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

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

The board of directors (the “**Board**”) of Mega Expo Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2013 together with comparative figures as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2013

		<b>For the six months ended</b>	
		<b>31 December</b>	
	<i>Note</i>	<b>2013</b>	<b>2012</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	5	<b>198,585</b>	214,028
Other revenue		<b>902</b>	120
Other income	6	<b>555</b>	48
Advertising and promotion expenses		<b>(10,596)</b>	(8,644)
Agency commission		<b>(2,808)</b>	(6,288)
Exhibition rentals		<b>(29,568)</b>	(1,046)
Staff cost		<b>(30,597)</b>	(22,099)
Booth construction costs		<b>(18,030)</b>	(24,468)
Exhibition expenses		<b>(7,929)</b>	(7,567)
Exhibition co-operation expenses		<b>(5,151)</b>	(58,369)
Other operating expenses		<b>(32,794)</b>	(12,909)
<b>Profit before tax</b>	6	<b>62,569</b>	72,806
Taxation	7	<b>(18,813)</b>	(12,456)
<b>Profit for the period</b>		<b>43,756</b>	60,350
Other comprehensive income/(loss) for the period, net of tax:			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		<b>192</b>	(26)
<b>Total comprehensive income for the period, net of tax</b>		<b>43,948</b>	60,324

**For the six months ended**

		<b>31 December</b>	
	<i>Note</i>	<b>2013</b>	2012
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		43,778	60,473
Non-controlling interests		(22)	(123)
		<u>43,756</u>	<u>60,350</u>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		43,970	60,447
Non-controlling interests		(22)	(123)
		<u>43,948</u>	<u>60,324</u>
<b>Earnings per share</b>			
– Basic	9	<u>26.50 HK cents</u>	<u>40.32 HK cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 31 December 2013

		At 31 December 2013 <i>HK\$'000</i> (Unaudited)	At 30 June 2013 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		<u>6,683</u>	<u>1,886</u>
<b>Current assets</b>			
Prepayment, deposits and other receivables	10	22,692	34,298
Amount due from ultimate holding company		13	13
Amount due from directors		794	21,824
Cash and cash equivalents		<u>128,214</u>	<u>73,835</u>
		<u>151,713</u>	<u>129,970</u>
<b>Current liabilities</b>			
Receipt in advance		34,020	123,590
Accruals and other payables	11	8,100	3,908
Tax payable		<u>20,958</u>	<u>8,447</u>
		<u>63,078</u>	<u>135,945</u>
<b>Net current assets/(liabilities)</b>		<u>88,635</u>	<u>(5,975)</u>
<b>Total assets less current liabilities</b>		<u>95,318</u>	<u>(4,089)</u>
<b>Capital and reserves</b>			
Share capital		2,000	–
Reserves		<u>93,295</u>	<u>(4,134)</u>
<b>Total equity attributable to owners of the Company</b>		<u>95,295</u>	<u>(4,134)</u>
<b>Non-controlling interests</b>		<u>23</u>	<u>45</u>
<b>Total equity</b>		<u>95,318</u>	<u>(4,089)</u>

## Notes:

### 1. ORGANISATION AND PRINCIPAL ACTIVITIES

The Company was incorporated as an exempted company with limited liability in Cayman Islands under the Companies Law on 21 August 2012 and is listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company is investment holding. The principal activities of the Company’s subsidiaries (collectively with the Company, referred to as the “**Group**”) are involved in the organisation of exhibitions and trade shows, providing ancillary services and provision of sub-contracting services for exhibitions and trade shows.

For the purpose of applying the listing of the shares of the Company on the Stock Exchange (the “**Listing**”), the Group underwent the reorganisation (the “**Reorganisation**”), details of which are explained in the section headed “Reorganisation” in the listing document of the Company dated 25 October 2013 (the “**Listing Document**”).

