

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all of the information which may be important to you.

OVERVIEW

Our Group is principally engaged in the management, as well as the organisation of trade exhibitions (which accounted for 95.0% of the total revenue of our Group as at 30 June 2013) and the provision of Exhibition Related Services for other exhibition organisers or project managers (which accounted for 4.9% of the total revenue of our Group as at 30 June 2013). During the Track Record Period, a major part of our revenue was derived from the management of and provision of Exhibition Related Services to the Mega Shows which were held and will continue to be held in HKCEC every October. Revenue derived from the Mega Shows during the Track Record Period accounted for approximately 95.9%, 87.6% and 88.4% of our Group's total revenue respectively. The Mega Show Part I (then under the names of Hong Kong International Toys & Gifts Show and Asian Gifts Premium & Household Products Show) and the Mega Show Part II (then under the name of ASIANA), collectively, the Mega Shows, were being organised annually since 1992 and 2003, respectively. According to the Industry Report, Mega Show Part I managed by us during 2012 ranked second in terms of number of exhibitors in Hong Kong and our Group ranked the fifth largest trade exhibition organiser or project manager located in Hong Kong with a share of total industry revenue of approximately 5.0%. Besides the Mega Shows, our Group also organised, managed and provided Exhibition Related Services to exhibitions held in Singapore, the PRC, the US, Germany, Russia and the UK. For roles that our Group took up in the respective trade exhibitions during the Track Record Period, please refer to the section headed "Business" in this document for further information. For the recurring exhibitions we have participated in during the Track Record Period and as at the Latest Practicable Date, please refer to the table below:

(i) Recurring exhibitions

Name of exhibitions/period held	Place held	Theme of exhibition	Roles taken up by our Group during the Track Record Period
Mega Shows October, 2010, 2011 and 2012	Hong Kong	Gifts, housewares, premiums and toys trade exhibition	Project manager, on-site manager, booth manager and sub-manager (<i>Note 1</i>)
Singapore Asia Expo November, 2011 and 2012	Singapore	Gifts and premiums, fashion accessories, housewares, toys and games, foodware, building material, sports and outdoor items trade exhibition	Organiser (<i>Note 2</i>)
Berlin Expo February, 2012 and 2013	Berlin, Germany	Apparel and textiles trade exhibition	Project manager and organiser (<i>Note 3</i>)
Vegas Expo August 2012	Las Vegas, Nevada, US	Gifts and premium, housewares, festive & seasonal, toys, games, and stationery trade exhibition	Organiser

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Notes:

1. In 2010, our Group acted as project manager for the Mega Show Part I New Wing and on-site manager and booth manager for the Mega Show Part I Old Wing and the Mega Show Part II. In 2011, our Group continued to act as the project manager for the Mega Show Part I New Wing and we took up the role of sub-manager for the Mega Show Part I Old Wing and the Mega Show Part II while in 2012, we acted as project manager for the Mega Shows.
2. Our Group co-organised the Singapore Asia Expo with 福建蒼源國際展覽有限公司 (Fujian Huiyuan International Exhibition Co. Ltd.*), an Independent Third Party.
3. Our Group acted as project manager for Berlin Expo in 2012. In 2013, we entered into a licence agreement with the venue provider of Berlin Expo and our Group acted as the organiser of Berlin Expo in 2013.

Besides the above recurring exhibitions, our Group also participated in London Asia Expo, Ningbo Consumer Expo, Commodities Fair Fujian China, Household Expo, China Sichuan New Year's Shopping Festival*, China Import and Export Fair and Hong Kong International Buddhist Fair. For further information of the trade exhibitions we participated during the Track Record Period, please refer to the section headed "Business" in this document.

