MEGA EXPO HOLDINGS LIMITED

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

Annual Report 2014/15

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Wa *(Chairman)* (appointed on 31 July 2015)
Mr. Si Tze Fung
Mr. Liu Gejiang (appointed on 5 June 2015)
Mr. Sun Sizhi (appointed on 31 July 2015)
Mr. Lee Chi Sang (resigned on 31 July 2015)

Independent Non-executive Directors

Mr. Yeung Chun Yue, David
(appointed on 2 December 2014)
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)
Mr. Choi Hung Fai (appointed on 17 July 2015)
Mr. Yeung Wai Keung (resigned on 4 July 2014)
Mr. Leung Hung Kee (resigned on 11 November 2014)
Mr. Chu Kwok Man (resigned on 5 June 2015)
Mr. Law Sung Ching, Gavin (appointed on
12 September 2014 and resigned on 17 July 2015)

AUDIT COMMITTEE

Mr. Yeung Chun Yue, David *(Chairman)*
(appointed on 2 December 2014)
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)
Mr. Choi Hung Fai (appointed on 17 July 2015)
Mr. Yeung Wai Keung (resigned on 4 July 2014)
Mr. Leung Hung Kee *(Chairman)*
(resigned on 11 November 2014)
Mr. Chu Kwok Man (resigned on 5 June 2015)
Mr. Law Sung Ching, Gavin (appointed on
12 September 2014 and resigned on 17 July 2015)

REMUNERATION COMMITTEE

Mr. Wong Ka Fai, Paul *(Chairman)*
(appointed on 5 June 2015)
Mr. Yeung Chun Yue, David
(appointed on 2 December 2014)
Mr. Lam Wa (appointed on 31 July 2015)
Mr. Chu Kwok Man *(Chairman)*
(resigned on 5 June 2015)
Mr. Leung Hung Kee (resigned on 11 November 2014)
Mr. Lee Chi Sang (resigned on 31 July 2015)

NOMINATION COMMITTEE

Mr. Lam Wa *(Chairman)* (appointed on 31 July 2015)
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)
Mr. Choi Hung Fai (appointed on 17 July 2015)
Mr. Chu Kwok Man (resigned on 5 June 2015)
Mr. Yeung Wai Keung (resigned on 4 July 2014)
Mr. Law Sung Ching, Gavin (appointed on
12 September 2014 and resigned on 17 July 2015)
Mr. Lee Chi Sang *(Chairman)* (resigned on 31 July 2015)

COMPANY SECRETARY

Mr. Yau Yan Ming, Raymond
Certified Public Accountants
(appointed on 7 May 2015)
Ms. Li Ka Yi
Certified Public Accountants
(resigned on 7 May 2015)

AUTHORISED REPRESENTATIVES

Mr. Liu Gejiang
Mr. Yau Yan Ming, Raymond

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

COMPLIANCE ADVISER

Halcyon Capital Limited

LEGAL ADVISERS

As to Hong Kong law
Chiu & Partners

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
Admiralty, Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4/F, Royal Bank House
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 2015 HK$'000	Year ended 30 June 2014 HK$'000	Year ended 30 June 2013 HK$'000
Results			
Revenue			
Organisation of exhibitions	**179,733**	195,679	209,753
Exhibition-related services	**8,497**	10,022	10,775
Ancillary services	**84**	80	105
	188,314	205,781	220,633
Profit for the year	**45,866**	14,091	25,902
Profit attributable to owners of the Company	**45,919**	14,120	26,170

	At 30 June 2015 HK$'000	At 30 June 2014 HK$'000	At 30 June 2013 HK$'000
Consolidated statement of financial position			
Total assets	**275,492**	180,279	131,856
Total liabilities	**(117,740)**	(119,971)	(135,945)
Net assets/(liabilities)	**157,752**	60,308	(4,089)

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am very pleased and deeply honored to be appointed as the Chairman of Mega Expo Holdings Limited (together with its subsidiaries, collectively the "**Group**") and hoping that I can contribute to the continuing success of the Group and bring the Group to the next level of height.

During the financial year 2014/2015, the Group successfully staged five trade fairs, namely Home Appliances, Lighting & Electronics Exhibition ("**ALEEX**") held during 14 – 17 October 2014 and 14 – 17 April 2015 respectively in Guangzhou, the People's Republic of China (the "**PRC**"), Mega Show Part I held during 20 – 23 October 2014 and Mega Show Part II held during 27 – 29 October 2014 in Hong Kong and Asia Apparel Expo-Berlin 2015 held during 15 – 17 February 2015. Mega Show series continued to be the core business activity of the Group. Mega Show Part I held in October 2014 attracted approximately 3,400 exhibitors and approximately 40,000 buyers from more than 100 countries. Mega Show Part II, as a complementary event to Mega Show Part I, attracted approximately 600 exhibitors and over 13,000 buyers from more than 100 countries.

The Group started to manage the ALEEX in Guangzhou, the PRC since April 2014 and the second edition was held in October 2014. The number of exhibitors increased from 191 to 245. Since ALEEX is still a brand new exhibition, more resources in promotion and organisation are required for attracting exhibitors and buyers and building up the reputation of ALEEX.

Entering 2015, the Group is facing global macro-economic challenges which are beyond the control of the Group. The critical drop in the price of raw materials and commodities and the global fluctuation in exchange rates are posing uncertainties to consumer goods manufacturers in Asia, who are the main target group of customers of the Group. Due to the high rental and labour costs, the Hong Kong-based manufacturing industry is also shrinking. This is evident from the declining number of exhibition booths originating from Hong Kong companies at Mega Show Part I and II. The general economic outlook of Hong Kong may also be affected due to the uncertain local political atmosphere and social unrest as reflected in the recently ended occupy Central movement at the end of 2014. The slower growth of the global economy in 2014 also adds uncertainty to the economic outlook of Hong Kong in 2015.

It is our main business goal to promote and facilitate trade between international buyers and manufacturers, particularly those from Asia, through the trade exhibitions managed or organised by the Group. To achieve our business goal, we plan to build on our competitive strengths to expand and improve our existing trade exhibitions, introduce new exhibitions and broaden our exhibition management expertise and exposure. For the existing trade shows, the Group intends to further improve the overall management and their attractiveness to existing and potential visitors. We also plan to introduce new themes to these existing exhibitions.

PROSPECTS

Apart from developing new exhibitions, the Group may from time to time explore opportunities to invest in, to acquire or to co-organise new exhibitions with potential growth. Hence, the Company also intended to expand its business beyond it core business of organisation and management of trade exhitbitions and the exhibitions management services into new projects which leveraging the Group's experience and resources in the exhibition industry, the Group shall organise related exhibitions and conferences during international film festivals and other exhibition periods, thus, expanding the Group's scope of operation, and improve the overall organisation and the services industry in the Qingdao West Coast New Zone*（青島西海岸新區）("**West Coast**") in Qingdao, Shandong Province, the PRC. In September 2015, the Group and International Investment & Cooperation Promotion Bureau of the Huangdao District*（黃島區國際招商局）("**Huangdao Investment Promotion Bureau**") entered into a memorandum of understanding (the "**MOU**") indicating, among others, their intention to enter into a definitive legally binding cooperation agreement (the "**Definitive Agreement**") in respect of a possible investment (the "**Possible Investment**") in the projects, namely Huashan Resort and Jimiya Fisherman's Wharf at the West Coast. Details can be referred to the Company's announcement dated 4 September 2015. We believe the Possible Investment could also expand the Group's business scope and broaden its income sources, enhance its financial performance and will be beneficial to the future growth and business development of the Group.

Finally, on behalf of the Board of Directors, I would like to thank our customers, sales agents and suppliers for their support, our shareholders for their trust, and all the staff of our Group for their hard work and contribution.

Lam Wa
Chairman
Hong Kong
14 September 2015

* *the English translation of the Chinese name is for identification purpose and should not be regarded as the official English translation of Chinese name.*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

General Overview

For the year ended 30 June 2015, the Group recorded a total revenue of approximately HK$188,314,000 (2014: approximately HK$205,781,000), representing a decline of 8.5% for the corresponding period of last year. The decline in turnover was due to the end of co-operation agreement of Asia Expo-Singapore. For the year ended 30 June 2015, revenue from organisation of exhibitions accounted for 95.4% (2014: 95.1%) of the total revenue, while revenue from provision of exhibition-related services accounted for 4.6% (2014: 4.9%).

During the year, profit before taxation was approximately HK$50,955,000 (2014: approximately HK$20,983,000) representing an increase of approximately HK$29,972,000 compared to the last year which was mainly raised from the gain on disposal of Idea Trade Limited ("**Idea Trade**") during the year ended 30 June 2015 amounted to approximately HK$40,851,000.

Organisation of Exhibitions

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

During the year ended 30 June 2015, revenue generated from the organisation of exhibitions accounted for approximately HK$179,733,000 (2014: approximately HK$195,679,000), representing a decrease of 8.1%, since the cooperation agreement of Singapore Expo 2014 has ended during the year which contributed a turnover of approximately HK$8,582,000 for the year ended 30 June 2014. In addition, uncertain world economic climate also lead to a drop in the number of exhibitors and a decrease in our revenue comparing to the year ended 30 June 2014.

In order to meet with the keen competition among competitors, the Group has enhanced promotion and other exhibition-related services for exhibitions which resulted in an increase in advertising and promotion cost and exhibition expenses from approximately HK$18,750,000 and HK$9,036,000 respectively for the year ended 30 June 2014 to approximately HK$25,711,000 and HK$12,277,000 respectively for the year ended 30 June 2015.

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 2015, revenue generated from exhibition-related services was approximately HK$8,497,000 (2014: approximately HK$10,022,000), representing a decrease of 15.2%. Since the revenue mainly represents the income from additional facilities provided to the exhibitors, it was affected by the cessation of Singapore Expo and the decrease in the number of exhibition booths sold.

Ancillary services

We have also provided ancillary services for trade shows and exhibitions. The Group recorded a revenue from provision of ancillary service for the year ended 30 June 2015 of approximately HK$84,000 (2014: approximately HK$80,000). The increase represented an increase in advertising income generated from the advertisement of the exhibitors to be published in the show magazine.

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing

As at 30 June 2015, the Group has a total assets of approximately HK$275,492,000 (2014: approximately HK$180,279,000) which was financed by current liabilities of approximately HK$117,740,000 (2014: approximately HK$119,971,000), non-controlling interest of approximately HK$53,000 (2014: Nil) and shareholders' equity of approximately HK$157,752,000 (2014: approximately HK$60,308,000). The receipt of proceeds from the placing of shares of the Company in November 2014 led to the increase in cash and cash equivalents and the shareholders' equity. The decrease in current liabilities was due to the decrease in income tax payable.

The cash and cash equivalents of the Group as at 30 June 2015 was mainly denominated in Hong Kong dollars, United States dollars ("**USD**") and Renminbi ("**RMB**") respectively.

As at 30 June 2015, the Group's current ratio was 2.30 (2014: 1.42); and since the Group did not have any debts, no gearing ratio was presented.

As at 30 June 2015, 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 assets as at 30 June 2015.

Capital Structure

Shareholders' equity increased to approximately HK$157,752,000 as at 30 June 2015 from approximately HK$60,308,000 as at 30 June 2014. The main reason for the change is that the Company and a placing agent entered into a placing agreement to place up to 40,000,000 new shares at a placing price of HK$1.381 per share (the "**Placing**"). The Placing has been completed on 20 November 2014. As at 30 June 2015, the Group did not have any long term debts (2014: Nil).

Material Acquisition and Disposal

On 21 April 2015, New Heyday Investments Limited, an indirect wholly-owned subsidiary of the Company (the "**Vendor**"), and Geniune Heart Trading Limited, an independent third party of the Company (the "**Purchaser**"), entered into a sale and purchase agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the entire issued share capital of Idea Trade, an indirect wholly owned subsidiary of the Company, at a consideration of HK$42,500,000 (the "**Disposal**"). Please refer to the Company's announcement dated 21 April 2015 for information regarding the Disposal.

Save as disclosed above, during the year under review, there was no material acquisition or disposals of subsidiaries or associates of the Company.

Exposure to Fluctuation in Exchange Rates

The Group manages or organises exhibitions held in Hong Kong, Macau, the PRC and Germany, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD 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 2015, the Group has a total of 118 full-time employees in Hong Kong and the PRC. The remuneration payable to our employees includes salaries, discretionary bonus and commission. Remuneration package are 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.

