

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are referred to in the section headed "Risk factors" on pages 14 to 19 of this prospectus. You should read that section carefully before you decide to apply for any Offer Shares.

BUSINESS

The Group is principally engaged in the organisation of trade fairs, trade shows and related activities to promote and facilitate trades between international buyers and manufacturers, particularly Asian manufacturers. Every year, the Group organises the Asian Gifts Premium & Household Products Show, the first of which was held in October 1993, and the Hong Kong International Toys & Gifts Show, the first of which was held in October 1992. Since 1993, these two trade shows have been held concurrently at HKCEC in Hong Kong in October every year and are proposed to be held annually. The Group also organises the Asia Expo, which is proposed to be held annually in London, the UK. The first Asia Expo was held in February 2001 and the second in February 2002. In addition, the Group sells advertising spaces in the fair catalogues of the Hong Kong International Toys & Gifts Show and the Asian Gifts Premium & Household Products Show which are published by the Group. Participation fees are charged to exhibitors based on the size and the design of the exhibition booths they occupy. The Group provides customised booth design services to exhibitors and has its own customer service department to handle general enquiries from exhibitors and buyers. The Group also provides travel and accommodation arrangement services to exhibitors and buyers. Most visitors attending the shows are invited by the Group with free admission to the shows. Entrance fees are charged to those visitors who attend the shows without an invitation.

As at the Latest Practicable Date, the exhibitions organised by the Group on an annual basis are listed below:

Month held	Name of exhibition	Location	Year of commencement
October	Hong Kong International Toys & Gifts Show	Hong Kong	1992
October	Asian Gifts Premium & Household Products Show	Hong Kong	1993
February	Asia Expo	London	2001

For the three years ended 31st March, 2001, the Group has achieved significant growth in both turnover and net profits. The Group's turnover for each of the three years ended 31st March, 2001 and the seven months ended 31st October, 2001 amounted to approximately HK\$54 million, HK\$101 million, HK\$150 million and HK\$145 million respectively. The Group's net profit attributable to Shareholders for each of the three years ended 31st March, 2001 and the seven months ended 31st October, 2001 amounted to approximately HK\$9 million, HK\$32 million, HK\$40 million and HK\$55 million respectively. The principal factors for the outstanding performance of the Group were the substantial increases in the size of the October Shows and the

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successful launch of the Asia Expo in the UK. The turnover of the Group was principally attributable to participation fees from the trade shows, which accounted for approximately 98.7%, 98.4%, 97.9% and 97.2% of the Group's turnover for each of the three years ended 31st March, 2001 and the seven months ended 31st October, 2001 respectively.

Besides the October Shows and the Asia Expo, the Group has also organised other trade shows including the Hong Kong Autumn Fair held in October 1995, the Hong Kong Spring Fair held in April 1996 and the Asian Consumer Electronics Show held in April 1998.

The Directors believe that the success of the Group is attributable principally to the following strengths of the Group:

1. Proven business model

Since 1993, the Asian Gifts Premium & Household Products Show has been held as a concurrent event together with the Hong Kong International Toys & Gifts Show annually and the October Shows have recorded growth in terms of both the number of exhibitors and of visitors. In 1998, the October Shows had about 1,500 exhibitors, over 2,200 booths and over 30,000 visitors. In 1999, the October Shows grew significantly in terms of the number of exhibitors, number of booths and number of visitors with a total of 2,300 exhibitors, approximately 3,000 booths and over 43,000 visitors. The October Shows in 2000 had over 2,700 exhibitors, over 3,900 booths and over 57,000 visitors. The October Shows in 2001 had approximately 2,900 exhibitors, approximately 4,100 booths and approximately 55,000 visitors. The Group also successfully organised the Asia Expos in London in 2001 and 2002.

2. Industrial expertise

The ability of the Group to serve the needs of buyers ensures a large buyers' attendance at the trade shows organised by the Group. The Group's staff regularly attend many other trade shows to obtain information on buyers' profiles and preferences in order to understand buyers' requirements. In addition, all the executive Directors have more than ten years of experience in the trade show industry. Such in-depth knowledge and expertise in the exhibition industry ensures that the Group's trade shows can fulfill the needs of buyers.