Upcoming trade exhibition confirmed to be organised by our Group in 2013 and 2014

Name of exhibitions/ period to be held	Place to be held	Theme of exhibition	Roles to be taken up by our Group
Mega Show Part I 20-23 October 2013	Hong Kong	Gifts, housewares, premiums and toys trade exhibition	Organiser
Mega Show Part II 27-29 October 2013	Hong Kong	Gifts, housewares, premiums and toys trade exhibition	Organiser
Singapore Asia Expo 21-23 November 2013	Singapore	Gifts and premiums, fashion accessories, housewares, toys and games, foodware, building material, sports and outdoor items trade exhibition	Organiser (<i>Note 1</i>)
Berlin Expo 18-20 February 2014	Berlin, Germany	Apparel and textiles trade exhibition	Organiser
Mega Show Part I 20-23 October 2014	Hong Kong	Gifts, housewares, premiums and toys trade exhibition	Organiser
Mega Show Part II 27-29 October 2014	Hong Kong	Gifts, housewares, premiums and toys trade exhibition	Organiser

Notes:

1. We will be the organiser for the Singapore Asia Expo together with 福建蒼源國際展覽有限公司 (Fujian Huiyuan International Exhibition Co. Ltd.*), an Independent Third Party.

* translation for identification purposes only

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Roles that our Group took up in the management and organisation of exhibitions and the provision of Exhibition Related Services during the Track Record Period included the following:

	Role	Duty included	Major income source	Major expenses items
Management and organisation of trade exhibition	Project manager	Planning, management and execution of the entire exhibition including handling initial exhibition theme planning and relevant feasibility study, pre-sales preparation, sale of booths, marketing and advertising of the exhibition, operation, booth construction management and on-site management of the exhibition and post-exhibition review	Sale of booths	Share of revenue from sale of booths payable to organiser, booth construction fees, advertising fee, commission payable to agents, salary and office overhead
	Organiser	<ul style="list-style-type: none"> • Leasing of exhibition venue • Planning, management and execution of the entire exhibition including handling initial exhibition theme planning and relevant feasibility study, pre-sales preparation, sale of booths, marketing and advertising of the exhibition, operation, booth construction management and on-site management of the exhibition and post-exhibition review 	Sale of booths	Venue rental, exhibition co-operation expenses payable to organising partners, booth construction fees, advertising fee, commission payable to agents, salary and office overhead
Provision of Exhibition Related Services	On-site manager	On-site management of the exhibition	Service fee	Salary and office overhead
	Booth manager	Booth construction management of the exhibition	Service fee	Salary and office overhead
	Sub-manager	Operation, booth construction management and on-site management of the exhibition	Service fee	Salary and office overhead
	Agent	<ul style="list-style-type: none"> • Sale of booths • Booth construction management if necessary 	Sale of booths	Salary, sales commission of sales staff and office overhead

OUR HISTORY, DEVELOPMENT AND REORGANISATION

As at the Latest Practicable Date, we had eight operating subsidiaries incorporated in Hong Kong, the BVI, the PRC and the US, namely Mega Expo (BVI), Mega Expo (HK), i-MegAsia, Mega Expo (USA), Mega Expo Operations, Mega Expo (Berlin), Shenzhen Hengjian and Mega Expo (U.S.A.) Inc. In preparation for the [•••], various corporate reorganisation procedures were carried out, which included (i) incorporation of investment holding companies and our Company, (ii) acquisition of subsidiaries by such investment holding companies and our Company, (iii) sub-division of Shares and (iv) transfer of investment holding companies to our Company. As a result of the Reorganisation, our Company became the ultimate holding company of our Group. Please refer to the sections headed “History and development” and “Reorganisation” in this document for further information.

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History of the organisation of the Mega Shows