Furthermore, the remuneration committee of the Board ("**Remuneration Committee**") will review and give recommendations to the Board as to the compensation package of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management.

Prospect

Entering the second half of 2015, the Group is still facing global macro-economic challenges which are beyond the control of the Group. The critical drop in the price of raw materials and commodities and the global fluctuation in exchange rates are posing uncertainties to consumer goods manufacturers in Asia, who are the main target group of customers of the Group.

Due to the high rental and labour costs, the Hong Kong-based manufacturing industry is also shrinking. This is evident from the declining number of exhibition booths originating from Hong Kong companies at Mega Show Part I and II. The general economic outlook of Hong Kong may also be affected due to the unstable Hong Kong economy as reflected in the unstable fluctuation in the Hong Kong and PRC stock market in the past few months.

It is our main business goal to promote and facilitate trade between international buyers and manufacturers, particularly those from Asia, through the trade exhibitions managed or organised by the Group. To achieve our business goal, we plan to build on our competitive strengths to expand and improve our existing trade exhibitions, introduce new exhibitions and broaden our exhibition management expertise and exposure.

For the existing trade shows, the Group intends to further improve the overall management and their attractiveness to existing and potential visitors. We also plan to introduce new themes to these existing exhibitions.

We also plan to utilise our experience and expertise, both from the Group's business operation track record and of our senior management, in the exhibition organisation industry and apply our business model to develop new exhibitions in other areas of the world. In particular, the Group organised and managed a new exhibition which was held in Macao in July 2015, with exhibition theme on the product sector of diamond, gem and pearl. Apart from developing new exhibitions, the Group may from time to time explore opportunities to invest in, to acquire or to co-organise new exhibitions with potential growth. Feasibility studies will be carried out from time to time if the Group comes across any potential opportunities.

We will continue to explore opportunities to cooperate with other local organisers, industry associations or governmental organisations to participate in new exhibitions.

In April 2015, as the Directors consider it is more beneficial for the Group to place more emphasis on the organisation of and sales of booths for such trade exhibitions in Hong Kong, and to develop exhibitions overseas, New Heyday Investments Limited, an indirect wholly owned subsidiary of the Company (the "**Vendor**"), and Geniune Heart Trading Limited (the "**Purchaser**") entered into a disposal agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the entire issued share capital of Idea Trade at the consideration of HK$42,500,000. The Directors considered that, through the abovesaid disposal, the consideration to be received would provide additional working capital to the Group for its expansion of overseas exhibitions currently organised by the Group and organisation and/or development of new exhibitions overseas. The Directors believe that the diversification of exhibition themes and geographical locations of exhibitions of the Group may reduce business risks that the Group currently faces. The Directors consider the management agreement entered into between the Group and Idea Trade shall enable the Group to maintain its interest in the management of the Mega Shows during the management term, and thus, allowing the Group to maintain its competitiveness in the exhibition industry in Hong Kong. For further details, please refer to the announcement of the Company dated 21 April 2015.

The Group will look at other business opportunities which could provide more stable sources of income. The Board shall keep a keen eye on any business or investment opportunities in the future in the event that such opportunities arise which may provide a steady and alternative source of income in the interest of the shareholders of the Company.

In particular, as disclosed in the Company's announcement dated 4 September 2015 ("**MOU Announcement**"), the Company and International Investment & Cooperation Promotion Bureau of the Huangdao District*（黃島區國際招商局）("**Huangdao Investment Promotion Bureau**") entered into a memorandum of understanding indicating, among others, their intention to enter into a definitive legally binding cooperation agreement in respect of a possible investment (the "**Possible Investment**") in the Projects (as defined in the MOU Announcement) at Qingdao West Coast New Zone*（青島西海岸新區）("**West Coast**") in Qingdao, Shandong Province, the PRC.

The Possible Investment will provide the Group with the opportunity to leverage on its extensive experience in event and logistics management in the organisation of exhibitions and conferences and the future operation and management of the Projects. The Possible Investment could also expand the Group's business scope and broaden its income sources and enhance its financial performance and will be beneficial to the future growth and business development of the Group as a whole.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015.

USE OF PROCEEDS

The net proceeds from the Listing were approximately HK$29,200,000, which was based on the final share offer price of HK$1.33 per share and the actual expenses related to the Listing. Accordingly, the Group adjusted the use of proceeds in the same manner and proportion as shown in the Prospectus.

During the period from the date of Listing (i.e. 6 November 2013) (the "**Listing Date**"), to 30 June 2015, the net proceeds from the Listing had been applied as follows:

	Adjusted use of proceeds in the same manner and proportion as shown in the Prospectus from the Listing Date to 30 June 2015 HK$ million	**Actual use of proceeds from the Listing Date to 30 June 2015** HK$ million
To organise or develop new exhibitions or for consideration of potential acquisition opportunities or for cooperation with other players in the exhibition industry in Hong Kong and overseas	17.5	17.5
To expand existing exhibitions organised by the Group, by increasing our marketing	8.8	8.8
General working capital and other corporate purpose of the Group	2.9	2.9
	29.2	29.2

* *the English translation of the Chinese name is for identification purpose and should not be regarded as the official English translation of Chinese name.*

Accordingly, the Group adjusted the use of proceeds in the same manner and proportion as shown in announcement.

The proceeds from the Placing were approximately HK$55,240,000, which was based on the placing price of HK$1.381 per share and the actual expenses related to the Placing. The net proceeds from the Placing, after the deduction of the commission payable to the placing agent and other related expenses incurred in the Placing, of approximately HK$51,000,000 are intended to be used for general working capital of the Group. As at 30 June 2015, the proceeds had not been used and were deposited in a reputable bank in Hong Kong.

CORPORATE GOVERNANCE REPORT

The Board of the Company is pleased to present the corporate governance report for the year ended 30 June 2015 (the "**Period**"). 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 bases 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 (the "**CG Code**") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as our own code of corporate governance. Save as disclosed below, the Directors consider that the Company applied the principles and complied with all applicable code provisions during the year ended 30 June 2015 ("**Relevant Period**").

- under the code provision A.2.1 of the CG Code, the roles of chairman ("**Chairman**") and chief executive officer ("**CEO**") of the Group should be separate and should not be performed by the same individual, the division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. The roles of the Chairman and the CEO was not separated and was performed by the same individual, Mr. Lee Chi Sang ("**Mr. Lee**") who acted as both the Chairman and CEO throughout the Relevant Period.

  Mr. Lee resigned as an executive Director ("**ED**"), Chairman, CEO, the chairman of the nomination committee of the Board ("**Nomination Committee**") and member of the Remuneration Committee with effect from 31 July 2015 due to his other personal commitments. Following which, the role of Chairman is performed by Mr. Lam Wa and the role of CEO was performed by Mr. Sun Sizhi (who were both appointed as EDs with effect from 31 July 2015), which complies with code provision A.2.1 of the CG Code;

- following the resignation of Mr. Yeung Wai Keung ("**Mr. Yeung**"), an independent non-executive Director ("**INED**"), on 4 July 2014, the Company has only two INEDs and two members for each of the audit committee of the Board ("**Audit Committee**") and the Nomination Committee, and does not meet the requirement under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules and the requirement under code provision A.5.1 of the CG Code respectively (collectively, the "**Relevant Provisions**"). The Company has taken remedial steps by actively identifying an appropriate candidate to fill such vacancy following Mr. Yeung's resignation. Subsequently, Mr. Law Sung Ching, Gavin ("**Mr. Law**") was appointed as an INED, member of the Nomination Committee and the Audit Committee on 12 September 2014, and the Company has then fulfilled the Relevant Provisions. For background information, Mr. Law resigned as an INED, member of the Audit Committee and member of the Nomination Committee with effect from 17 July 2015, and his positions with the Company was replaced by Mr. Choi Hung Fai on even date; and

- following the resignation of Mr. Leung Hung Kee, a then INED, with effect from 11 November 2014, (i) the number of the INEDs has fallen below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules; (ii) the Board does not have at least one of its INEDs possessing appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules; (iii) there is a vacancy for chairman of the Audit Committee, the number of members of the Audit Committee has fallen below the minimum number, and no INED who possesses appropriate qualifications or expertise has been appointed as a member of the Audit Committee as required under Rule 3.21 of the Listing Rules; and (iv) the Remuneration Committee to comprise a majority of INEDs cannot be met, which do not fulfil the requirement under Rule 3.25 of the Listing Rules.

  Following the appointment of Mr. Yeung Chun Yue, David with effect from 2 December 2014 as an INED, chairman of the Audit Committee and a member of the Remuneration Committee, the Company has fulfilled the requirements of Rule 3.10, Rule 3.10A, Rule 3.21 and Rule 3.25 of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the 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 had complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the Relevant Period.

CONSTITUTIONAL DOCUMENTS

Subsequent to the adoption of the Company's articles of association (the "**Articles**") upon Listing pursuant to the Shareholders resolution of the Company passed on 18 October 2013, no further amendment to the Memorandum and Articles of Association of the Company was made during the Relevant Period.

BOARD OF DIRECTORS

Board Composition

As at 30 June 2015, the Board comprises three EDs, and three INEDs. Following which, Mr. Choi Hung Fai was appointed as an INED and Mr. Law Sung Ching, Gavin resigned as an INED, both with effect from 17 July 2015. Subsequently, Mr. Lam Wa and Mr. Sun Sizhi were appointed as EDs and Mr. Lee resigned as an ED, all with effect from 31 July 2015. The composition of the Board and its changes during the year ended 30 June 2015 and up to date of this annual report are as follows:

Executive Directors
Mr. Lam Wa *(Chairman)* (appointed on 31 July 2015)
Mr. Si Tze Fung
Mr. Liu Gejiang (appointed on 5 June 2015)
Mr. Sun Sizhi (appointed on 31 July 2015)
Mr. Lee Chi Sang (resigned on 31 July 2015)

Independent Non-executive Directors
Mr. Yeung Chun Yue, David (appointed on 2 December 2014)
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)
Mr. Choi Hung Fai (appointed on 17 July 2015)
Mr. Yeung Wai Keung (resigned on 4 July 2014)
Mr. Leung Hung Kee (resigned on 11 November 2014)
Mr. Chu Kwok Man (resigned on 5 June 2015)
Mr. Law Sung Ching, Gavin (appointed on 12 September 2014 and resigned on 17 July 2015)

The biographical details, relationships among them and the terms of appointment of the Directors (including the INEDs) as at 30 June 2015 are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

The Board believes that it has a balanced composition of EDs and INEDs and there is a strong independent element on the Board, which can effectively exercise independent judgment. As at 30 June 2015, the Company has three INEDs 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 only 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 three INEDs, namely Mr. Yeung Chun Yue, David, has professional qualifications in accounting or related financial management expertise.

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 EDs 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 EDs who have attended the Board meetings.

Chairman and Chief Executive Officer

Mr. Lam Wa is the chairman of the Board and is mainly responsible for providing leadership and directions to the Board. Mr. Sun Sizhi is the chief executive officer of the Company, and is responsible for overseeing the management of the Group's business with the assistance of the Group's senior management team.

Appointments, Re-election and Removal of Directors

Each of the EDs is engaged on a Director's service contract with the Company. The letters of appointment of the INEDs also set out the specific terms and conditions relative to their respective appointment. All remuneration paid to EDs are covered by respective service contracts and all remuneration paid to non-executive Directors are covered by respective letters of appointment. Details of the terms of appointment of the Directors are disclosed in the section "Directors' Service Contracts" of the Report of Directors in this annual report.

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 INEDs) 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

The Board intends to hold four regular meetings annually, usually quarterly, and also meets at such other times as are necessary. Agenda of Board meetings are presented to the Directors for comments and approval. The Board is provided with adequate, timely and reliable information about the Group's business and developments before each Board meeting at which the Directors actively participate and hold informed discussions.

Generally, at least 14-days' notice for the Company's regular Board meeting, and reasonable time for all other meetings, would be given prior to such meetings. Agenda for a meeting are sent to all Directors prior to the meeting. The Directors will receive details of agenda items for decision at least three days before regular Board meetings.