Upon the completion of the Reorganisation, Business Good Holdings Limited, the ultimate holding company of the Company, transferred its entire issued share capital of Expand Trade Investments Limited, which holds the entire interests in the companies now comprising the Group, to the Company. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The condensed consolidated financial statements have been prepared as if the Company has been the holding company of the companies now comprising the Group for the six months ended 31 December 2013 during the period.

The shares of the Company were listed on the main board of the Stock Exchange on 6 November 2013.

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 31 December 2013 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules of Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institution of Certified Public Accountants (the “**HKICPA**”).

The condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the financial information of the Group for the year ended 30 June 2013 as contained in Appendix I – Accountants’ Report to the Listing Document.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements are denominated in Hong Kong dollar (“**HK\$**”). Unless otherwise specifically stated, all amounts are presented in thousand.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the Listing Document, except for the impact of the adoption of the new and revised HKASs, Hong Kong Financial Reporting Standards (“**HKFRSs**”), amendments and interpretations described below.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (“**New HKFRSs**”) issued by the HKICPA, which are effective for the Group’s accounting period beginning on 1 July 2013.

The New HKFRSs adopted by the Group in the condensed consolidated financial statements are set out as follows:

HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvement 2009 – 2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entities: Transition Guidance
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the above New HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods which have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions <sup>2</sup>
HKAS 36 (Amendments)	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets <sup>1</sup>
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting <sup>1</sup>
Amendments to HKFRSs	Annual Improvement 2010 – 2012 Cycle <sup>2</sup>
Amendments to HKFRSs	Annual Improvement 2011 – 2013 Cycle <sup>2</sup>
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure <sup>3</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities <sup>1</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>4</sup>
HK(IFRIC) 21	Levies <sup>2</sup>

<sup>1</sup> Effective for annual period beginning on or after 1 January 2014

<sup>2</sup> Effective for annual period beginning on or after 1 July 2014

<sup>3</sup> Effective for annual period beginning on or after 1 January 2015

<sup>4</sup> Effective for annual period beginning on or after 1 January 2016

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values 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.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, 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 attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The narrow-scope amendments to HKAS 19 (2011) *Employee Benefits* apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

The amendments to HKAS 19 (2011) are effective for annual periods beginning on or after 1 July 2014 with earlier application permitted.

The Annual Improvements to HKFRSs 2010 – 2012 Cycle and HKFRSs 2011 – 2013 Cycle includes a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. Amendments to HKFRSs include:

#### Annual improvements 2010 – 2012 Cycle

- amendments to HKFRS 2 *Share-based Payment – Definition of vesting condition*;
- amendments to HKFRS 3 *Business Combinations – Accounting for contingent consideration in a business combination*;
- amendments to HKFRS 8 *Operating Segments – Aggregation of operating segment and reconciliation of the total of the reportable segments’ assets to the entity’s assets*;
- amendments to HKFRS 13 *Fair Value Measurement – Short-term receivables and payables*;
- amendments to HKAS 16 *Property, Plant and Equipment – Revaluation method – proportionate restatement of accumulated depreciation*;
- amendments to HKAS 24 *Related Party Disclosures – Key management personnel*; and
- amendments to HKAS 38 *Intangible Assets – Revaluation method – proportionate restatement of accumulated amortisation*

#### Annual improvements 2011 – 2013 Cycle

- amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Meaning of “Effective HKFRSs”*;
- amendments to HKFRS 3 *Business Combinations – Scope exemptions for joint ventures*;
- amendments to HKFRS 13 *Fair Value Measurement – Scope of paragraph 52 (portfolio exception)*; and
- amendments to HKAS 40 *Investment Property – Clarifying the interrelationship between HKFRS 3 and HKAS 40 when classifying property as investment property or owner-occupied property*

#### 4. SEGMENT INFORMATIONS

Information reported to the chief operating decision makers for the purposes of resources allocation and assessment of segment performance focuses on types of services provided.