The Mega Show Part I (which was then named as the Hong Kong International Toys & Gifts Show and Asian Gifts Premium & Household Products Show) was first organised by Mr. Cheung and his business partners in 1992 through investing in Kenfair International Limited. Since then Mr. Cheung and his business partners gradually broadened the scope of the Hong Kong International Toys & Gifts Show and Asian Gifts Premium & Household Products Show, and the Mega Show Part II (then under the name of ASIANA) was introduced in 2003. As part of the pre-listing reorganisation of Sino Resources (formerly known as Kenfair International (Holdings) Limited), Kenfair International Limited became part of the Pro-Capital Group. Since then and until the acquisition of GIIL by Mr. Cheung, the Mega Shows were organised by the Pro-Capital Group. During his tenure at Sino Resources (formerly known as Kenfair International (Holdings) Limited), Mr. Cheung was its managing director and was involved in the administration, operation, organisation and marketing of its trade exhibitions (including the Mega Shows). As Sino Resources (formerly known as Kenfair International (Holdings) Limited) decided to diversify its business into the mining sector during 2008, Mr. Cheung decided to acquire GIIL, which then held, among others, the licence agreement for the occupancy of the venue to hold the Mega Shows in 2009, from Pro-Capital Group. From 2009 to 2012, GIIL was the organiser of the Mega Shows. Our Group was engaged as the project manager of the Mega Show Part I New Wing from 2009 to 2012, and also of the Mega Show Part I Old Wing and the Mega Show Part II in 2012 after Pro-Capital Group decided not to act as the project manager of the Mega Show Part I Old Wing and Mega Show Part II after 2011. In 2013 and 2014, our Group will act as the organiser of the Mega Shows. Save as being a minority shareholder of Business Good, which is one of our Controlling Shareholders, Mr. Cheung is an Independent Third Party. Sino Resources (formerly known as Kenfair International (Holdings) Limited) is also an Independent Third Party. For further details, please refer to the section headed “Business – Arrangement with GIIL Group and Pro-Capital Group” in this document.

OUR COMPETITIVE STRENGTHS

Our Group has the following competitive strengths, including (a) an experienced management team led by our founder, chairman and executive Director, Mr. Lee, who possesses over 26 years of experience in the exhibition industry in Hong Kong and overseas. In particular, Mr. Lee had taken up various positions at the HKTDC in the past as executive trainee, market officer, exhibition services manager, assistant executive director and director of exhibitions and publications; (b) our proven business track record of trade exhibitions organised or managed by us including the Mega Shows, of which the Mega Show Part I in 2012 was ranked second in terms of number of exhibitors in Hong Kong; (c) our extensive network of Agents in different areas of Asia to promote our exhibitions; (d) provision of one stop services for our exhibitors and visitors; and (e) our experience in managing and organising exhibitions internationally. Please refer to the section headed “Business – Competitive strengths” in this document for further information.

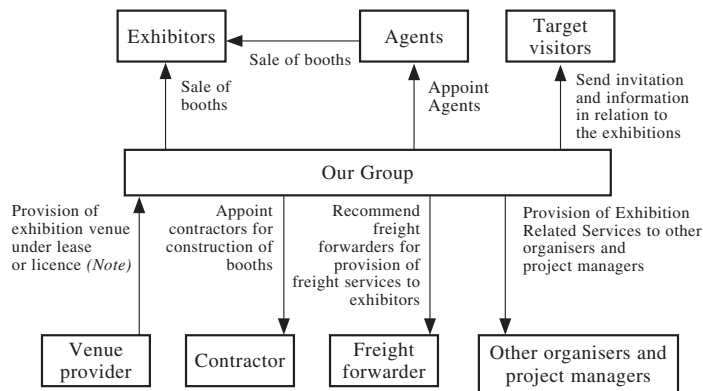
OUR BUSINESS STRATEGIES

We also plan to strengthen our market share in the exhibition organising industry by (a) expanding and improving our existing trade exhibitions including the Mega Shows; (b) developing new exhibitions in Macau, Poland and the UK; and (c) improving our information technology system to improve communication with exhibitors and visitors and setting up branch offices for promotion of our exhibitions in the PRC. Please refer to the section headed “Business – Business strategies” in this document for further information.

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OUR BUSINESS MODEL

Set out below is a diagram illustrating the overall business model of our Group as the organiser, project manager, and provider of Exhibition Related Services for exhibitions and the relationship among different industry players.



Note: When we act as project manager only, the venue licence is signed by the organiser.

