging from 0.001% to 0.03% (2016: from 0.001% to 0.03%) per annum.

25. RECEIPTS IN ADVANCE

As at 30 June 2017, approximately HK$17,330,000 (2016: approximately HK$70,130,000) were the non-refundable participation fees received in advance for booth reservations from exhibitors or exhibition service agents.

26. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	2017 **HK$'000**	2016 HK$'000
Accruals	**4,642**	2,458
Deposits received	**1,151**	–
Other payables	**2,639**	41,220
	8,432	43,678

27. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder was unsecured, interest-free and repayable on demand. The Directors consider that the carrying amount approximates its fair value.

28. DEFERRED TAX

As at 30 June 2017, the Group had unused estimated tax losses of approximately HK$31,631,000 (2016: approximately HK$13,772,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

29. SHARE CAPITAL

	Par value HK$	**Number of ordinary shares**	**Nominal value of ordinary shares** HK$'000
Authorised:			
At 1 July 2015	0.01	1,000,000,000	10,000
Share subdivision *(Note (a))*	0.002	4,000,000,000	–
At 30 June 2016, 1 July 2016 and 30 June 2017	**0.002**	**5,000,000,000**	**10,000**
Issued and fully paid:			
At 1 July 2015	0.01	240,000,000	2,400
Share subdivision *(Note (a))*	0.002	960,000,000	–
At 30 June 2016 and 1 July 2016	0.002	1,200,000,000	2,400
Placing of shares *(Note (b))*	0.002	150,800,000	302
At 30 June 2017	0.002	**1,350,800,000**	**2,702**

Notes:

(a) On 22 September 2015, each issued and unissued ordinary shares of the Company of HK$0.01 each were subdivided into five subdivided shares of HK$0.002 each pursuant to the ordinary resolution passed by the then shareholders at an extraordinary general meeting held on 21 September 2015. As a result, the number of issued and authorised ordinary shares of the Company were adjusted from 240,000,000 shares to 1,200,000,000 shares and from 1,000,000,000 shares to 5,000,000,000 shares respectively.

(b) On 23 December 2016, 150,800,000 ordinary shares at HK$0.63 per placing share were issued under the general mandate.

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2017 HK$'000	2016 HK$'000
Non-current asset		
Investments in subsidiaries	**100**	100
Current assets		
Prepayments and other receivables	**6,755**	13,123
Amounts due from subsidiaries	**105,693**	110,694
Amount due from an associate	**1**	–
Cash and cash equivalents	**36,093**	95
	148,542	123,912
Current liabilities		
Accruals	**1,583**	1,949
Amounts due to subsidiaries	**117,645**	99,982
	119,228	101,931
Net current assets	**29,314**	21,981
Total assets less current liabilities	**29,414**	22,081
NET ASSETS	**29,414**	22,081
Capital and reserves		
Share capital	**2,702**	2,400
Reserves *(Note 31)*	**26,712**	19,681
TOTAL EQUITY	**29,414**	22,081

The statement of financial position was approved and authorised for issue by the Board of Directors on 22 September 2017 and are signed on its behalf by:

Deng Zhonglin
Chairman

Lu Linyu
Director

31. RESERVES OF THE COMPANY

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 July 2015	104,704	(14,755)	89,949
Loss and total comprehensive expenses for the year	–	(70,268)	(70,268)
At 30 June 2016 and 1 July 2016	104,704	(85,023)	19,681
Loss and total comprehensive expenses for the year	–	(85,071)	(85,071)
Placing shares	94,702	–	94,702
Expense incurred in connection with the placing of shares	(2,600)	–	(2,600)
At 30 June 2017	**196,806**	**(170,094)**	**26,712**

Note:

Distributable reserve

Under the Companies Law of Cayman Islands, the share premium account of the Company is distributable to its shareholder provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

At 30 June 2017, the Company's reserves available for distribution to shareholders amounting to approximately HK$26,712,000 (2016: approximately HK$19,681,000) and calculated in accordance with Companies Law of Cayman Islands and the Articles.