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 Relevant Period. During the Relevant Period, 13 Board meetings (excluding delegated committees' meetings) were held and attendance of each Director is set out as follows:

Name of Director	Number of attendance	Number of meetings held during term of office
Executive Directors		
Mr. Lam Wa *(Chairman)* (appointed on 31 July 2015)	–	–
Mr. Si Tze Fung	13	13
Mr. Liu Gejiang (appointed on 5 June 2015)	1	1
Mr. Sun Sizhi (appointed on 31 July 2015)	–	–
Mr. Lee Chi Sang (resigned on 31 July 2015)	13	13
Independent Non-executive Directors		
Mr. Yeung Chun Yue, David (appointed on 2 December 2014)	5	6
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)	1	1
Mr. Choi Hung Fai (appointed on 17 July 2015)	–	–
Mr. Yeung Wai Keung (resigned on 4 July 2014)	1	1
Mr. Leung Hung Kee (resigned on 11 November 2014)	5	5
Mr. Chu Kwok Man (resigned on 5 June 2015)	11	11
Mr. Law Sung Ching, Gavin (appointed on 12 September 2014 and resigned on 17 July 2015)	11	11

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.

Particulars of Directors' participation in continuous professional development activities during the Relevant Period are summarised as follows:

Name of Director	**Reading materials relevant to the Company's business or to their duties and responsibilities**	**Attending training courses on the topics related to corporate governance or regulations**
Executive Directors		
Mr. Lam Wa *(Chairman)* (appointed on 31 July 2015)	N/A	N/A
Mr. Si Tze Fung	√	√
Mr. Liu Gejiang (appointed on 5 June 2015)	√	√
Mr. Sun Sizhi (appointed on 31 July 2015)	N/A	N/A
Mr. Lee Chi Sang (resigned on 31 July 2015)	√	√
Independent Non-executive Directors		
Mr. Yeung Chun Yue, David (appointed on 2 December 2014)	√	√
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)	√	√
Mr. Choi Hung Fai (appointed on 17 July 2015)	N/A	N/A
Mr. Yeung Wai Keung (resigned on 4 July 2014)	√	√
Mr. Leung Hung Kee (resigned on 11 November 2014)	√	√
Mr. Chu Kwok Man (resigned on 5 June 2015)	√	√
Mr. Law Sung Ching, Gavin (appointed on 12 September 2014 and resigned on 17 July 2015)	√	√

The Company will from time to time provide briefings to all Directors to develop and refresh the Directors' duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense. Effective from the Listing Date, all Directors have been required to provide the Company with their training records.

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

Remuneration Committee

The Company has set up a 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 our Board on the overall remuneration policy and structure relating to all Directors and senior management of our 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 a yearly basis.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 30 June 2015 is set out below:

In the band of	**Number of individuals**
Nil to HK$1,000,000	1
HK$1,000,000 to HK$2,000,000	1

As at 30 June 2015, a majority of the Remuneration Committee's members are INEDs. During the Relevant Period, 3 committee meetings were held and the attendance of each member as to such meeting is set out as follows:

Name of Director	**Number of attendance**	**Number of meetings held during term of office**
Executive Director		
Mr. Lam Wa (appointed on 31 July 2015)	–	–
Mr. Lee Chi Sang (resigned on 31 July 2015)	3	3
Independent Non-executive Directors		
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015) *(Note)*	–	–
Mr. Yeung Chun Yue, David (appointed on 2 December 2014)	1	1
Mr. Leung Hung Kee (resigned on 11 November 2014)	1	1
Mr. Chu Kwok Man (resigned on 5 June 2015) *(Note)*	2	2

Note: Mr. Wong Ka Fai, Paul replaced Mr. Chu Kwok Man as chairman of the committee following Mr. Chu Kwok Man's resignation as chairman of the committee on 5 June 2015.

Nomination Committee

The Company has set up the 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 our Board regarding candidates to fill vacancies on our Board.

The Nomination Committee will review the size and composition of the Board on an annual basis. During the Relevant Period, 3 committee meetings were held and the attendance of each member as to such meeting is set out as follows:

Name of Director	**Number of attendance**	**Number of meetings held during term of office**
Executive Director		
Mr. Lam Wa (appointed on 31 July 2015) *(Note)*	–	–
Mr. Lee Chi Sang (resigned on 31 July 2015) *(Note)*	3	3
Independent Non-executive Directors		
Mr. Choi Hung Fai (appointed on 17 July 2015)	–	–
Mr. Law Sung Ching, Gavin (appointed on 12 September 2014 and resigned on 17 July 2015)	2	2
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)	–	–
Mr. Yeung Wai Keung (resigned on 4 July 2014)	–	–
Mr. Chu Kwok Man (resigned on 5 June 2015)	2	2

Note: Mr. Lam Wa replaced Mr. Lee Chi Sang as chairman of the committee following Mr. Lee Chi Sang's resignation as chairman of the committee on 31 July 2015.

Audit Committee

The Company has established an 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 statements and material advice in respect of financial reporting and oversee the internal control procedures of our Company.

The Audit Committee reviewed the consolidated financial statements for the six months ended 31 December 2014 and consolidated financial statements for the year ended 30 June 2015, including the Group's adopted accounting principles and practices, internal control systems and financial reporting matters (in conjunction with the external auditor for the annual results). The Audit Committee also monitors the effectiveness of the external audit and oversees the appointment, remuneration and terms of engagement of the Company's 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 2015, the Audit Committee comprised three INEDs and an Audit Committee meeting was held pursuant to its terms of reference. During the Relevant Period, 3 committee meetings were held and the attendance of each member as to such meeting is set out as follows:

Name of Director	Number of attendance	Number of meetings held during term of office
Independent Non-executive Directors		
Mr. Chu Kwok Man (resigned on 5 June 2015)	3	3
Mr. Leung Hung Kee (resigned on 11 November 2014) *(Note)*	2	2
Mr. Yeung Wai Keung (resigned on 4 July 2014)	–	–
Mr. Law Sung Ching, Gavin (appointed on 12 September 2014 and resigned on 17 July 2015) *(Note)*	3	3
Mr. Yeung Chun Yue, David (appointed on 2 December 2014)	2	2
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)	–	–
Mr. Choi Hung Fai (appointed on 17 July 2015)	–	–

Note: Mr. Yeung Chun Yue, David was appointed as the chairman of the committee on 2 December 2014, following Mr. Leung Hung Kee's resignation as chairman of the committee on 11 November 2014.

COMPANY SECRETARY

Mr. Yau Yan Ming, Raymond ("**Mr. Yau**") was appointed as the company secretary with effect from 7 May 2015 following the resignation of Ms. Li Ka Yi on the same date. Mr. Yau is responsible for supporting the Board, ensuring good information flow within the Board and Board policy and procedures are followed, advising the Board on governance matters, facilitating induction and, monitoring the training and continuous professional development of Directors. He has attained no less than 15 hours of relevant professional training during the year. His biography is set out in page 34 of this annual report.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or the management of the Company or their respective associates (as defined under the Listing Rules) have any interests in a business which competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the year.

The Company has received from each of the Directors for the Relevant Period an annual confirmation of his/her undertaking as to non-competition.

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 Auditors' Report" in this annual report.

For the year ended 30 June 2015, the Group's external auditor provided the following services to the Group:

	HK$'000
Audit services	1,500
Total	1,500

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the Relevant Period, the Board has reviewed this corporate governance report in discharge of its corporate governance functions. The Board will ensure compliance with the CG Code.

INTERNAL CONTROL

The Board is responsible for internal control which, as the Directors determine, is necessary to enable the preparation of the financial statements that are free from material misstatement. It has overseen the Group's internal control systems and ensure that sound and effective control systems are maintained. The Board approves and reviews internal control policies while day-to-day management of operational risks and implementation of mitigation measures lie with the management.

A review of the effectiveness of the Group's internal control systems has been conducted by the Board in September 2014 and an updated internal control policy was adopted by the Group in August 2014. The Audit Committee and the Board will review the adequacy of the key areas of the Group's internal control systems.

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, 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's 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 ended 30 June 2015, 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.

REPORT OF DIRECTORS

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in Note 17 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 30 June 2015 and the state of affairs of the Company and of the Group at that date are set out in the accompanying financial statements.

The Directors do not recommend the payment of an interim dividend for the year ended 30 June 2015 (2014: 2.5 HK cents per share). The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: 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 96 of the 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 27 to the consolidated financial statements.

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, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company during the year ended 30 June 2015.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 28 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

CHARITABLE CONTRIBUTIONS

No charitable and other donations were made by the Group during the year ended 30 June 2015 (2014: Nil).

DISTRIBUTABLE RESERVES

Details of the Company's distributable reserves as at 30 June 2015 are set out in Note 28 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

In the period under review, revenue generated from the Group's five largest customers accounted for about 23.8% (2014: 24.0%) of the Group's total revenue for the year and the revenue from the largest customer included therein accounted for about 10.8% (2014: 11.0%) of the Group's total revenue.

In the period under review, the fees paid to the Group's five largest suppliers accounted for about 28.4% (2014: 28.2%) of the Group's total operating cost for the year and supplies from the largest supplier included therein accounted for about 17.9% (2014: 16.7%) of the Group's total operating cost.

None of the Directors of the Company 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 2015.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for those disclosed in the paragraphs headed "Share Option Scheme" and "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" 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

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

Executive Directors:
Mr. Lam Wa *(Chairman)* (appointed on 31 July 2015)
Mr. Si Tze Fung
Mr. Liu Gejiang (appointed on 5 June 2015)
Mr. Sun Sizhi (appointed on 31 July 2015)
Mr. Lee Chi Sang (resigned on 31 July 2015)

Independent Non-executive Directors:
Mr. Yeung Chun Yue, David (appointed on 2 December 2014)
Mr. Wong Ka Fai, Paul (appointed on 5 June 2015)
Mr. Choi Hung Fai (appointed on 17 July 2015)
Mr. Yeung Wai Keung (resigned on 4 July 2014)
Mr. Leung Hung Kee (resigned on 11 November 2014)
Mr. Chu Kwok Man (resigned on 5 June 2015)
Mr. Law Sung Ching, Gavin (appointed on 12 September 2014 and resigned on 17 July 2015)

In accordance with article 105 of the Articles, all Directors will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting of the Company.

INDEPENDENCE CONFIRMATIONS FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the INEDs a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of its INEDs to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the EDs has entered into a service contract with the Company pursuant to which they agreed to act as an ED for an initial term of three years.

Each of the INEDs has been appointed as an INED for a term of one year.

Save as disclosed aforesaid, none of the Directors proposed for re-election at the forthcoming annual general meeting 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' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

Particulars of the Directors' remuneration for the year ended 30 June 2015 are set out in Note 11 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

CONNECTED TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in note 30 to the consolidated financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules which requires to be disclosed.

NON-COMPETITION UNDERTAKINGS

The then controlling shareholders of the Company ("**Controlling Shareholders**") (including Business Good Holdings Limited ("**Business Good**") and Mr. Lee Chi Sang ("**Mr. Lee**")), and Mr. Cheung Shui Kwai ("**Mr. Cheung**") have given undertakings ("**Undertakings**") to the Company not to directly or indirectly engage in the business which competes or may compete with the Group, on terms and conditions as disclosed in the prospectus posted on 25 October 2013 (the "**Prospectus**"). On 1 June 2015, Business Good and Mr. Lee ceased to be the Controlling Shareholders, and the Undertakings expired on such date. For details of the Undertakings, please refer to page 154 to 156 of the Prospectus.

The Board reports the following concerning the status of compliance with the Undertakings by the Controlling Shareholders and Mr. Cheung:

(1) the Board received from each of Mr. Lee, Business Good, and Mr. Cheung a confirmation (i) of compliance with the Undertakings for the period between 1 July 2014 to 1 June 2015 ("**Non-compete Period**"), and (ii) that during the Non-compete Period, neither they nor their associates (as defined in the Listing Rules) had any interest in any project or business opportunity (otherwise than through their interests held through the Group) which relates to the business activities by the Group;

(2) none of the Directors are aware of any circumstances which indicate that the Controlling Shareholders and Mr. Cheung or their associates are in breach of the Undertakings during the Non-compete Period; and

(3) the terms of the Undertakings have remain unchanged since the Company's listing on the Stock Exchange in November 2013.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "**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 (the "**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 2015.

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 EDs but excluding any non-executive director) of the Company, any of the subsidiaries or any entity (the "**Invested Entity**") in which the Group holds an equity interest;

(b) any non-executive directors (including INEDs) 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 million subdivided shares of the Company of HK$0.002 each, representing 10% of the then issued shares of the Company. 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. As at the date of this report, the Share Option Scheme had a remaining life of around eight years.