The following table sets out the operational data of the major and recurring trade exhibitions we managed, organised or participated in during the Track Record Period:

Name of exhibition	Year held	Number of exhibitors (approximate)	Number of visitors (approximate)	Net exhibition space (sq.m) (approximate)	Role of our Group	Revenue	Average selling price
						contribution HK\$'000	of exhibition space HK\$ per sq.m
Mega Shows	2010	4,641	68,629	59,468	Project manager (Part I New Wing) On-site manager and booth manager (Part I Old Wing) On-site manager and booth manager (Part II)	141,629	3,410
	2011	4,345	66,891	56,174	Project manager (Part I New Wing) Sub-manager (Part I Old Wing) Sub-manager (Part II)	146,031	3,567
	2012	4,236	57,139	54,373	Project manager	195,060	3,403
Singapore Asia Expo	2011	519	6,135	5,313	Organiser	14,413	2,642
	2012	268	3,423	2,898	Organiser	10,673	3,642
Berlin Expo	2012	171	1,573	1,899	Project manager	4,908	2,527
	2013	225	1,691	2,490	Organiser	6,603	2,574
Vegas Expo	2012	276	3,558	3,042	Organiser	8,192	2,533

For further details and explanation regarding the above table, please refer to the section headed “Business - Exhibitions participated by our Group” in this document.

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The following table sets out the revenue contributed by each of the roles our Group had taken up in trade exhibitions we have participated in during the Track Record Period:

	Year ended 30 June		
	2011	2012	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Organiser	1,990	14,413	25,468
Project manager	132,221	133,388	195,060
Sub-manager	–	17,551	–
On-site manager and booth manager	10,208	–	–
Agent	3,213	1,224	–

OUR CUSTOMERS

Our customers in relation to our management and organisation of trade exhibitions mainly include (i) exhibitors which we sell our booths to directly or referred by our sales agents, and (ii) exhibition service agents which we sell our booths to directly. Our exhibitors, mainly from the PRC, Hong Kong, Taiwan, India and Thailand, participated in trade exhibitions organised or participated by our Group either by lodging applications with our sales team or with our respective appointed Agents. In relation to management and organisation of trade exhibitions, certain exhibition service agents (including but not limited to those in the PRC, Taiwan and other Asian countries) will also purchase booths directly from our Group and resell to exhibitors in their respective regions.

For our Exhibition Related Services business, our customers are trade exhibition organisers and/or project managers when we act as sub-manager, on-site manager and booth manager. For Exhibition Related Services which we act as agent, we purchase the booths from the relevant exhibition organiser and resell to our customers which are the exhibitors or other agents.

During the Track Record Period, our Group's top five customers in aggregate accounted for approximately 21.4%, 25.7% and 23.8% respectively of our Group's revenue while the largest customer accounted for approximately 12.8%, 12.7% and 12.4% respectively of our Group's revenue. All top five customers of our Group during the Track Record Period were exhibition service agents of our Group, located in Taiwan, the PRC, Vietnam and India.

OUR SUPPLIERS

Our Group's major suppliers are exhibition organisers, advertising agents, venue providers, booth contractors and sales agents. During the Track Record Period, the fees paid to our Group's five largest suppliers in aggregate accounted for approximately 49.3%, 44.0%, and 43.4% of our Group's total costs respectively while the fees paid to the largest supplier accounted for approximately 29.6%, 26.4% and 29.5% of our Group's total costs respectively.

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OUR AGENTS

During the Track Record Period, our Group also entered into agency agreement with certain sales agents, in which the sales agents will recruit exhibitors on our Group's behalf and in turn receive a commission. We also entered into agreements with certain exhibition service agents, which purchase our booths and resell to exhibitors. For sale of booths to exhibition service agents, our Group will provide certain discount on the booth price.

For further information regarding our customers, suppliers, and agents, please refer to the section headed "Business" in this document.

The following table sets out the participation fee income derived by each of our Group's sales channel during the Track Record Period:

	2011		Year ended 30 June		2013	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Exhibition service agent	32,534	26.0	47,612	33.9	70,902	33.8
Sales agent	14,354	11.5	15,895	11.3	40,644	19.4
Direct registration by exhibitors	78,051	62.5	77,011	54.8	98,207	46.8
	<u>124,939</u>	<u>100.0</u>	<u>140,518</u>	<u>100.0</u>	<u>209,753</u>	<u>100.0</u>