3. Large database of exhibitors and buyers

The Group maintains a large proprietary database of exhibitors, who are mainly in the gifts, premium, toys and household products business, and of buyers, who are mainly general merchandisers. The Group's ability to draw from such a large database of exhibitors and buyers enables the Group to market its services broadly which in turn enhances the exposure and business opportunities of the participants in the Group's trade shows, and attracts more exhibitors and buyers to participate in the Group's trade shows accordingly.

4. Focused sales and marketing efforts

The Group organises well structured and coordinated marketing campaigns to promote the Group's trade shows. Marketing and promotion activities are organised throughout the year to create publicity for the Group's trade shows.

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TRADING RECORD

The table below summarises the combined audited results of the Group for each of the three financial years ended 31st March, 2001 and the seven months ended 31st October, 2001. The summary was prepared on the assumption that the current structure of the Group was in place throughout the periods under review. This summary should be read in conjunction with the accountants' report set out in Appendix I to this prospectus.

	Year ended 31st March,			Seven months ended
	1999 <i>HK\$'000</i>	2000 <i>HK\$'000</i>	2001 <i>HK\$'000</i>	31st October, 2001 <i>HK\$'000</i>
TURNOVER				
Participation fee income	53,258	99,828	147,218	141,202
Entrance fee income	235	255	1,029	874
Administrative income	–	696	276	–
Advertising fee income	456	652	1,810	3,119
	<u>53,949</u>	<u>101,431</u>	<u>150,333</u>	<u>145,195</u>
Other income	–	–	–	300
Interest income	304	293	904	465
Advertising and promotion expenses	(9,060)	(7,763)	(11,647)	(7,155)
Agency commission	(175)	(11,112)	(8,786)	(9,061)
Depreciation	(974)	(1,301)	(2,800)	(1,920)
Operating lease rentals	(9,963)	(13,124)	(20,242)	(17,370)
Staff costs	(11,195)	(13,908)	(24,103)	(19,281)
Other operating expenses	(12,440)	(15,675)	(34,881)	(24,284)
	<u>10,446</u>	<u>38,841</u>	<u>48,778</u>	<u>66,889</u>
PROFIT FROM OPERATING ACTIVITIES	10,446	38,841	48,778	66,889
Finance costs	(417)	(355)	(435)	(331)
	<u>10,029</u>	<u>38,486</u>	<u>48,343</u>	<u>66,558</u>
PROFIT BEFORE TAX	10,029	38,486	48,343	66,558
Tax	(1,496)	(6,166)	(8,797)	(11,208)
	<u>8,533</u>	<u>32,320</u>	<u>39,546</u>	<u>55,350</u>
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	8,533	32,320	39,546	55,350
Dividends	(8,600)	(25,000)	(51,000)	(34,500)
	<u>6</u>	<u>22</u>	<u>27</u>	<u>38</u>
Earnings per Share				
– Basic, cents	6	22	27	38

Further particulars of the Group's performance for each of the three years ended 31st March, 2001 and the seven months ended 31st October, 2001 are set out in the section of this prospectus headed "Financial information".

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DIVIDENDS

The Group declared and paid dividends of approximately HK\$8,600,000, HK\$25,000,000 and HK\$51,000,000 respectively for each of the three years ended 31st March, 2001 to its then shareholders. An interim dividend of HK\$34,500,000 was declared by a subsidiary of the Company, Kenfair International, for the seven months ended 31st October, 2001 and was paid to the shareholders who appeared on its register of members on 31st October, 2001. Such dividends were paid out of the Group's internal resources and no loan arrangement was made or will be made to finance such payments.

FUTURE PLANS AND PROSPECTS

The October Shows in Hong Kong provide a large, consistent and stable income for the Group. The success of the first two Asia Expos indicates that the Group's business model can be applied to trade shows of a different nature and outside Hong Kong. The Group will seek to build on these successes to develop new shows both locally and overseas. In addition, the Directors believe that China's accession to the WTO will present a great opportunity for the development of the trade show and exhibition industry in the PRC.

Based on the Group's extensive expertise and experience in the trade show and exhibition industry and the depth and extent of its database on buyers and exhibitors, the Directors believe that the Group is well positioned to take advantage of these to expand its businesses. The Group plans to leverage on its knowledge, expertise and experience in the industry to expand its business and to provide more value-added services to its customers. To this end, the Directors have identified the following major areas which they believe would offer potential development opportunities to the Group:

Expansion of existing trade shows

The Group has experienced significant growth in the demand for the October Shows over the past years. The favourable responses to the first two Asia Expos further proved the Group's ability in organising these trade shows. To build on this success, the Group plans to further develop and expand these shows.