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

As at 30 June 2015, the Directors and the Company's chief executive, and their respective associates had the following interests in the Shares in and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**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:

Interests in the Company

Name of Director	Capacity	Long position Number of Company's Ordinary Shares of HK$0.01 each		Approximate percentage of total number of shares as at 30 June 2015 *(Note 1)*
Mr. Lee Chi Sang *(Note 2)*	Interest in controlled corporation	30,000,000	(L)	12.50%
Business Good *(Note 2)*	Beneficial owner	30,000,000	(L)	12.50%

Notes:

1. The percentage calculated are based on the total number of issued shares of the Company of 240,000,000 shares of HK$0.01 each as at 30 June 2015.

2. These Shares were held by Business Good, which was owned as to 93.2% by Mr. Lee and 6.8% by Mr. Cheung Shui Kwai.

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

Saved as disclosed above, none of the Directors and chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any associated corporation as at 30 June 2015 (within the meaning of Part XV of the SFO), which had been 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 the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2015, other than those set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" in this annual report as recorded in the register required to be kept under Section 336 of the SFO, 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	Number of Company's ordinary shares of HK$0.01 held		Approximate percentage of total number of shares as at 30 June 2015
Quantum China Asset Management Limited	Investment manager	25,590,000	(L)	10.66%
Quantum Advantage Fund	Beneficial owner	20,000,000	(L)	8.33%

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

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.

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.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises all the three INEDs, namely Mr. Yeung Chun Yue, David (committee chairman) (appointed on 2 December 2014), Mr. Wong Ka Fai Paul (appointed on 5 June 2015) and Mr. Choi Hung Fai (appointed on 17 July 2015). It has reviewed with management the audited financial statements of the Company for the year ended 30 June 2015.

EVENTS AFTER REPORTING PERIOD

On 17 July 2015, Mr. Law Sung Ching, Gavin ("**Mr. Law**") resigned from his positions of INED, member of the Audit Committee and member of the Nomination Committee, and Mr. Choi Hung Fai took up Mr. Law's positions on even date. On 31 July 2015, (i) Mr. Lam Wa was appointed as an ED and the Chairman, the chairman of the Nomination Committee and member of the Remuneration Committee; and (ii) Mr. Sun Sizhi was appointed as an ED and CEO. Mr. Lee Chi Sang resigned as an ED, the Chairman, CEO, the chairman of the Nomination Committee and member of the Remuneration Committee on even date.

On 20 August 2015, the Company proposes that each of the issued and unissued shares of the Company of HK$0.01 each in the share capital of the Company be subdivided into five (5) subdivided shares of HK$0.002 each ("**Subdivided Shares**"). Further, subject to and upon such share subdivision becoming effective, the board lot size will be changed from 2,000 Shares to 5,000 Subdivided Shares. An extraordinary general meeting of the Company had been convened and held on 21 September 2015 to consider and approve such share subdivision. The subdivision of shares became effective on 22 September 2015 following the shareholders' approval at such extraordinary general meeting of the Company. Please refer to the circular of the Company dated 28 August 2015 for information.

On 4 September 2015, the Company entered into the non-legally binding memorandum of understanding with Huangdao Investment Promotion Bureau in relation to the possible investment in Qingdao, Shandong Province, the PRC. Please refer to the MOU Announcement for information.

Save as the above, the Group do not have any material subsequent event after the reporting period.

AUDITOR

HLB Hodgson Impey Cheng Limited will retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Lam Wa
Chairman

Hong Kong, 14 September 2015

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Wa（林華）, aged 48, has over 15 years of experience in real estate and construction industry. Mr. Lam was granted the qualification as a civil engineer（土建工程師）by the Human Resources Department of Hubei Province*（湖北省人事廳）in December 1995. Mr. Lam is the chairman of Hubei Three Gorges Huaxiang Group Limited*（湖北三峽華翔集團有限公司）, which is principally engaged in real estate development. Mr. Lam is the chairman of Xuling City Jiankun Huaxiang Real Estate Development Limited*（遂寧市健坤華翔房地產開發有限公司）, which is principally engaged in real estate development, sales operations and property management. Mr. Lam is the vice president of the Rongqiao Group Limited Stock Company*（融僑集團股份有限公司）and the general manager of Wuhan Rongqiao Real Estate Development Limited*（武漢融僑房地產開發有限公司）, which are both principally engaged in real estate development. Mr. Lam is a member of Wuhan Chinese People's Political Consultative Conference. Mr. Lam is an honorary chairman of Fujian Commerce Association*（福建省福建商會）, an executive council member of the Chinese Chamber of Commerce Association of Investment Enterprises*（中國僑商投資企業協會）, honorary chairman of Fuqing Commerce Association of Wuhan City*（武漢市福清商會）, honorary chairman of Yanyang City Fuqing Commerce Association*（襄陽市福清商會）, and a chairman of Fuzhou Commerce Association of Wuhan City*（武漢市福州商會）. Mr. Lam was appointed as an ED, the Chairman, the chairman of the Nomination Committee and a member of the Remuneration Committee on 31 July 2015.

Mr. Si Tze Fung（施子豐）, aged 52, was appointed as our ED on 21 August 2012. Mr. Si has been engaging in the trade exhibition industry since 1998 and has over 15 years of experience in the industry. During the period from October 1982 to May 1998, Mr. Si was employed by a consumer bank in Hong Kong whereas his last position was senior clerk. In May 1998, Mr. Si joined Kenfair International Limited ("**Kenfair International**"), as assistant manager, responsible for booth design and liaising with booth contractors. During his previous employment in Kenfair International from May 1998 to June 2009, Mr. Si was promoted to sales manager and subsequently to senior manager. Mr. Si joined the Group in July 2009.

Mr. Si is the director of each of Expand Trade Investments Limited, Mega Expo (Hong Kong) Limited (incorporated in the Hong Kong), Mega Expo Operations Management Limited, Mega Expo (Hong Kong) Limited (incorporated in the British Virgin Islands), i-MegAsia Limited, Mega Expo (U.S.A.) Limited, Mega Expo (U.S.A.) Inc., Mega Expo (Berlin) Limited, Profit Topmark Limited, Mega Expo Travel Limited, New Heyday Investments Limited, Mega Expo (China) Limited & International Jewellery Event Limited and Shenzhen Hengjian Exhibition Planning Limited*（深圳恒建展覽策劃有限公司）("**Shenzhen Hengjian**"). He is also the authorised representative of Shenzhen Hengjian.

* *the English translation of the Chinese name is for identification purpose and should not be regarded as the official English translation of Chinese name.*

Mr. Sun Sizhi（孫思志）, aged 46, has years of experience in real estate projects development, organisation and management of real estate companies, system and standard of real estate enterprises and legal process operation. Mr. Sun also has experience in golf real estate development and industry connection and also golf course management and operation and golf course construction. Mr. Sun is an intermediate real estate economist, a certified real estate valuer and a registered real estate agent. Mr. Sun graduated from Yunnan University and obtained a Bachelor Degree in Applied Mathematics in 1991. He received civil construction training in Guangzhou University from January 1993 to December 1994 and project management training from Beijing Huaxia Elite Training Centre（北京華夏精英培訓中心）in 2002. Mr. Sun was office director and sales manager of Shenzhen Xuansheng Industrial Development Co., Ltd.（深圳宣盛實業發展有限公司）from July 1991 to December 1999, manager of Nanfang Broadcasting（南方廣電）under Beida Jade Bird Group Co., Ltd.（北大青鳥集團有限公司）from January 2000 to July 2002, general manager of Beijing Xuanwei Group Co., Ltd.（北京宣威集團有限公司）from July 2002 to December 2004, General Manager of a golf club company and Executive Deputy General Manager of a real estate company under Kingkey Group（京基集團）(Shenzhen) from April 2005 to February 2010, and Deputy General Manager of Dongguan Mingju Real Estate Development Co., Ltd.（東莞名巨房地產開發有限公司）from February to October 2014. Mr. Sun worked as a consultant of the Tianrui International（天瑞國際）project in Anshun, Guizhou prior to joining Dongguan Mingju Real Estate Development Co., Ltd.（東莞名巨房地產開發有限公司）. Mr. Sun was the executive director of Asia Resources Holdings Limited (stock code: 899), a company listed on the Main Board of the Stock Exchange, from December 2014 to January 2015. Mr. Sun was appointed as an independent-non-executive director of Global Energy Resources International Group Limited (stock code: 8192), a company listed on the Growth Enterprise Market of the Stock Exchange with effect from 8 June 2015. Mr. Sun was appointed as an ED and CEO of the Company on 31 July 2015.

Mr. Liu Gejiang（劉舸江）, aged 29, has over 4 years experience in the banking industry. Mr. Liu graduated with a bachelor's degree in business administration from the Ryerson University in June 2010. Mr. Liu joined the metallurgical industry financing department of the China Minsheng Bank in November 2010, and was appointed as an assistant to the general manager of the metallurgical industry financing department in December 2013. During Mr. Liu's service at the China Minsheng Bank, he was mainly responsible for providing various financial solutions to the customers. Mr. Liu was appointed as an ED on 5 June 2015.

Independent Non-Executive Directors

Mr. Yeung Chun Yue, David（楊振宇）, aged 33, has over 10 year experience in auditing, accounting and taxation consultation. Mr. Yeung is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Adviser of the Taxation Institute of Hong Kong. Mr. Yeung graduated with a bachelor's degree in business administration in accountancy from the City University of Hong Kong in November 2004 and was admitted as a partner of Cheng & Cheng Limited, Certified Public Accountants, in 2012. He is currently a Committee Member of the Panyu Committee of Chinese People's Political Consultative Conference. Mr. Yeung was appointed as an INED, chairman of the Audit Committee and member of the Remuneration Committee on 2 December 2014.

Mr. Wong Ka Fai, Paul（黃家輝）, aged 35, has over 5 years experience in the manufacturing, export and trading industry. Mr. Wong graduated with a bachelor's degree in business administration majoring in marketing from the City University of Hong Kong in November 2004. Mr. Wong was appointed as an executive director of Leyou Technologies Holdings Limited (stock code: 1089), a company listed on the Main Board of the Stock Exchange, on 9 July 2015. Mr. Wong was appointed as an INED, chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee on 5 June 2015.

Mr. Choi Hung Fai（蔡雄輝）, aged 30, has over 6 years of experience in securities trading, corporate finance and project investment. Mr. Choi possesses knowledge in financial analysis, corporate finance 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 was appointed as an INED, member of the Audit Committee and member of the Nomination Committee on 17 July 2015.

Mr. Choi is currently a manager and a licensed representative of a company ("**Firm**"), which is licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO. The Firm is principally engaged in the provision of corporate finance advisory services and an indirect wholly-owned subsidiary of a public company ("**Parentco**") listed on the Growth Enterprise Market of the Stock Exchange. During Mr. Choi's service at the Firm, Mr. Choi is principally responsible for (i) advising on corporate finance activities, merger & acquisitions and corporate restructurings for private and public companies in the People's Republic of China and Hong Kong and (ii) formulating and executing investment projects, corporate finance activities and compliance matters of Parentco.

COMPANY SECRETARY

Mr. Yau Yan Ming, Raymond（邱恩明）, aged 47, was appointed as the company secretary of the Company on 7 May 2015. Mr. Yau has over 18 years of work experience in auditing, accounting, taxation, company secretarial, corporate finance and financial management, in both private and listed companies. Mr. Yau holds a master degree in science majoring in Japanese business studies and bachelor degree in business administration majoring in accounting in the United States of America. Mr. Yau is a member of both the Hong Kong Institute of Certified Public Accountants, American Institute of Certified Public Accountants and the Hong Kong Institute of Directors. Mr. Yau is also a Certified Tax Adviser of the Taxation Institute of Hong Kong.

Mr. Yau is currently an independent non-executive director of Chanceton Financial Group Limited (stock code: 8020), Tack Fiori International Group Limited (stock code: 928), and Enterprise Development Holdings Limited (stock code: 1808), and an executive director and the company secretary of Chinese Energy Holdings Limited (stock code: 8009), all of which are listed on the Stock Exchange. Mr. Yau was appointed as the company secretary of Leyou Technologies Holdings Limited (stock code: 1089), a company listed on the Main Board of the Stock Exchange, with effect from 24 July 2015.