The Group is organised into three operating divisions: organisation of exhibition, exhibition related services and ancillary services. These division 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 six months ended 31 December

	Organisation of exhibition		Exhibition-related services		Ancillary services		Total	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
<b>Revenue</b>								
Segment revenue	189,197	203,300	34,782	34,337	80	103	224,059	237,740
Inter-segment revenue	-	-	(25,474)	(23,712)	-	-	(25,474)	(23,712)
Revenue from external customers	189,197	203,300	9,308	10,625	80	103	198,585	214,028
<b>Results</b>								
Segment results	103,924	88,465	9,308	10,625	(119)	(85)	113,113	99,005
Unallocated income							1,370	27
Unallocated corporate expenses							(51,914)	(26,226)
Profit before tax							62,569	72,806
Taxation							(18,813)	(12,456)
Profit for the period							43,756	60,350



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

	Organisation of exhibition		Exhibition- related services		Ancillary services		Total	
	At 31 December 2013 HK\$'000 (Unaudited)	At 30 June 2013 HK\$'000 (Audited)	At 31 December 2013 HK\$'000 (Unaudited)	At 30 June 2013 HK\$'000 (Audited)	At 31 December 2013 HK\$'000 (Unaudited)	At 30 June 2013 HK\$'000 (Audited)	At 31 December 2013 HK\$'000 (Unaudited)	At 30 June 2013 HK\$'000 (Audited)
<b>Assets</b>								
Segment assets	7,019	29,735	-	-	-	-	7,019	29,735
Unaudited corporate assets							151,377	102,121
							<u>158,396</u>	<u>131,856</u>
<b>Liabilities</b>								
Segment liabilities	6,738	123,581	-	-	3	9	6,741	123,590
Unaudited corporate liabilities							56,337	12,355
							<u>63,078</u>	<u>135,945</u>

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

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

### Other segment information

For the six months ended 31 December

	Organisation of exhibition		Exhibition- related services		Ancillary services		Unallocated		Total	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Depreciation and amortisation	-	-	-	-	-	-	708	417	708	417
Capital expenditure	-	-	-	-	-	-	5,505	1,683	5,505	1,683

## 5. REVENUE

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

	<b>For the six months ended 31 December</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Participation fee income	<b>189,197</b>	203,300
Additional facilities income	<b>9,308</b>	10,266
Sub-contracting and management fee income	<b>–</b>	359
Other ancillary service income	<b>80</b>	103
	<b><u>198,585</u></b>	<b><u>214,028</u></b>

## 6. PROFIT BEFORE TAX

	<b>For the six months ended 31 December</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Staff costs:</b>		
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	<b>29,811</b>	21,557
Retirement benefit schemes contributions	<b>786</b>	542
	<b><u>30,597</u></b>	<b><u>22,099</u></b>
<b>Other items:</b>		
Depreciation of owned property, plant and equipment	<b>708</b>	417
Auditors' remuneration	<b>514</b>	–
Operating lease rentals in respect of land and building	<b>5,819</b>	4,598
	<b><u>555</u></b>	<b><u>48</u></b>
And after crediting:		
<b>Other income:</b>		
Interest income	<b>102</b>	6
Exchange gain, net	<b>453</b>	42
	<b><u>555</u></b>	<b><u>48</u></b>

## 7. TAXATION

	For the six months ended 31 December	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profit Tax	18,769	12,456
Other than Hong Kong	44	—
	<u>18,813</u>	<u>12,456</u>

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the six months ended 31 December 2013 and 2012.

Tax arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 8. DIVIDENDS

The directors of the Company has resolved to declare of an interim dividend of 2.5 HK cents per share for the six months ended 30 June 2013 (2012: aggregate of HK\$32,000,000).

No dividend payable to owners of the Company attributable to the previous financial year was approved and paid during the period.

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the period of HK\$43,778,000 (2012: HK\$60,473,000) and on the weighted average number of 165,217,391 ordinary shares (2012: on the assumptions that 150,000,000 ordinary shares) in issue during the period.