32. ACQUISITION OF A SUBSIDIARY

On 3 March 2017, the Group completed the acquisition of 100% equity interest of Sparkle Mass Group through its indirect wholly-owned subsidiary, Eastern Pioneer Holdings Limited, at a total cash consideration of HK$40,000,000. The transaction has been accounted for by the acquisition method of accounting. The amount of goodwill arising as a result of the acquisition was approximately HK$35,998,000.

Sparkle Mass Group is principally engaged in the organisation and management of trade exhibitions and exhibitions management services.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$'000
Non-current asset	
Property, plant and equipment	60
Current assets	
Prepayments, deposits and other receivables	374
Cash and cash equivalents	1,794
	2,168
Total assets	2,228
Current liabilities	
Trade payables	(250)
Accruals and other payables	(1,621)
Tax payables	(105)
Total liabilities	(1,976)
Net assets acquired	252

32. ACQUISITION OF A SUBSIDIARY *(Continued)*

Goodwill arising from acquisition

	HK$'000
Consideration transferred	40,000
Less: Fair value of financial asset from Profit Guarantee *(Note 23)*	(3,750)
Less: Net assets acquired	(252)
Goodwill arising from the acquisition *(Note 18)*	35,998

Goodwill arising from the acquisition represented the excess of the fair value of the consideration paid by the Group over the fair value of net tangible assets acquired.

None of the goodwill arising from the acquisition is expected to be deductible for tax purpose.

Analysis of the cash flows in respect of the acquisition is as follows:

	HK$'000
Cash consideration paid	40,000
Less: Cash and cash equivalent acquired	(1,794)
Net cash outflow in respect of the acquisition of a subsidiary	38,206

Included in the loss for the year is approximately HK$4,857,000 profit attributable to the additional business generated by Sparkle Mass Group. Revenue for the year includes approximately HK$12,211,000 generated from Sparkle Mass Group.

Had the acquisition been completed on 1 July 2016, total Group's revenue for the year would have been approximately HK$104,067,000, and loss for the year would have been approximately HK$39,065,000. The pro-forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 July 2016, nor is it intended to be a projection of future results.

33. DISPOSAL OF A SUBSIDIARY

On 2 May 2017, a wholly owned subsidiary of the Company disposed its entire 70% equity interest of Lush Ease Limited. Lush Ease Limited is a dormant company.

Summary of the effects of the disposal of Lush Ease Limited is as follows:

Analysis of asset over which control was lost

	HK$'000
Current asset	
Amount due from an immediate holding company	1
Net asset disposed of	1

Gain on disposal of a subsidiary:

	HK$'000
Liability transferred	1
Net asset disposed of	(1)
Gain on disposal of a subsidiary	–

Net cash inflow on disposal of a subsidiary:

	HK$'000
Net cash inflow from disposal of a subsidiary	–

34. SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme ("**Share Option Scheme**") by a resolution in writing passed by the shareholders on 18 October 2013, for the purpose of attracting, retaining and rewarding eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group.

The eligible persons of the Share Option Scheme include Directors, employees, consultants or advisers, providers of goods or services, customers, holders of securities issued by the member of the Group and any other person who has contributed to the Group ("**Eligible Persons**").

The subscription price of the share options shall be a price determined by the Board of Directors and shall be at least the highest of (i) the closing price of share as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average of the closing price per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; or (iii) the nominal value of the share.

The Eligible Persons shall accept the offer at the date not later than 21 days from the offer date or otherwise be deemed to have declined it. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board of Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Board of Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the Share Option Scheme.

No share options have been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption date and there were no outstanding share options under the Share Option Scheme as at 30 June 2017.

35. MATERIAL RELATED PARTIES TRANSACTIONS

Save as disclosed elsewhere to the consolidated financial statements, the Group had entered into the following related party transactions, which in the opinion of the Directors, were carried out in accordance with terms negotiated between the parties and in the ordinary course of business of the Group.