INDEPENDENT AUDITORS' REPORT

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

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

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 37 to 95, which comprise the consolidated and the company statements of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2015, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Wong Sze Wai, Basilia
Practising Certificate Number: P05806

Hong Kong, 14 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	8	**188,314**	205,781
Other revenue	9	**1,123**	983
Other gains and losses	10	**(1,509)**	945
Gain on disposal of a subsidiary	29	**40,851**	–
Advertising and promotion expenses		**(25,711)**	(18,750)
Agency commission		**(3,220)**	(3,040)
Exhibition rentals		**(33,039)**	(32,221)
Staff costs		**(43,887)**	(45,529)
Booth construction costs		**(20,456)**	(20,622)
Exhibition expenses		**(12,277)**	(9,036)
Exhibition co-operation expenses		**–**	(5,151)
Other operating expenses		**(39,234)**	(52,377)
Profit before tax	10	**50,955**	20,983
Taxation	12	**(5,089)**	(6,892)
Profit for the year		**45,866**	14,091
Other comprehensive income/(loss) for the year			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		**33**	(84)
Total comprehensive income for the year		**45,899**	14,007
Profit/(loss) for the year attributable to:			
Owners of the Company		**45,919**	14,120
Non-controlling interests		**(53)**	(29)
		45,866	14,091
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		**45,952**	14,036
Non-controlling interests		**(53)**	(29)
		45,899	14,007
Earnings per share attributable to owners of the Company			
Basic and diluted (HK cents)	14	**20.46**	7.74

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**5,253**	9,872
Current assets			
Prepayments, deposits and other receivables	18	**39,518**	35,315
Amount due from a shareholder	19	**–**	22
Cash and cash equivalents	20	**230,721**	135,070
		270,239	170,407
Current liabilities			
Receipt in advance	21	**108,117**	108,811
Accruals and other payables	22	**4,434**	1,755
Amount due to a shareholder	23	**8**	–
Amount due to a related company	24	**362**	373
Amount due to a director	25	**–**	5
Income tax payable		**4,819**	9,027
		117,740	119,971
Net current assets		**152,499**	50,436
Total assets less current liabilities		**157,752**	60,308
Net assets		**157,752**	60,308
EQUITY			
Capital and reserves			
Share capital	27	**2,400**	2,000
Reserves		**155,405**	58,308
Equity attributable to owners of the Company		**157,805**	60,308
Non-controlling interests		**(53)**	–
Total equity		**157,752**	60,308

Approved by the Board on 14 September 2015 and signed on its behalf by:

Mr. Lam Wa
Chairman

Mr. Liu Gejiang
Director

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

STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS			
Non-current asset			
Interests in subsidiaries	*17*	**100**	100
Current assets			
Prepayments	*18*	**1,866**	2,336
Amounts due from subsidiaries	*17*	**2,057**	51,225
Cash and cash equivalents	*20*	**187,774**	–
		191,697	53,561
Current liabilities			
Accruals	*22*	**231**	–
Amounts due to subsidiaries	*17*	**99,217**	–
		99,448	–
Net current assets		**92,249**	53,561
Total assets less current liabilities		**92,349**	53,661
Net assets		**92,349**	53,661
EQUITY			
Equity attributable to owners of the Company			
Share capital	*27*	**2,400**	2,000
Reserves	*28*	**89,949**	51,661
Total equity		**92,349**	53,661

Approved by the Board on 14 September 2015 and signed on its behalf by:

Mr. Lam Wa
Chairman

Mr. Liu Gejiang
Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Attributable to owners of the Company							
	Share capital HK$'000	Share premium HK$'000	Exchange reserve HK$'000	Other reserve HK$'000	(Accumulated losses)/ retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2013	–	–	47	(7)	(4,174)	(4,134)	45	(4,089)
Profit/(loss) for the year	–	–	–	–	14,120	14,120	(29)	14,091
Other comprehensive loss for the year	–	–	(84)	–	–	(84)	–	(84)
Total comprehensive (loss)/income for the year	–	–	(84)	–	14,120	14,036	(29)	14,007
Effect of reorganisation	100	–	–	(100)	–	–	–	–
Issue of shares								
– Share offer	500	66,000	–	–	–	66,500	–	66,500
– Capitalisation Issue	1,400	(1,400)	–	–	–	–	–	–
Expenses incurred in connection with the issue of shares	–	(11,041)	–	–	–	(11,041)	–	(11,041)
Release upon deregistration of a subsidiary	–	–	(53)	–	–	(53)	(16)	(69)
Dividend paid	–	–	–	–	(5,000)	(5,000)	–	(5,000)
At 30 June 2014 and 1 July 2014	2,000	53,559	(90)	(107)	4,946	60,308	–	60,308
Profit/(loss) for the year	**–**	**–**	**–**	**–**	**45,919**	**45,919**	**(53)**	**45,866**
Other comprehensive income for the year	**–**	**–**	**33**	**–**	**–**	**33**	**–**	**33**
Total comprehensive income/(loss) for the year	**–**	**–**	**33**	**–**	**45,919**	**45,952**	**(53)**	**45,899**
Placing of shares	**400**	**54,840**	**–**	**–**	**–**	**55,240**	**–**	**55,240**
Expenses incurred in connection with the placing of shares	**–**	**(3,695)**	**–**	**–**	**–**	**(3,695)**	**–**	**(3,695)**
At 30 June 2015	**2,400**	**104,704**	**(57)**	**(107)**	**50,865**	**157,805**	**(53)**	**157,752**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**50,955**	20,983
Adjustments for:		
Depreciation of property, plant and equipment	**3,673**	2,191
Net exchange losses/(gains)	**1,930**	(482)
Gain on deregistration of a subsidiary	**–**	(69)
Gain on disposal of a subsidiary	**(40,851)**	–
Loss on disposal of property, plant and equipment	**43**	12
Interest income	**(421)**	(394)
Operating cash flows before movement in working capital	**15,329**	22,241
Increase in prepayments, deposits and other receivables	**(4,475)**	(1,017)
Decrease in amount due from a director	**–**	21,824
Decrease/(increase) in amount due from a shareholder	**22**	(9)
Decrease in receipt in advance	**(694)**	(14,779)
Increase/(decrease) in accruals and other payables	**2,679**	(2,153)
Increase in amount due to a shareholder	**8**	–
(Decrease)/increase in amount due to a related company	**(11)**	373
(Decrease)/increase in amount due to a director	**(5)**	5
Cash generated from operations	**12,853**	26,485
Hong Kong tax paid	**(9,297)**	(6,312)
Net cash generated from operating activities	**3,556**	20,173
INVESTING ACTIVITIES		
Interest received	**421**	394
Proceeds from disposal of property, plant and equipment	**–**	168
Purchase of property, plant and equipment	**(467)**	(10,357)
Net cash inflow from disposal of a subsidiary	**42,494**	–
Net cash generated from/(used in) investing activities	**42,448**	(9,795)
FINANCING ACTIVITIES		
Proceeds from issue of shares under share offer	**–**	66,500
Expense incurred in connection with the issue of shares	**–**	(11,041)
Proceeds from placing of shares	**55,240**	–
Expense incurred in connection with the placing of shares	**(3,695)**	–
Dividend paid	**–**	(5,000)
Net cash generated from financing activities	**51,545**	50,459
NET INCREASE IN CASH AND CASH EQUIVALENTS	**97,549**	60,837
Cash and cash equivalents at the beginning of the year	**135,070**	73,835
Effect of foreign currency exchange rate changes	**(1,898)**	398
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**230,721**	135,070
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**230,721**	135,070

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

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in Cayman Islands under the Companies Law of Cayman Islands and is listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The principal place of business of the Company in Hong Kong has been changed from 38/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong to Suites 911-912, Level 9, One Pacific Place, 88 Queensway, Hong Kong on 31 July 2015.

The principal activity of the Company is investment holding. The principal activities of the Group are involved in the organisation of exhibitions and trade shows and providing ancillary services and provision of sub-contracting services for exhibitions and trade shows.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. All values are rounded to the nearest thousand, unless otherwise stated.

2. REORGANISATION

In the preparation for the listing of the Company's shares on the Main Board of the Stock Exchange on 6 November 2013 ("**Listing**"), the Group underwent series of corporate reorganisation ("**Reorganisation**"), as a result of which the Company became a holding company of the subsidiaries comprising the Group. The Reorganisation included the following principal steps:

(a) on 19 March 2012, New Heyday Investments Limited ("**New Heyday**") was incorporated in the British Virgin Islands (the "**BVI**") to act as the holding company of Idea Trade Limited ("**Idea Trade**"). It has an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each, of which one share was allotted and issued to each of Mr. Lee Chi Sang ("**Mr. Lee**") and Mr. Cheung Shui Kwai ("**Mr. Cheung**") at par on 15 June 2012. The said one share held by and registered in the name of Mr. Cheung in New Heyday was held on trust pursuant to a declaration of trust dated 19 November 2012 in favour of Mr. Lee;

(b) on 3 April 2012, Business Good Holdings Limited ("**Business Good**") was incorporated in the BVI as an investment holding company of Mr. Lee with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each. On 15 June 2012, Mr. Lee subscribed for and was allotted and issued one share in the share capital of Business Good at par value;

(c) on 30 May 2012, Expand Trade Investments Limited ("**Expand Trade**") was incorporated in the BVI for the purpose of acting as the intermediate holding company of the Group with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each. On 15 June 2012, Business Good subscribed for and was allotted and issued one share in the share capital of Expand Trade at par value;

(d) on 30 May 2012, Idea Trade was incorporated in the BVI for the purpose of holding certain licences in connection with the trade exhibitions including the license in relation to the Hong Kong International Toys & Gifts Show and Asian Gifts Premium & Household Products Show (the "**Mega Show Part I**") and Mega Show Part II Giftware, Housewares, Stationery, School & Office (the "**Mega Show Part II**"), and collectively with the Mega Show Part I, (the "**Mega Shows**") with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each. On 15 June 2012, New Heyday subscribed for and was allotted and issued one share in the share capital of Idea Trade at par value;

2. REORGANISATION *(Continued)*

(e) on 4 July 2012, Mr. Lee transferred one share in the issued share capital of each of Mega Expo Operations Management Limited, Mega Expo (Hong Kong) Limited (incorporated in the BVI), Mega Expo (U.S.A.) Limited and Mega Expo (Berlin) Limited, representing their respective entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing an aggregate of four shares in Business Good to Mr. Lee;

(f) on 30 July 2012, Mr. Lee transferred one share in the issued share capital of each of Mega Expo (Hong Kong) Limited and i-MegAsia Limited, representing their respective entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing an aggregate of two shares in Business Good to Mr. Lee;

(g) on 8 August 2012, Mr. Lee transferred one share in the issued share capital of Profit Topmark Limited, representing its entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing one share in Business Good to Mr. Lee;

(h) on 21 August 2012, the Company was incorporated in the Cayman Islands under the Companies Law as an exempted company to act as the ultimate holding company of the Group. The authorised share capital of the Company, on incorporation, was HK$100,000 divided into 1,000,000 shares of HK$0.1 each. On 21 August 2012, the Company allotted and issued one nil-paid share to Codan Trust Company (Cayman) Limited, which was transferred to Mr. Lee on the same date;

(i) on 19 November 2012, Mr. Lee and Mr. Cheung entered into a deed ("**Deed**"), pursuant to which the parties thereto confirmed and agreed that, in consideration of Mr. Cheung procuring Hong Kong Convention and Exhibition Centre (Management) Limited, the venue provider of the Mega Shows, to enter into licence agreements for the occupancy of venue for the Mega Shows in 2013 with Idea Trade, Mr. Lee would procure Business Good to allot and issue 68 shares in Business Good to Mr. Cheung, subject to and upon the terms and conditions in the Deed;

(j) on 19 November 2012, each of Mr. Lee and Mr. Cheung (at the request and as trustee on trust for Mr. Lee) transferred one share in the issued share capital of New Heyday, representing its entire issued share capital, to Expand Trade in consideration of and in exchange for Business Good, at the request of Expand Trade, allotting and issuing 924 shares in Business Good to Mr. Lee. On the same day, Business Good allotted and issued 68 shares, credited as fully paid, to Mr. Cheung according to the terms of the Deed;

(k) on 3 October 2013, each issued and unissued ordinary share of HK$0.10 each of the Company was sub-divided into 10 shares of HK$0.01 each and following the sub-division of share capital, the number of shares of the Company increased from 1,000,000 to 10,000,000; and

(l) on 3 October 2013, Mr. Lee transferred 10 nil-paid shares in the Company to Business Good and Business Good transferred the entire issued share capital in Expand Trade to the Company, in exchange for which the Company (a) issued and allotted 9,999,990 shares to Business Good, credited as fully paid; and (b) credited as fully paid at par the 10 nil-paid shares which was then registered in the name of Business Good.

