

FUTURE PLANS

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 business. 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 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 a consultancy arrangement with Worldex Exhibition & Promotion Co., Limited in 2004.

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.

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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 the 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 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 have 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 the 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-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.