Remuneration for key personnel management, including emoluments paid to the Directors and certain highest paid employees of the Group, as disclosed in Note 11 to the consolidated financial statements, are as follows:

Key management personnel

	2017 HK$'000	2016 HK$'000
Salaries, allowances and benefits in kind	**5,151**	6,038
Retirement benefits scheme contributions	**21**	37
Total compensation paid to key management personnel	**5,172**	6,075

36. OPERATING LEASE COMMITMENTS

The Group as lessee

As at 30 June 2017 and 2016, the Group had outstanding commitments payable under non-cancellable operating leases in respect of properties and motor vehicle rented with lease terms of between 1 to 2 years which fall due as follows:

	2017 HK$'000	2016 HK$'000
Within one year	**6,266**	8,089
In the second to fifth year, inclusive	**1,543**	4,599
	7,809	12,688

37. EVENTS AFTER THE REPORTING PERIOD

(i) On 10 July 2017, the Group completed the disposal transaction of Up Huge at a consideration of HK$50,000,000. The Group has received the proceeds of the consideration in July 2017.

(ii) On 13 July 2017, an indirect wholly-owned subsidiary of the Company completed the acquisition transaction of 100% equity interest of Fortune Selection Limited and its subsidiaries (collectively referred as "**Fortune Selection Group**") at a consideration of HK$48,024,000, which was satisfied by the issuance of four batches of the convertibles bonds ("**Convertible Bonds**") of the Company. The first batch of Convertible Bonds with a principal amount of HK$24,012,000 was issued on the date of completion.

As the Group has not yet performed the valuation of the Convertible Bonds and the fair value of net assets of Fortune Selection Group, we are unable to quantify the impact of the acquisition on the Group.

(iii) On 27 July 2017, a conversion notice was received for the exercise of the conversion rights attached to the Convertible Bonds in respect of the principal amount of HK$24,012,000 at the conversion price of HK$0.92 per share. A total number of 26,100,000 new ordinary shares have been allotted and issued.

38. APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 22 September 2017.

39. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to the correction of prior year error disclosed in Note 2 to the consolidated financial statements and the disclosure requirement in respect of the discontinued operation set out in Note 13 to the consolidated financial statements. In addition, the comparative figures in the consolidated statement of profit or loss have been restated as if the operation discontinued during the current year had been discontinued at the beginning of the prior period.

FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 30 June				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000 (Restated)	HK$'000	HK$'000	HK$'000
CONTINUING OPERATIONS					
Revenue	**102,938**	160,289	188,314	205,781	220,633
(Loss)/profit before tax from continuing operations	**(20,243)**	(63,457)	50,955	20,983	34,241
Income tax expenses	**(5,664)**	(4,167)	(5,089)	(6,892)	(8,339)
(Loss)/profit for the year from continuing operations	**(25,907)**	(67,624)	45,866	14,091	25,902
DISCONTINUED OPERATION					
Loss for the year from discontinued operation	**(13,410)**	(1,087)	–	–	–
(LOSS)/PROFIT FOR THE YEAR	**(39,317)**	(68,711)	45,866	14,091	25,902
Attributable to:					
Owners of the Company	**(36,411)**	(67,346)	45,919	14,120	26,170
Non-controlling interests	**(2,906)**	(1,365)	(53)	(29)	(268)
(LOSS)/PROFIT FOR THE YEAR	**(39,317)**	(68,711)	45,866	14,091	25,902

ASSETS AND LIABILITIES

	At 30 June				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**170,326**	204,340	275,492	180,279	131,856
Total liabilities	**(28,296)**	(115,358)	(117,740)	(119,971)	(135,945)
Non-controlling interests	**4,324**	1,418	53	–	(45)
Total equity attributable to owners of the Company	**146,354**	90,400	157,805	60,308	(4,134)