Upon the completion of the Reorganisation on 3 October 2013, the Company became the holding company of the companies now comprising the Group.

Particulars of the subsidiaries, which are all private companies, of the Group as at 30 June 2015 are set out in Note 17.

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

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("**new HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which are effective for the Group's financial year beginning on 1 July 2014. A summary of the new HKFRSs are set out as below:

HKAS 19 (Amendments)	Defined benefit plans: Employees Contributions
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC) – Int 21	Levies

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

– obtain funds from one or more investors for the purpose of providing them with investment management services;

– commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

– measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

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

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no material impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit ("**CGU**") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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

HK(IFRIC) – Int 21 Levies

The Group has applied HK(IFRIC) – Int 21 Levies for the first time in the current year. HK(IFRIC) — Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) – Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKAS 1 (Amendments)	Disclosure initiative[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
HKFRS 9	Financial Instruments[4]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted
4 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

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

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are 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 value at the end of subsequent accounting 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. However, 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 effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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

HKFRS 9 Financial instruments *(Continued)*

The directors of the Company anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 14 Regulatory Deferral Accounts

HKFRS 14 Regulatory Deferral Accounts, describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with HKFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate regulated goods or services.

The amendments to HKFRS 14 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 14 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, 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.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material 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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 Impairment of Assets regarding impairment testing of a CGU to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its property, plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

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

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants *(Continued)*

The directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost;
- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted HKFRS 9); or
- Using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

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The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards.

The directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

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

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(Continued)*

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

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

Annual Improvements to HKFRSs 2012-2014 Cycle *(Continued)*

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRSs (which include all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or 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.

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.

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

(b) Basis of preparation *(Continued)*

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.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries for the year ended 30 June 2015. 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.

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.

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

(c) Basis of consolidation *(Continued)*

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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 previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. 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 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(d) 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.

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

(d) Business combinations *(Continued)*

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 of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts 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 entity'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 or, when applicable, on the basis specified in another HKFRS.

Contingent consideration

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.

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

(d) Business combinations *(Continued)*

Contingent consideration *(Continued)*

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 at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, 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 its acquisition-date fair value 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.

(e) Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGU (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU 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 pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

(f) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statements of financial position at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, over its estimated useful life. The principal annual rates are as follows:

Leasehold improvements	Over the lease terms
Furniture, fixtures and equipment	20%
Computer equipment	25%
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.

The gain or loss on disposal or retirement of an item of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated statement of profit or loss and other comprehensive income.

(g) 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 CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and in tangible 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 pre-tax 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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

(g) Impairment of tangible and intangible assets other than goodwill *(Continued)*

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) 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 (**FVTPL**)") 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: "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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

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

(h) Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL (Continued)

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;
- 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.

A financial asset other than a financial asset held for trading 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;
- 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.

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 other receivables, amount due from a shareholder 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.

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.

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

(h) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-orgnisation; 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, 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. Changes in the carrying amount of the allowance account are recognised in 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)*

(h) 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 instruments

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.

Other financial liabilities

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

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.

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 continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. 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.

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

(h) Financial instruments *(Continued)*

Derecognition *(Continued)*

On derecognition of a financial asset other than in its entirety, 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 they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises of cash on hand and cash at bank 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 and cash at bank, which are not restricted to use.

(j) 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) **Sub-contracting income**

Sub-contracting income is recognised when the services are rendered.

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

(j) Revenue recognition *(Continued)*

(v) Management fee income

Management fee income is recognised when the services are rendered.

(vi) Other ancillary service income

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

(k) 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.

(l) 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

(l) Taxation *(Continued)*

Deferred tax *(Continued)*

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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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.

(m) 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).

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

(m) Provisions *(Continued)*

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) 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.

(o) Foreign currencies

The financial statements are presented in Hong Kong Dollars. Each entity in the Group determines its own functional currency, and items included in financial statements of each entity are measured using that functional currency.

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 on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- 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 repayment of the monetary items.

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

(o) Foreign currencies *(Continued)*

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 foreign currency translation 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 includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), 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.

(p) Related parties

A party is considered to be related to the Group if:

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

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or the Group's parent.

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

(p) Related parties *(Continued)*

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

(a) 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).

(b) 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).

(c) the entity and the Group are joint ventures of the same third party.

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

(e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

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

(g) a person identified in (i)(a) 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).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(q) 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.

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

(q) Leasing *(Continued)*

The Group as lessee *(Continued)*

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.

(r) Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the consolidated statements of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability in the Group's financial statements.

Interim dividends are recognised as a liability when they are proposed and declared.

(s) 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 location.

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, 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 numerous tax authorities. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues 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 difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

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

Impairment of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a CGU is determined based on value-in-use calculations which require the use of assumptions and estimates.

Impairment of other receivables

The Group makes allowance for impairment of other receivables based on an estimate of the recoverability of these receivables. Allowance is applied to other receivables where events of changes in circumstances indicate that the balances may not be collectible. The identification of impairment of other receivables requires the use of estimates. Where the expectation is different from the original estimates, such difference will impact carrying value of receivables and provision for impairment losses in the period in which such estimate had been changed.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Categories of financial instruments

	The Group	
	2015	2014
	HK$'000	HK$'000
Financial assets		
Loan and receivables		
– Amount due from a shareholder	**–**	22
– Financial assets included in other receivables	**44**	28
– Cash and cash equivalents	**230,721**	135,070
	230,765	135,120
Financial liabilities		
Amortised costs		
– Accruals and other payables	**4,434**	1,755
– Amount due to a shareholder	**8**	–
– Amount due to a director	**–**	5
– Amount due to a related company	**362**	373
	4,804	2,133

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(a) Categories of financial instruments *(Continued)*

	The Company	
	2015	2014
	HK$'000	HK$'000
Financial assets		
Loan and receivables		
– Amounts due from subsidiaries	**2,057**	51,225
– Cash and cash equivalents	**187,774**	–
	189,831	51,225
Financial liabilities		
Amortised costs		
– Accruals	**231**	–
– Amounts due to subsidiaries	**99,217**	–
	99,448	–

(b) Financial risk management objectives and policies

The Group's major financial instruments include amount due from a shareholder, other receivables, cash and cash equivalents, accruals and other payables, amount due to a shareholder, amount due to a director and amount due to a related company. The details of these financial instruments are disclosed in 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 arises 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 of the Company consider that the Group's credit risk is significantly reduced.

For the years ended 30 June 2015 and 2014, the Group has no other significant concentrations of credit risk. The exposures to these credit risks are monitored on an ongoing basis.

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

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(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:

The Group

At 30 June 2015

	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 and other payables	**–**	**4,434**	**4,434**	**–**	**–**	**4,434**
Amount due to a shareholder	**–**	**8**	**8**	**–**	**–**	**8**
Amount due to a related company	**–**	**362**	**362**	**–**	**–**	**362**
		4,804	**4,804**	**–**	**–**	**4,804**

At 30 June 2014

	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 and other payables	–	1,755	1,755	–	–	1,755
Amount due to a related company	–	373	373	–	–	373
Amount due to a director	–	5	5	–	–	5
		2,133	2,133	–	–	2,133

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

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

Liquidity risk *(Continued)*

The Company

At 30 June 2015

	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	–	231	231	–	–	231
Amounts due to subsidiaries	–	99,217	99,217	–	–	99,217
		99,448	99,448	–	–	99,448

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.

Currency risk

The Group operates in Hong Kong, the PRC, Germany and Singapore and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars ("**USD**"), Renminbi ("**RMB**"), Singapore dollars ("**SGD**") and Euro ("**EUR**"). Foreign exchange 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 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.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

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

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No analysis is disclosed since the Group has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the reporting period.

There were no transfer between Levels 1 and 2 during the years.

(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 debts divided by total assets. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios at the end of each reporting period were as follows:

	2015 **HK$'000**	2014 HK$'000
Total debts *(Note)*	**370**	378
Total assets	**275,492**	180,279
Gearing ratio	**0.1%**	0.2%

Note: Total debts are comprised of amount due to a shareholder (Note 23), amount due to a related company (Note 24) and amount due to a director (Note 25).

7. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performances focuses on types of services provided.

The Group organised into three operating divisions: organisation of exhibitions, exhibition-related services and ancillary services. These divisions are the basis on which the Group reports its segment information.

The three 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

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

For the year ended 30 June

	Organisation of exhibitions		Exhibition – related services		Ancillary services		Total	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Revenue								
Segment revenue	**179,733**	195,679	**26,045**	31,559	**84**	80	**205,862**	227,318
Inter-segment revenue	**–**	–	**(17,548)**	(21,537)	**–**	–	**(17,548)**	(21,537)
Revenue from external customers	**179,733**	195,679	**8,497**	10,022	**84**	80	**188,314**	205,781
Results								
Segment results	**76,118**	98,566	**8,497**	10,022	**84**	80	**84,699**	108,668
Gain on disposal of a subsidiary							**40,851**	–
Unallocated income							**798**	1,295
Unallocated corporate expenses							**(75,393)**	(88,980)
Profit before tax							**50,955**	20,983
Taxation							**(5,089)**	(6,892)
Profit for the year							**45,866**	14,091

7. SEGMENT INFORMATION *(Continued)*

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

	Organisation of exhibitions at 30 June		Exhibition – related services at 30 June		Ancillary services at 30 June		Total at 30 June	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Assets								
Segment assets	**29,562**	23,582	**–**	–	**–**	–	**29,562**	23,582
Unallocated corporate assets							**245,930**	156,697
							275,492	180,279
Liabilities								
Segment liabilities	**108,113**	108,808	**–**	–	**4**	3	**108,117**	108,811
Unallocated corporate liabilities							**9,623**	11,160
							117,740	119,971

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets; and
- all liabilities are allocated to reportable segments other than corporate liabilities.

Other segment information

For the year ended 30 June

	Organisation of exhibitions		Exhibition – related services		Ancillary services		Unallocated		Total	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Depreciation	**–**	–	**–**	–	**–**	–	**(3,673)**	(2,191)	**(3,673)**	(2,191)
Capital expenditures	**–**	–	**–**	–	**–**	–	**(467)**	(10,357)	**(467)**	(10,357)

Geographical segments

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

7. SEGMENT INFORMATION *(Continued)*

Geographical segments *(Continued)*

Segment revenue:

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Hong Kong	**181,912**	190,950
Singapore	**–**	8,582
Germany	**6,402**	6,249
	188,314	205,781

Other segment information:

Segment assets:

	At 30 June 2015	At 30 June 2014
	HK$'000	HK$'000
Hong Kong	**273,791**	177,193
The PRC	**1,701**	3,086
	275,492	180,279

Capital expenditure:

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Hong Kong	**73**	10,110
The PRC	**394**	247
	467	10,357

7. SEGMENT INFORMATION *(Continued)*

Information about major customers

The Group's customer base includes one customer (2014: one) with whom transactions have exceeded 10% of the Group's revenue during the years. Revenue generated from provision of organisation of exhibitions services to this customer is set out below:

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Customer A	**20,279**	22,562

8. REVENUE

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

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

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Participation income	**179,733**	195,679
Additional facilities income	**8,078**	9,464
Sub-contracting and management fee income	**419**	558
Other ancillary service income	**84**	80
	188,314	205,781

9. OTHER REVENUE

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Admission income	**373**	401
Sundry income	**750**	582
	1,123	983

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Staff costs:		
Employee benefit expenses		
(including directors' remuneration *(Note 11)*)		
– Wages and salaries	**42,286**	43,913
– Retirement benefit schemes contributions	**1,601**	1,616
	43,887	45,529
Other items:		
Depreciation of owned property, plant and equipment *(Note 16)*	**3,673**	2,191
Auditors' remuneration	**1,500**	1,563
Loss on disposal of property, plant and equipment	**43**	12
Operating lease rentals in respect of land and building	**9,843**	10,829
And after (charging)/crediting:		
Other gains and losses:		
Interest income	**421**	394
Gain on deregistration of a subsidiary	**–**	69
Net exchange (losses)/gains	**(1,930)**	482
	(1,509)	945

11. DIRECTOR'S EMOLUMENTS, FIVE HIGHEST PAID EMPLOYEES REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

Director's emoluments

Details of directors' emoluments are as follows:

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Fee	**717**	633
Other emoluments:		
Salaries, allowance and benefits in kind	**7,269**	6,857
Retirement benefit schemes contributions	**36**	30
Total	**8,022**	7,520

11. DIRECTOR'S EMOLUMENTS, FIVE HIGHEST PAID EMPLOYEES REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

Director's emoluments *(Continued)*

The emoluments paid or payable to each of the directors and the chief executive officer for the year ended 30 June 2015 and 2014 were as follows:

	Fee		Salaries, allowance, and benefit in kind		Retirement benefit scheme contributions		Total remuneration	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Executive Directors								
Mr. Lee Chi Sing *(Note a)*	**–**	–	**5,400**	5,231	**18**	15	**5,418**	5,246
Mr. Si Tze Fung	**–**	–	**1,800**	1,626	**18**	15	**1,818**	1,641
Mr. Liu Gejiang *(Note b)*	**–**	–	**69**	–	**–**	–	**69**	–
Mr. Lam Wa *(Note c)*	**–**	–	**–**	–	**–**	–	**–**	–
Mr. Sun Sizhi *(Note d)*	**–**	–	**–**	–	**–**	–	**–**	–
Independent non-executive directors								
Mr. Chu Kwok Man *(Note e)*	**300**	211	**–**	–	**–**	–	**300**	211
Mr. Leung Hung Kee *(Note f)*	**150**	211	**–**	–	**–**	–	**150**	211
Mr. Yeung Wai Keung *(Note g)*	**–**	211	**–**	–	**–**	–	**–**	211
Mr. Law Sung Ching, Gavin *(Note h)*	**145**	–	**–**	–	**–**	–	**145**	–
Mr. Yeung Chun Yue, David *(Note i)*	**105**	–	**–**	–	**–**	–	**105**	–
Mr. Wong Ka Fai, Paul *(Note j)*	**17**	–	**–**	–	**–**	–	**17**	–
Mr. Choi Hung Fai *(Note k)*	**–**	–	**–**	–	**–**	–	**–**	–
	717	633	**7,269**	6,857	**36**	30	**8,022**	7,520

Note:

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

(b) Mr. Liu Gejiang was appointed as the executive director on 5 June 2015.

(c) Mr. Lam Wa was appointed as the executive director and the chairman of the Company on 31 July 2015.

(d) Mr. Sun Sizhi was appointed as the executive director and the chief executive officer of the Company on 31 July 2015.

(e) Mr. Chu Kwok Man was resigned as the independent non-executive director on 5 June 2015.

(f) Mr. Leung Hung Kee was resigned as the independent non-executive director on 11 November 2014.

(g) Mr. Yeung Wai Keung was resigned as the independent non-executive director on 4 July 2014.

(h) Mr. Law Sung Ching, Gavin was appointed as the independent non-executive director on 12 September 2014 and resigned on 17 July 2015.

11. DIRECTOR'S EMOLUMENTS, FIVE HIGHEST PAID EMPLOYEES REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

Director's emoluments *(Continued)*

Note: (Continued)

(i) Mr. Yeung Chun Yue, David was appointed as the independent non-executive director on 2 December 2014.

(j) Mr. Wong Ka Fai, Paul was appointed as the independent non-executive director on 5 June 2015.

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

(l) During the year ended 30 June 2015, no bonus (2014: approximately HK$170,000) were paid to the executive directors of the Company. During the years ended 30 June 2015 and 2014, 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.

(m) During the years ended 30 June 2015 and 2014, 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.

Five highest paid employees

The five highest paid employees of the Group during the year are analysed as follows:

	2015 HK$'000	2014 HK$'000
Directors	**7,236**	6,887
Non-directors	**2,830**	3,562
Total	**10,066**	10,449

Details of the remuneration of the non-director, highest paid employees during the year are as follow:

	2015 HK$'000	2014 HK$'000
Salaries, allowances and benefits in kind	**2,788**	3,525
Retirement benefit schemes contribution	**42**	37
Total	**2,830**	3,562

11. DIRECTOR'S EMOLUMENTS, FIVE HIGHEST PAID EMPLOYEES REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

Five highest paid employees *(Continued)*

The number of these non-directors highest paid employees whose remuneration fell within the following band is as follows:

	2015	2014
HK$1,000,001 to HK$1,500,000	**1**	3
Nil to HK$1,000,000	**2**	–
Total	**3**	3

Senior managements of the Company

The emoluments of the senior managements of the Company are within the following band:

	2015	2014
HK$1,000,001 to HK$1,500,000	**1**	1
Nil to HK$1,000,000	**1**	2
Total	**2**	3

During the year ended 30 June 2015, bonus of approximately HK$254,000 (2014: approximately HK$346,000) were paid to the senior managements of the Company. No emoluments were paid by the Group to the senior management as an inducement to join, or upon joining the Group, or as a compensation for loss of office.

During the years ended 30 June 2015 and 2014, no share options to subscribe for ordinary shares of the Company were granted to the senior managements of the Company under the Company's share option scheme.

12. TAXATION

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Current tax		
– Hong Kong Profits Tax	**5,089**	6,892

12. TAXATION *(Continued)*

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit in Hong Kong during the year.

No provision for the Singapore corporate tax has been made as the Group had no estimated assessable profits arising in Singapore for the year ended 30 June 2015 and 2014.

No provision for the PRC enterprise income tax has been made as the PRC subsidiaries did not have any assessable profits in the PRC for the year ended 30 June 2015 and 2014.

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 year ended 30 June 2015 and 2014.

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

A reconciliation of the taxation applicable to profit 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:

	For the year ended 30 June			
	2015		2014	
	HK$'000	**%**	HK$'000	%
Profit before tax	**50,955**		20,983	
Tax expenses at the Hong Kong Profits Tax rate of 16.5%	**8,408**	**16.5**	3,462	16.5
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**(128)**	**(0.3)**	(2)	–
Tax effect of income and expenses not taxable or deductible for tax purposes	**(6,495)**	**(12.7)**	1,923	9.2
Under provision in prior years	**–**	**–**	11	0.1
Tax effect of tax losses not recognised	**3,304**	**6.5**	1,498	7.1
Tax charge for the year	**5,089**	**10.0**	6,892	32.9

13. DIVIDENDS

	For the year ended 30 June	
	2015	2014
	HK$'000	HK$'000
Dividends	**–**	5,000

During the year ended 30 June 2014, the Company declared and paid an interim dividend of 2.5 HK cents per share. No final dividend was recommended by the Board of the Company for the year ended 30 June 2014.

The directors of the Company do not recommend the payment of any dividend for the year ended 30 June 2015.

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the year ended 30 June 2015 amounted to approximately HK$45,919,000 (2014: approximately HK$14,120,000) and on weighted average number of approximately 224,438,000 ordinary shares (2014: approximately 182,466,000 ordinary shares) in issue during the year.

There was no dilutive potential ordinary shares in existence during the years ended 30 June 2015 and 2014, therefore the diluted earnings per share is the same as the basic earnings per share.

15. GOODWILL

	HK$'000
Cost	
At 1 July 2013	322
Deregistration of a subsidiary	(322)
At 30 June 2014, 1 July 2014 and 30 June 2015	–
Accumulated impairment	
At 1 July 2013	322
Derecognised upon deregistration of a subsidiary	(322)
At 30 June 2014, 1 July 2014 and 30 June 2015	–
Carrying amounts	
At 30 June 2015	**–**
At 30 June 2014	–

15. GOODWILL *(Continued)*

In May 2014, the Group deregistered Ningbo Tianyi Yonggang International Exhibition Limited ("**Ningbo Tianyi**"). As a result, the cost and accumulated impairment of goodwill have been derecognised upon the completion of the deregistration of Ningbo Tianyi.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	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 2013	–	1,114	1,503	1,182	3,799
Additions	1,679	7,533	588	557	10,357
Disposals	–	(1,237)	(72)	(59)	(1,368)
Exchange realignment	–	–	1	(1)	–
At 30 June 2014 and 1 July 2014	1,679	7,410	2,020	1,679	12,788
Additions	**351**	**58**	**35**	**23**	**467**
Disposals	**–**	**–**	**(134)**	**–**	**(134)**
Derecognised on disposal of a subsidiary	**(1,679)**	**–**	**–**	**–**	**(1,679)**
Exchange realignment	**–**	**–**	**–**	**1**	**1**
At 30 June 2015	**351**	**7,468**	**1,921**	**1,703**	**11,443**
Accumulated depreciation					
At 1 July 2013	–	1,032	442	439	1,913
Charge for the year	28	1,437	438	288	2,191
Disposals	–	(1,089)	(56)	(43)	(1,188)
At 30 June 2014 and 1 July 2014	28	1,380	824	684	2,916
Charge for the year	**330**	**2,508**	**497**	**338**	**3,673**
Disposals	**–**	**–**	**(91)**	**–**	**(91)**
Eliminated on disposal of a subsidiary	**(308)**	**–**	**–**	**–**	**(308)**
At 30 June 2015	**50**	**3,888**	**1,230**	**1,022**	**6,190**
Net book value					
At 30 June 2015	**301**	**3,580**	**691**	**681**	**5,253**
At 30 June 2014	1,651	6,030	1,196	995	9,872

17. INTERESTS IN SUBSIDIARIES

	The Company	
	2015	2014
	HK$'000	HK$'000
Unlisted shares, at cost	**100**	100
Amounts due from subsidiaries	**2,057**	51,225
Amounts due to subsidiaries	**99,217**	–

The amounts due from subsidiaries were unsecured, interest-free and recoverable on demand.

The amounts due to subsidiaries were unsecured, interest-free and repayable on demand.

17. INTERESTS IN SUBSIDIARIES *(Continued)*

Details of the Company's subsidiaries as at 30 June 2015 are set out as follow:

Name of subsidiaries	Place of incorporation/ operations	Issued/ paid up registered capital	Percentage of equity and voting power attributable to the Company		Principal activities
			Direct	Indirect	
Expand Trade Investments Limited	BVI	Ordinary HK$99,999.90	100%	–	Investment holding
Big Leader Limited	BVI	Ordinary US$1.00	100%	–	Investment holding
Great Getter Limited	Hong Kong	Ordinary HK$1.00	–	100%	Investment holding
Greatest Best Limited	Hong Kong	Ordinary HK$1.00	–	100%	Investment holding
Mega Expo (Hong Kong) Limited	BVI/Hong Kong	Ordinary US$1.00	–	100%	Organisation of exhibitions and trade shows
Mega Expo (Hong Kong) Limited	Hong Kong	Ordinary HK$1.00	–	100%	Organisation of exhibitions and trade shows and provision of ancillary services
Shenzhen Hengjian Exhibition Planning Limited	PRC	Ordinary RMB4,115,805.00	–	100%	Organisation of exhibitions and trade shows
i-MegAsia Limited	Hong Kong	Ordinary HK$1.00	–	100%	Provision of ancillary services for trade shows
Mega Expo (U.S.A.) Limited	BVI/Hong Kong	Ordinary US$1.00	–	100%	Organisation of exhibitions and trade shows
Mega Expo (U.S.A.) Inc.	US	Ordinary US$0.10	–	100%	Inactive
Mega Expo Operations Management Limited	BVI/Hong Kong	Ordinary US$1.00	–	100%	Provision of sub-contracting services for exhibitions and shows
Mega Expo (Berlin) Limited	BVI/Hong Kong	Ordinary US$1.00	–	100%	Organisation of exhibitions and trade shows
Mega Expo Travel Limited	Hong Kong	Ordinary HK$500,000.00	–	100%	Provision of travel agency business
New Heyday Investments Limited	BVI	Ordinary US$2.00	–	100%	Investment holding
Profit Topmark Limited	BVI	Ordinary US$1.00	–	100%	Investment holding
International Jewellery Event Limited	Hong Kong	Ordinary HK$100	–	70%	Organisation of exhibitions and trade shows
Mega Expo (China) Limited	Hong Kong	Ordinary HK$1.00	–	100%	Inactive

17. INTERESTS IN SUBSIDIARIES *(Continued)*

Note:

Shenzhen Hengjian Exhibition Planning Limited is a wholly foreign owned enterprise established in the PRC, the Group has 100% of controlling interest for this company.