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Controlling Shareholders consist of Mr. Lee and Business Good. As at the Latest Practicable Date, Business Good was held by Mr. Lee and Mr. Cheung as to approximately 93.2% and 6.8% respectively, and Business Good directly held the entire issued share capital of our Company immediately prior to the [•••]. Although Business Good would hold approximately 70% of our issued share capital immediately upon completion of the [•••] and [•••], the management of our Group as well as the administration, operations and finance of our Group is independent of Business Good and Mr. Lee. As at the Latest Practicable Date, neither Business Good nor Mr. Lee controls or conducts any business which competes, or is likely to compete, either directly and indirectly, with our business. For further information, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

RISK FACTORS

There are certain risks relating to investing in our Shares, among which, the relatively material risks are set out below. You should read the entire section headed "Risk factors" in this document. Some of the key risks our Group faces includes:

- (a) in the event of a cancellation of the Mega Shows, our Group will incur a loss of the majority of our revenue, as it accounted for approximately 95.9%, 87.6% and 88.4% of our Group's revenue during the Track Record Period;

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- (b) in the event our Group fails to maintain our business relationship with our venue providers for our exhibitions, we may be unable to secure alternative venues for our exhibitions which may adversely affect our business operations; and
- (c) as we incur significant payment for preparation of our exhibitions before we accept deposits from exhibitors, there is a cash flow mismatch and in the event that our exhibition fails to materialise, our Group's financial condition will be adversely affected.

SUMMARY FINANCIAL INFORMATION

Key information from combined statements of comprehensive income and combined statements of financial position

The table below sets forth the selected information of our Group's combined statements of comprehensive income during the Track Record Period, details of which are set out in the Accountants' report in Appendix I to this document:

	Year ended 30 June		
	2011	2012	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	147,758	166,795	220,633
Organisation of exhibitions	124,939	140,518	209,753
Exhibition-related services	22,683	26,056	10,775
Ancillary services	136	221	105
Profit before tax	31,220	30,864	34,241
Profit for the year	25,926	24,888	25,902
Profit/(loss) attributable to:			
Owners of the Company	26,049	25,056	26,170
Non-controlling interests	(123)	(168)	(268)
Net profit margin (<i>Note</i>)	17.6%	15.0%	11.9%

Note: Net profit margin equals profit attributable to owners of the Company divided by revenue.

Our net profit margin decreased from approximately 17.6% in the year ended 30 June 2011 to approximately 15.0% in the year ended 30 June 2012 mainly due to the percentage increases in various expenses, including advertising and promotion expenses, exhibition rentals, staff costs, booth construction costs, exhibition expenses, and other operating expenses, were higher than the percentage increase in revenue. Our net profit margin decreased to approximately 11.9% in the year ended 30 June 2013 due to the increase in exhibition cooperation expenses, staff costs and the incurring of [•••] expenses for the year ended 30 June 2013.

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	As at 30 June		
	2011	2012	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	121,216	147,147	129,970
Current liabilities	118,865	146,499	135,945
Net current assets/(liabilities)	2,351	648	(5,975)
Total asset	123,004	148,560	131,856
Total equity	4,139	2,061	(4,089)

The decrease of net current assets position for the three years ended 30 June 2013 was primarily due to the combined effect of decrease in net profit attributable to equity holders of our Group and payment of dividend. We recorded a net current liabilities as at 30 June 2013 primarily due to the dividend payment and the increase in legal and professional fees incurred for the year ended 30 June 2013 in preparation for the [•••]. As our Group’s operation is not capital in nature, our Directors consider that subject to the requirements of future development and operating cash flow, our Group intends to distribute our surplus cash to our Shareholders, when appropriate. Please refer to the section headed “Financial information – Dividend and dividend policy” in this document for details of our dividend policy.

SELECTED KEY FINANCIAL RATIOS

The table below sets forth our Group’s current ratio, return on equity and return on total assets as at the dates indicated:

	As at 30 June		
	2011	2012	2013
Financial ratio			
Current ratio	1.0	1.0	1.0
Return on equity	710.2%	1,431.8%	N/A
Return on total assets	21.2%	16.9%	19.8%

For further details and explanation regarding the above table, please refer to the section headed “Financial information – Other key financial ratios” in this document.