## 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December 2013 <i>HK\$'000</i> (Unaudited)	At 30 June 2013 <i>HK\$'000</i> (Audited)
Prepayments	14,714	29,735
Deposits	7,151	3,028
Other receivables	827	1,535
	<u>22,692</u>	<u>34,298</u>

## 11. ACCRUALS AND OTHER PAYABLES

	At 31 December 2013 <i>HK\$'000</i> (Unaudited)	At 30 June 2013 <i>HK\$'000</i> (Audited)
Other payables	–	445
Accruals	8,100	3,463
	<u>8,100</u>	<u>3,908</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### General Overview

For the six months ended 31 December 2013, the Group recorded a total revenue of HK\$198,585,000 (2012: HK\$214,028,000), representing a decline of 7.2% for the corresponding period of last year. The lower turnover were due to the postponement of Las Vegas Asia Expo (“**Vegas Expo**”) 2013 originally held in August 2013 and keen competition from other exhibition organisers. For the six months ended 31 December 2013, revenue from organisation of exhibitions accounted for 95.3% (2012: 95.0%) of the total revenue, while revenue from provision of exhibition related services accounted for 4.7% (2012: 5.0%).

During the period under review, profit before taxation was HK\$62,569,000 (2012: HK\$72,806,000), representing a decrease of 14.1% than the same period of last year which was driven by the one-off listing expenses of HK\$15,855,000 recognised upon the listing of the Company’s shares in November 2013.

#### Organisation of Exhibitions

We take lead 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 six months ended 31 December 2013, revenue generated from the organisation of exhibitions accounted for HK\$189,197,000 (2012: HK\$203,300,000), representing a decrease of 6.9%. Affected by the Boston Marathon explosion which occurred in April 2013, our Vegas Expo originally scheduled in August 2013 has postponed to 2014, revenue generated from Vegas Expo in 2012 amounted to HK\$7,705,000. In addition, the keen competition from other organisers also led to a decrease in our revenue during the same period compared to last year.

In 2012, the Group has entered into project management agreement with the organiser of the Mega Shows 2012 and other trade fairs, of which the Group provided exhibition management services during the exhibitions. It was agreed that the Group should share the revenue generated from the exhibitions to the organiser. During the period, the Group acted as the organiser of Mega Shows 2013, which resulted in an increase in the direct exhibition cost. Our exhibition rental for the six months period increased from HK\$1,046,000 in 2012 to HK\$29,568,000 in 2013 and overall staff cost has increased from HK\$22,099,000 to HK\$30,597,000 as more manpower were involved. Since we have been the organiser of the Mega Shows, the exhibition co-operation expenses decreased from HK\$58,369,000 in 2012 to HK\$5,151,000 in 2013. With an effective cost control, we recorded a segment results of HK\$103,924,000 (2012: HK\$88,465,000).

## **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 six months ended 31 December 2013, revenue generated from exhibition related service was HK\$9,308,000 (2012: HK\$10,625,000), representing a decrease of 12.4%. Since the revenue mainly represent the income from additional facilities provided to the exhibitors, it was affected by the postponement of Vegas Expo 2013 and the decrease in number of exhibition booths sold.

## **Ancillary Services**

We have also provided ancillary services for trade shows and exhibitions. Our Group recorded a revenue from the provision of ancillary services for the six months ended 31 December 2013 of HK\$80,000 (2012: HK\$103,000).

## **PROSPECT**

It is our 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 exhibitions, the Group intends to further improve the overall management and to improve 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. 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 and growth potentials. Feasibility studies will be carried out from time to time if any potential opportunities arise.

In 2014, the Group cooperated with an exhibition organiser in the People's Republic of China (the "PRC") to organise the Asian Lighting & Consumer Electronics Exhibition in Guangzhou, the PRC. The first edition will be held in April 2014.

We will continue to explore opportunities to cooperate with other local organiser, industry associations or governmental organisations to participate in new exhibitions. And we will also continue to explore new business opportunities to compliment or broaden our business scope with a view to strengthen our revenue stream and enhance return to our shareholders.

## **INTERIM DIVIDENDS**

The board of directors has resolved to declare an interim dividend of 2.5 HK cents per share for the six months ended 31 December 2013 (2012: aggregate of HK\$32,000,000).