In addition, the directors of the Company 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.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		The Company	
	At 30 June 2015 HK$'000	At 30 June 2014 HK$'000	**At 30 June 2015 HK$'000**	At 30 June 2014 HK$'000
Prepayments	**33,248**	30,159	**1,866**	2,336
Deposits	**6,226**	5,128	**–**	–
Other receivables	**44**	28	**–**	–
	39,518	35,315	**1,866**	2,336

19. AMOUNT DUE FROM A SHAREHOLDER

	The Group	
	At 30 June 2015 HK$'000	At 30 June 2014 HK$'000
Business Good	**–**	22

The amount due from a shareholder was unsecured, interest-free and recoverable on demand.

The maximum outstanding balances for the year ended 30 June 2015 were approximately HK$22,000 (2014: approximately HK$22,000).

On 1 June 2015, 110,000,000 ordinary shares, which were held by Business Good, were successfully placed by the placing agent to independent third parties. After the completion of the placing, Business Good ceased to be the controlling shareholder but remained as a substantial shareholder of the Company.

20. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	At 30 June 2015 HK$'000	At 30 June 2014 HK$'000	**At 30 June 2015 HK$'000**	At 30 June 2014 HK$'000
Cash and bank balances	**230,721**	48,480	**187,774**	–
Non-pledged bank deposits	**–**	86,590	**–**	–
	230,721	135,070	**187,774**	–

Non-pledged bank deposits with banks carried interest at market rates of approximately 0.13% to 1.3% per annum for the year ended 30 June 2014.

As at 30 June 2015, the remittance of cash and cash equivalents of approximately HK$1,037,000 (2014: approximately HK$2,779,000) out of the PRC is subject to the foreign exchange control restrictions imposed by the government of the PRC.

21. RECEIPT IN ADVANCE

The Group

As at 30 June 2015, approximately HK$108,117,000 (2014: approximately HK$108,811,000) were the non-refundable participation fee for booth reservation from exhibitors or exhibition service agents.

22. ACCRUALS AND OTHER PAYABLES

	The Group		The Company	
	At 30 June 2015 HK$'000	At 30 June 2014 HK$'000	**At 30 June 2015 HK$'000**	At 30 June 2014 HK$'000
Accruals	**4,377**	1,717	**231**	–
Other payables	**57**	38	**–**	–
	4,434	1,755	**231**	–

23. AMOUNT DUE TO A SHAREHOLDER

The Group

The amount due to a shareholder was unsecured, interest-free and repayable on demand.

24. AMOUNT DUE TO A RELATED COMPANY

The Group

The amount due to a related company was unsecured, interest-free and repayable on demand.

25. AMOUNT DUE TO A DIRECTOR

The Group

The amount due to a director was unsecured, interest-free and repayable on demand.

26. DEFERRED TAX

The Group

As at 30 June 2015, the Group had unused estimated tax losses of approximately HK$8,900,000 (2014: approximately HK$23,508,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

27. SHARE CAPITAL

The Group

As at 1 July 2013, the share capital of the Group represents the aggregate amount of issued share capital of the companies now comprising the Group.

Upon the completion of the Reorganisation and as at 30 June 2014, 1 July 2014 and 30 June 2015, the share capital of the Group represents the issued share capital of the Company.

27. SHARE CAPITAL *(Continued)*

The Company

	Par value	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Authorised:			
At 1 July 2013	0.1	1,000,000	100
Shares sub-division *(note (a))*	0.01	9,000,000	–
Increase in authorised share capital *(note (c))*	0.01	990,000,000	9,900
At 30 June 2014 and 1 July 2014 and 30 June 2015	**0.01**	**1,000,000,000**	**10,000**
Issued and fully paid:			
At 1 July 2013	0.1	1	–
Shares sub-division *(note (a))*	0.01	9	–
Issue of shares *(note (b))*	0.01	9,999,990	100
Issue of shares upon capitalisation issue *(note (d))*	0.01	140,000,000	1,400
Share offer *(note (e))*	0.01	50,000,000	500
At 30 June 2014 and 1 July 2014	0.01	200,000,000	2,000
Placing of shares *(note (f))*	0.01	40,000,000	400
At 30 June 2015	**0.01**	**240,000,000**	**2,400**

Notes:

(a) On 3 October 2013, each issued and unissued ordinary shares of the Company of HK$0.1 each were sub-divided into 10 shares of HK$0.01 each. As a result, the number of shares of the Company increased from 1,000,000 shares to 10,000,000 shares.

(b) As part of the Reorganisation, on 3 October 2013, Mr. Lee Chi Sang, a shareholder of the Company, transferred 10 nil-paid shares in the Company to Business Good and Business Good transferred the entire issued share capital in Expand Trade to the Company, in exchange for which the Company (1) issued and allotted 9,999,990 shares to Business Good, credited as fully paid; and (2) credited as fully paid at par the 10 nil-paid shares which was registered in the name of Business Good.

(c) Pursuant to the board resolution passed on 18 October 2013, the authorised share capital of the Company increased from HK$100,000 to HK$10,000,000 by the creation of 990,000,000 new shares.

(d) As a result of the public offer and placing of the Company's shares (the "**Share Offer**"), the directors of the Company were authorised to capitalise HK$1,400,000 standing to the credit of the share premium account by applying that sum in paying up in full at par 140,000,000 shares for allotment and issue to the holder of share whose name appears on the register of members of the Company at the close of business on 18 October 2013 in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to its then existing shareholding in the Company and so that the shares be allotted and issued pursuant to the resolution shall rank pari passu in all respects with the then existing issued shares and the directors of the Company were authorised to give effect to such capitalisation.

27. SHARE CAPITAL *(Continued)*

Notes: (Continued)

(e) To proceed the Share Offer, the Company issued an additional 50,000,000 shares of HK$0.01 each on 6 November 2013.

(f) On 12 November 2014, the Company entered into a placing agreement under which the Company agreed to place up to a total of 40,000,000 shares to independent third parties on a best effort basis, through a placing agent, at a price of HK$1.381 per share under general mandate. Completion of the placing of all of the 40,000,000 placing shares took place on 20 November 2014 and net proceeds of approximately HK$51,545,000 were raised for general working capital of the Group.

28. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior period are presented in the consolidated statement of changes in equity on page 40 of the consolidated financial statements.

The consolidated profit attributable to owners of the Company for the year includes a loss of approximately HK$12,857,000 (2014: approximately HK$18,857,000) which has been dealt with in the financial statements of the Company.

The Company

	Share premium HK$'000	**Accumulated losses** HK$'000	**Total equity** HK$'000
At 1 July 2013	–	(41)	(41)
Profit and total comprehensive income for the year	–	3,143	3,143
Issue of shares			
– Share offer	66,000	–	66,000
– Capitalisation issue	(1,400)	–	(1,400)
Expenses incurred in connection with the issue of shares	(11,041)	–	(11,041)
Dividend paid	–	(5,000)	(5,000)
At 30 June 2014 and 1 July 2014	53,559	(1,898)	51,661
Loss and total comprehensive loss for the year	–	(12,857)	(12,857)
Placing of shares	54,840	–	54,840
Expenses incurred in connection with the placing of shares	(3,695)	–	(3,695)
At 30 June 2015	**104,704**	**(14,755)**	**89,949**

28. RESERVES *(Continued)*

Notes:

(a) Statutory reserve

In accordance with the Company Law of the PRC, the PRC subsidiaries of the Group is required to allocate 10% of their profit after tax to the statutory reserve until such reserve reaches 50% of the registered capital of the PRC subsidiaries. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory reserve may be converted to increase paid-up capital/issued capital of the PRC subsidiaries, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The statutory reserve of the PRC subsidiaries was HK$Nil as at 30 June 2015 (2014: HK$Nil).

(b) 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.

(c) 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 Reorganisation as detailed in Note 2.

(d) Distributable reserve

Under the Companies Law of the 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 2015, the Company's reserves available for distribution to shareholders amounted to approximately HK$89,949,000 (2014: HK$51,661,000), which was calculated in accordance with the Companies Law of the Cayman Islands and the memorandum and articles of association of the Company.

29. DISPOSAL OF A SUBSIDIARY

On 11 May 2015, an indirectly wholly owned subsidiary of the Company disposed of its entire interest in Idea Trade. The principle activity of Idea Trade is license holding.

Summary of the effects of the disposal of Idea Trade is as follows:

Analysis of assets and liabilities over which control was lost

	HK$'000
Current assets	
Prepayments	11,283
Cash and cash equivalents	6
Non-current asset	
Property, plant and equipment	1,371
Current liability	
Amounts due to the Group *(Note)*	(13,124)
Net liabilities disposed of	(464)

Gain on disposal of a subsidiary

	HK$'000
Consideration received	42,500
Waiver of amounts due to the Group	(2,113)
Net liabilities disposed of	464
Gain on disposal of a subsidiary	40,851

Net cash inflow on disposal of a subsidiary

	HK$'000
Consideration received in cash and cash equivalents	42,500
Less: cash and cash equivalent balances disposed of	(6)
Net cash inflow from disposal of a subsidiary	42,494

Note:

Included in the amounts due to the Group of approximately HK$11,011,000 represented the prepaid exhibition rental in advance by Mega Expo (Hong Kong) Limited, one of the subsidiaries of the Company, on behalf of Idea Trade as an organiser of the Mega Show 2015. The amount has been regarded as prepaid fee to Idea Trade pursuant to the project management agreement entered into upon the completion of disposal on 11 May 2015.

30. MATERIAL RELATED PARTY 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 of the Company, were carried out on normal commercial terms and in the ordinary course of business of the Group.

Remuneration for key personnel management, including emoluments paid to the Company's 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

	2015 **HK$'000**	2014 HK$'000
Salaries, allowances and benefits in kind	**10,252**	10,966
Retirement benefit scheme contributions	**105**	101
Total compensation paid to key management personnel	**10,357**	11,067

31. OPERATING LEASE COMMITMENTS

The Group as lessee

As at 30 June 2014 and 2015, the Group had outstanding commitments payable under non-cancellable operating leases in respect of properties rented with lease terms of between 2 to 3 years which fall due as follows:

	2015 **HK$'000**	2014 HK$'000
Within one year	**13,963**	35,706
In the second to fifth year, inclusive	**10,717**	10,472
	24,680	46,178

32. EVENTS AFTER THE REPORTING PERIOD

(i) On 20 August 2015, the board of directors of the Company proposed that each of the issued and unissued shares of HK$0.01 each in the share capital of the Company be subdivided into five (5) subdivided shares of HK$0.002 each ("**Subdivided Shares**"). Further, subject to and upon such share subdivision becoming effective, the board lot size will be changed from 2,000 shares to 5,000 Subdivided Shares. An extraordinary general meeting of the Company will be convened and held on 21 September 2015 to consider and, if thought fit, approve such share subdivision. For details, please refer to the circular of the Company dated 28 August 2015.

(ii) On 4 September 2015, the Company entered into the non-legally binding memorandum of understanding with International Investment & Cooperation Promotion Bureau of Huangdao District in relation to the possible investment in Qingdao, Shandong Province, the PRC. For details, please refer to the announcement of the Company dated 4 September 2015.

33. APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 14 September 2015.

FIVE-YEAR FINANCIAL SUMMARY

RESULTS

	For the year ended 30 June				
	2015 HK$'000 (audited)	2014 HK$'000 (audited)	2013 HK$'000 (audited)	2012 HK$'000 (audited)	2011 HK$'000 (audited)
Revenue	**188,314**	205,781	220,633	166,795	147,758
Profit before tax	**50,955**	20,983	34,241	30,864	31,220
Taxation	**(5,089)**	(6,892)	(8,339)	(5,976)	(5,294)
Profit for the year	**45,866**	14,091	25,902	24,888	25,926
Attributable to:					
Owners of the Company	**45,919**	14,120	26,170	25,056	26,049
Non-controlling interests	**(53)**	(29)	(268)	(168)	(123)
Profit for the year	**45,866**	14,091	25,902	24,888	25,926
Earnings per share – Basic (HK cents)	**20.46**	7.74	17.45	16.70	17.37

ASSETS AND LIABILITIES

	At 30 June 2015 HK$'000 (audited)	At 30 June 2014 HK$'000 (audited)	At 30 June 2013 HK$'000 (audited)	At 30 June 2012 HK$'000 (audited)	At 30 June 2011 HK$'000 (audited)
Total assets	**275,492**	180,279	131,856	148,560	123,004
Total liabilities	**(117,740)**	(119,971)	(135,945)	(146,499)	(118,865)
Non-controlling interests	**53**	–	(45)	(311)	(471)
Total equity attributable to owners of the Company	**157,805**	60,308	(4,134)	1,750	3,668