REGULATORY NON-COMPLIANCE

As advised by our Hong Kong Legal Counsel, PRC Legal Advisers, Singapore Legal Advisers, German Legal Advisers, Russia Legal Advisers and the US Legal Advisers, our Group had obtained the necessary approvals, if any, from the relevant governmental authorities in respect of all the exhibitions participated by our Group in Hong Kong, the PRC, Singapore, Germany, Russia and the US during the Track Record Period and up to the Latest Practicable Date, except for certain cases of non-compliance.

Historical non-compliances include (a) non-compliance with the PRC social insurance fund contribution requirements; (b) failure to register change of particulars of Ningbo Tianyi; (c) non-compliance with section 122 of the Companies Ordinance; (d) non-compliance regarding foreign exchange control regulations in the PRC; (e) failure to register our business in Singapore and the US during the Track Record Period; and (f) failure to obtain a licence for certain travel arrangement services during the

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Track Record Period. Please refer to the section headed "Business – Historical non-compliance" in this document for further details.

LATEST DEVELOPMENT OF OUR GROUP

Subsequent to the Track Record Period, our Group continued with the preparation work for the upcoming of the Mega Shows 2013 to be held in October 2013 and the Singapore Asia Expo 2013 to be held in November 2013. Receipt in advance for the Mega Shows 2013 also increased steadily to approximately HK\$122.4 million as at 30 June 2013. Instalment payments of respective venues have also been paid according to the payment schedule. For the Berlin Expo 2014 and the Mega Shows 2014, our Group has also entered into the licence agreement independently with the venue provider of the respective trade exhibitions.

Regarding the Vegas Expo originally scheduled to be held in August 2013, due to the Boston Marathon explosion which occurred on 15 April 2013, a number of enrolled exhibitors had expressed concerns about travelling to the US and enquired about the possibility of withdrawal of application and refund. Our PRC exhibitors had also expressed concerns that the incident occurred in May 2013 in Guangzhou, PRC, of which inexplicable powder were found in the US Consulate General in Guangzhou may affect the progress of their visa applications for entry into the US for the participation of our Vegas Expo in August 2013. In this regard, our Group decided to postpone the Vegas Expo 2013 to 2014. As at the Latest Practicable Date, our Group was in the course of negotiating with the venue provider on carrying forward the prepaid venue deposits of an aggregate amount of approximately HK\$0.3 million to the following edition of the Vegas Expo. The rules and regulations set out in the application forms of the Vegas Expo for 2013 stipulated that the participation fee paid by the applicants shall be non-refundable. However, due to our Group's intention to maintain a long term relationship with our exhibitors and exhibition service agents, we intend to offer to refund the full amount of the participation fee in the sum of approximately HK\$0.6 million. Our Group confirmed that such refund will not significantly impact our liquidity position.

In respect of the financial performance, as no trade exhibitions participated by our Group (save as the Vegas Expo 2013 which was postponed due to the abovementioned factors) will be held between March to September, as such save as disclosed above and the incurring of advertising, operational and administrative expenses, our Group did not have other major development up to the Latest Practicable Date. Due to the above mentioned reasons, our Directors anticipate that there will be a possibility that the participation of the upcoming exhibitions will also be impacted. As no exhibition was held subsequent to February 2013 up to the Latest Practicable Date and our Group continued to incur relevant advertising, operational and administrative expenses along the way to organise the upcoming trade exhibitions, our Group recorded a net current liabilities and net liabilities as at 31 August 2013. Our Directors are of the view that as at 31 August 2013, our Group recorded a receipt in advance on trade exhibitions to be organised by our Group in the coming months of approximately HK\$147.7 million. Immediately upon completion of the relevant trade exhibitions, the receipt in advance from customers will be recognised as our Group's revenue and as a result our Group's net liability position will be restored to net asset position.

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DIVIDEND AND DIVIDEND POLICY

During each of the three years ended 30 June 2011, 2012 and 2013, we declared dividends of approximately HK\$36.0 million, HK\$27.0 million and HK\$32.0 million, respectively. All dividends payable for each year during the Track Record Period had been settled as at the Latest Practicable Date. For details, please refer to the section headed “Financial information – Dividend and dividend policy” in this document.