The second Asia Expo was held in February 2002 and its size was greater than that of the first show in 2001, with about 500 booths in 2001 and over 650 booths in 2002.

The October Shows in 2001 had approximately 2,900 exhibitors, approximately 4,100 booths and approximately 55,000 visitors. It is expected that these shows will have over 4,300 booths in 2002. In addition, in view of the enormous demand for booth spaces at the October Shows, the Group will assess the possibility of splitting up the October Shows into two separate shows in future.

Development of new shows

The Group will utilise its experience and expertise in the industry and apply its business model to develop new shows. The Group plans to organise an Asian food fair in Hong Kong in 2003. While the TDC already organises an annual "Food Expo", the Group's food fair will be different from the Food Expo, adding a more international flavour by bringing in more Asian exhibitors. The Group believes that it can leverage on its good and long term relationships with its

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agents in Asian countries to make the show a success. As an indication of the potential of a food fair, the Food Expo 2000 organised by the TDC attracted over 220 exhibitors and over 200,000 attendees.

The Group intends that trade shows similar to the Asia Expo will be organised overseas. The Group is exploring an opportunity to organise an Asian gems and jewellery show in Bangkok, Thailand in 2004 under a consultancy arrangement with Worldex Exhibition & Promotion Co., Limited.

The Group has an intention to form joint ventures or cooperation arrangements with large overseas trade fair organisers to organise trade shows and exhibitions overseas. The Directors believe that the business relationships and industrial expertise of these overseas trade fair organisers will further strengthen the Group's position in the overseas market. Cooperation relationships may also create synergies in terms of business connections and reputation.

Development of the PRC market

Recognising the potential of the PRC market in terms of the number of manufacturers located in the PRC and the potential of Shanghai to become a major trade exhibition centre in the PRC, the Group, through its Shanghai representative office, intends to develop the PRC market there.

In 2002, the Group, through its Shanghai office, will concentrate on promoting its existing trade shows to the PRC manufacturers. It will develop and foster relationships and connections with local industry participants and will also perform research on the exhibition market. As a result of China's entry to the WTO, the Group expects that restrictions on foreign ownership of exhibition organisers will be gradually relaxed and the Group will be in a position to organise its first trade show in the PRC.

Business development

In order to provide more value-added and high quality services to its customers, the Group intends to explore opportunities in the booth fabrication business. Currently, while the Group has its own design department for the design of exhibition booths, the fabrication and construction of the booths are contracted out to several independent subcontractors. The Directors believe that an in-house fabrication operation will allow the Group to closely monitor the quality of the exhibition booths and provide more flexibility in catering the design requirements of its customers. In addition, the fabrication operation will provide a new source of income to the Group. The Group plans to develop this area of business by acquiring an established fabricator, which is planned to be financed by its internal resources. The Directors are in the process of identifying an appropriate target, but potential acquisition of an established fabricator is still in the preliminary stage and no commitments had been made in this regard as at the Latest Practicable Date.

REASONS FOR THE SHARE OFFER AND USE OF PROCEEDS

The proceeds of the New Issue receivable by the Group will enhance its capital base and will provide funding for future plans of the Group. The net proceeds of the New Issue, after deduction of expenses, are estimated to amount to approximately HK\$31 million. If the Over-

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allotment Option is exercised in full, the net proceeds of the New Issue will increase to approximately HK\$42 million. The Directors at present intend to apply the net proceeds for the following purposes:

- as to approximately HK\$4 million for the expansion of the existing trade shows;
- as to approximately HK\$8 million for the development of new shows;
- as to approximately HK\$4 million for the development of the PRC market; and
- as to the balance of approximately HK\$15 million or approximately HK\$26 million if the Over-allotment Option is exercised in full, as general working capital of the Group.

To the extent that the net proceeds of the New Issue are not immediately applied for the above purposes, the Directors intend to place such net proceeds on interest-bearing deposit with financial institutions.