The interim dividend will be paid on or about 30 April 2014 to the shareholders of the Company whose names appeared on the register of members of the Company on 14 March 2014.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 12 March 2014 to 14 March 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to establish entitlement to the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 11 March 2014 for registration of transfer.

## **CAPITAL STRUCTURE**

Shareholders' equity increased to HK\$95,295,000 as at 31 December 2013 from negative HK\$4,134,000 as at 30 June 2013. The main reason for the change is the group reorganisation upon the initial listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). As at 31 December 2013, the Group did not have any long term debts (at 30 June 2013: Nil).

## **MATERIAL ACQUISITION AND DISPOSAL**

During the period under review, there was no material acquisition or disposals of subsidiaries or associates of the Company.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2013, the Group has a total assets of HK\$158,396,000 (at 30 June 2013: HK\$131,856,000) which was financed by current liabilities of HK\$63,078,000 (at 30 June 2013: HK\$135,945,000), non-controlling interest of HK\$23,000 (at 30 June 2013: HK\$45,000) and shareholders' equity of HK\$95,295,000 (at 30 June 2013: negative HK\$4,134,000).

As at 31 December 2013, the Group's current ratio was 2.41 (at 30 June 2013: 0.96); and since the Group did not have any debts, no gearing ratio was presented.

As at 31 December 2013, 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 on 31 December 2013.

The cash and cash equivalent of the Group as at 31 December 2014 was mainly denominated in Hong Kong Dollars, United States Dollars ("USD") and Renminbi ("RMB").

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATES**

The Group manages or organises exhibitions held in Hong Kong, the PRC, Germany, Singapore and the United States of America (the "US") 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 31 December 2013, the Group has 135 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.

## **USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING**

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 6 November 2013 (the "**Listing Date**"). The net proceeds received from the initial public offering, after deducting underwriting commissions and other expenses in relation to the offering, were approximately HK\$29.2 million. Such net proceeds were deposited at the Group's bank accounts and will be used in the manner and proportion consistent with that mentioned in the section headed "Future plans and use of proceeds from the share offer" of the prospectus of the Company dated 25 October 2013 (the "**Prospectus**"). In the event that the directors decide to use such net proceeds in a manner different from that stated in the Prospectus, the Company will issue a further announcement in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

## **EVENT AFTER REPORTING PERIOD**

The Group do not have any material subsequent event after the reporting period.



## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the six months ended 31 December 2013.

## **CORPORATE GOVERNANCE PRACTICES**

The Group has established a formal and transparent procedure to protect the interests of the shareholders of the Group. The Group regularly reviews the corporate governance procedures and developments of the Group. The Group applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the period under review, except that:

Under the code provision A.2.1, the roles of 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 of the Group should be clearly established and set out in writing. The roles of the chairman and the CEO of the Group was not separated and was performed by the same individual, Mr. Lee Chi Sang who acted as both the chairman and CEO throughout the period under review. The directors meet regularly to consider major matters affecting the operations of the Group. As such, the directors consider that this structure will not impair the balance of power and authority between the directors and the management of the Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules.

All directors have confirmed, following specific enquiry of all directors, that they have fully complied with the required standards set out in the Model Code throughout the six months ended 31 December 2013.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting standards and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including review of the unaudited condensed consolidated financial statements for the six months ended 31 December 2013.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the websites of the Company ([www.mega-expo.com](http://www.mega-expo.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2013 interim report of the Company will be despatched to the shareholders and available on the same websites in due course.

By Order of the Board  
**Mega Expo Holdings Limited**  
**Mr. Lee Chi Sang**  
*Chairman*

Hong Kong, 28 February 2014

*As at the date of this announcement, the Board comprises Mr. Lee Chi Sang and Mr. Si Tze Fung as Executive Directors and Mr. Chu Kwok Man, Mr. Leung Hung Kee and Mr. Yeung Wai Keung as Independent Non-executive Directors.*