RISK FACTORS

The Directors consider that the Group's business is subject to a number of risk factors which can be categorised into (i) risks associated with the Group, (ii) risks associated with the industry and (iii) risks relating to the political, economic and legal regimes as follows:

Risks associated with the Group

- Reliance on the October Shows
- Seasonality of the business
- Reliance on major venue provider and suppliers of exhibition-related facilities and services
- Sustainability of profit
- Reliance on databases of exhibitors and buyers in the toys and premium gifts industries
- Reliance on key personnel
- Reliance on a major customer
- Risk of geographical expansion
- Dividends

Risks associated with the industry

- Intensive preparatory works and advance cash payment required for organising exhibitions
- Competition
- Low entry barrier

Risks relating to the political, economic and legal regimes

- Political and economic stability in the PRC
- Legal and regulatory framework in the PRC
- Restrictions on the industrial sector in the PRC
- Political and economic risks in Hong Kong
- Possible impact of the terrorist attacks in New York and Washington, the US on 11th September, 2001
- Statistics from unofficial publications

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FORECAST FOR THE YEAR ENDING 31ST MARCH, 2002

Forecast combined profit after tax but
before extraordinary items of the Group (*Note 1*) HK\$45 million

Forecast earnings per Share
(a) weighted average (*Note 2*) 31.25 cents
(b) fully diluted (*Note 3*) 25 cents

SHARE OFFER STATISTICS (based on the Offer Price of HK\$1.00 per Share)

Market capitalisation HK\$180 million

Prospective price/earnings multiple
(a) weighted average (*Note 4*) 3.2 times
(b) fully diluted (*Note 5*) 4 times

Prospective annual dividend yield (*Note 6*) 19%

Adjusted net tangible asset value per Share (*Note 7*) 21.49 cents

Notes:

1. The bases and assumptions on which the forecast combined profit after tax but before extraordinary items of the Group for the year ending 31st March, 2002 are set out in Appendix II to this prospectus. The Directors are not aware of any extraordinary items which have arisen or are likely to arise during the year ending 31st March, 2002.
2. The calculation of the forecast earnings per Share on a weighted average basis is based on the forecast combined profit after tax but before extraordinary items of the Group for the year ending 31st March, 2002 and the weighted average number of 144,000,000 Shares expected to be in issue during the year, but takes no account of any Shares which fall to be allotted and issued pursuant to the exercise of the Over-allotment Options or any options which may be granted under the Share Option Scheme or which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in the paragraph headed "Written resolutions of the sole Shareholder passed on 18th March, 2002" in Appendix V to this prospectus or otherwise.
3. The calculation of the forecast earnings per Share on a pro forma fully diluted basis is based on the forecast combined profit after tax but before extraordinary items of the Group for the year ending 31st March, 2002 assuming that the Company had been listed since 1st April, 2001 and a total of 180,000,000 Shares had been in issue during the year, but takes no account of any Shares which fall to be allotted and issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme or which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in the paragraph headed "Written resolutions of the sole Shareholder passed on 18th March, 2002" in Appendix V to this prospectus or otherwise.
4. The prospective price/earnings multiple on a weighted average basis is based on the forecast earnings per Share on a weighted average basis of 31.25 cents per Share for the year ending 31st March, 2002 as set out in the text to Note 2 and on the Offer Price of HK\$1.00 per Offer Share.
5. The prospective price/earnings multiple on a fully diluted basis is based on the forecast earnings per Share on a fully diluted basis of 25 cents per Share for the year ending 31st March, 2002 as set out in the text to Note 3 and on the Offer Price of HK\$1.00 per Offer Share.
6. The prospective annual dividend yield is based on the total dividend of HK\$0.19 per Share which the Directors forecast would have been paid if the Company had been a listed company throughout the year ending 31st March, 2002 and is arrived at on the basis set out in the paragraph headed "Profit forecast and dividends" in the section headed "Financial information" of this prospectus and on the Offer Price of HK\$1.00 per Offer Share.
7. The adjusted net tangible asset value per Share has been arrived at after making the adjustments referred to in the paragraph headed "Adjusted net tangible assets" under the section headed "Financial information" of this prospectus and on the basis of a total of 180,000,000 Shares in issue and to be issued as mentioned herein, but takes no account of any Shares which fall to be allotted and issued pursuant to the exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme or which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in the paragraph headed "Written resolutions of the sole Shareholder passed on 18th March, 2002" in Appendix V to this prospectus or otherwise.