KITH HOLDINGS LIMITED
僑威集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 1201)

ANNUAL RESULTS ANNOUNCEMENT FOR 2012

The Board of Directors (the "Board") of Kith Holdings Limited (the "Company" and together with its subsidiaries, the "Group") is pleased to announce the audited operating results of the Group for the year ended 31st December, 2012, together with the comparative figures for the corresponding period in 2011, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December,

	Notes	**2012** *HK$'000*	2011 *HK$'000*
Continuing operations			
Revenue	4	**2,027,839**	1,940,599
Cost of sales		**(1,743,978)**	(1,694,851)
Gross profit		**283,861**	245,748
Other income		**17,333**	21,058
Distribution and selling expenses		**(8,418)**	(13,996)
Administrative expenses		**(146,808)**	(130,253)
Impairment loss on trade and other receivables, deposits and prepayments		**(18,199)**	(3,227)
Impairment loss on property, plant and equipment		**(2,357)**	–
Fair value loss on held-for-trading investments		**(383)**	(799)
Fair value gain on other financial assets		**2,387**	1,900
Impairment loss on available-for-sale investments		**(440)**	(1,972)
Share of loss of an associate		**(6,714)**	–
Finance costs		**(25,326)**	(21,186)
Profit before tax		**94,936**	97,273
Income tax expense	6	**(35,125)**	(21,032)
Profit for the year from continuing operations	8	**59,811**	76,241

	Notes	**2012** *HK$'000*	2011 *HK$'000*
Discontinued operation			
Profit for the year from discontinued operation	7	**37,169**	11,250
Profit for the year		**96,980**	87,491
Profit for the year attributable to:			
Owners of the Company			
From continuing operations		**18,196**	29,225
From discontinued operation		**37,169**	5,845
		55,365	35,070
Non-controlling interests			
From continuing operations		**41,615**	47,016
From discontinued operation		**–**	5,405
		41,615	52,421
		96,980	87,491
Earnings per share for profit attributable to owners of the Company:	10		
From continuing and discontinued operations			
Basic		**HK21.18 cents**	HK13.41 cents
Diluted		**HK21.18 cents**	HK13.41 cents
From continuing operations			
Basic		**HK6.96 cents**	HK11.18 cents
Diluted		**HK6.96 cents**	HK11.18 cents
From discontinued operation			
Basic		**HK14.22 cents**	HK2.23 cents
Diluted		**HK14.22 cents**	HK2.23 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December,

	2012	2011
	HK$'000	*HK$'000*
Profit for the year	**96,980**	87,491
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	**8,512**	37,640
Fair value changes on available-for-sale investments	**1,718**	(2,146)
Other comprehensive income for the year, net of tax	**10,230**	35,494
Total comprehensive income for the year	**107,210**	122,985
Total comprehensive income for the year attributable to:		
Owners of the Company	**62,112**	53,436
Non-controlling interests	**45,098**	69,549
	107,210	122,985

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 31st December, 2012 HK$'000**	As at 31st December, 2011 HK$'000
Non-current Assets			
Property, plant and equipment		**590,230**	615,022
Prepaid lease payments		**17,431**	18,044
Interest in an associate	11	**55,701**	–
Deposit paid for acquisition of properties under development	12	**25,636**	–
Deposits paid for acquisition of property, plant and equipment		**37,141**	2,306
Available-for-sale investments		**22,461**	21,183
Deferred tax assets		**130**	129
Total non-current assets		**748,730**	656,684
Current Assets			
Inventories		**162,780**	142,196
Trade and other receivables, deposits and prepayments	13	**797,085**	762,446
Tax recoverable		**277**	15
Prepaid lease payments		**613**	613
Short-term loans receivable		**51,533**	95,526
Held-for-trading investments		**796**	4,873
Pledged bank deposit		**1,009**	–
Bank balances and cash		**57,044**	81,814
		1,071,137	1,087,483
Assets of a disposal group classified as held for sale	14	**–**	49,299
Total current assets		**1,071,137**	1,136,782
Current Liabilities			
Trade and other payables	15	**199,006**	211,538
Tax liabilities		**13,153**	14,838
Dividend payable to non-controlling shareholders		**15,058**	8,118
Borrowings	16	**548,037**	561,305
Obligation under finance lease – due within one year		**375**	947
		775,629	796,746
Liabilities directly associated with a disposal group classified as held for sale	14	**–**	3,293
Total current liabilities		**775,629**	800,039

	As at 31st December, 2012 *HK$'000*	As at 31st December, 2011 *HK$'000*
Net Current Assets	**295,508**	336,743
Total Assets Less Current Liabilities	**1,044,238**	993,427
Non-current Liabilities		
Obligation under finance lease – due after one year	**16**	391
Deferred tax liabilities	**47,503**	38,917
Total non-current liabilities	**47,519**	39,308
Net Assets	**996,719**	954,119
Capital and Reserves		
Share capital	**26,145**	26,145
Share premium and reserves	**597,731**	551,879
Equity attributable to owners of the Company	**623,876**	578,024
Non-controlling interests	**372,843**	376,095
Total Equity	**996,719**	954,119

Notes:

1 GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The directors consider Accufit Investments Inc., a company incorporated in the British Virgin Islands ("BVI"), to be the parent and ultimate holding company of the Company. The address of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and 1st Floor, Hing Lung Commercial Building, 68 Bonham Strand East, Hong Kong, respectively.

On 23rd December, 2011, the Stock Exchange granted an approval in principle (the "In Principle Approval") for the Group to spin off its design, development and sales of integrated circuits business through a separate listing of Megalogic Technology Holdings Limited ("Megalogic Holdings"), a then subsidiary of the Company, on the Growth Enterprise Market of the Stock Exchange (the "Spin-off").

The Spin-off was completed on 19th January, 2012. Upon the completion of the Spin-off, the Group's interest in Megalogic Holdings was diluted from 52.01% to 39.01% and resulted in a loss of control of Megalogic Holdings. Megalogic Holdings was deconsolidated from the date that control ceased and was accounted for as an associate. For the presentation of the consolidated financial statements for the year ended 31st December, 2011, the design, development and sales of integrated circuits business was regarded as "discontinued operation".

The consolidated financial statements are presented in Hong Kong dollar ("HKD"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

As at 31st December, 2012, the Group incurred total borrowings of HK$548,037,000 (the "Borrowings"). Details of the same are disclosed in Note 16. Out of the Borrowings, an aggregate amount of approximately HK$27,559,000 of trust receipt loans became overdue (the "Year End Overdue Amounts"). Up to the date of this announcement approximately HK$21,490,000 of the Year End Overdue Amounts had been settled which reduce the same down to approximately HK$6,069,000 (the "Unsettled Year End Overdue Amounts"). For the period from 1st January, 2013 up to the date of this announcement, further aggregate amounts of approximately HK$94,454,000 of trust receipt loans, short-term bank borrowings and other loans became overdue (the "Subsequent Overdue Amounts"). The Unsetted Year End Overdue Amounts and the Subsequent Overdue Amounts give an "Aggregate Overdue Amounts" of approximately HK$100,523,000 as at the date of this announcement.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In the opinion of the directors of the Company, the Group should be able to maintain itself as a going concern in the foreseeable future by taking into consideration the following arrangements which include:

(1) In respect of the Aggregate Overdue Amounts, the Group has re-scheduled with the bank and other loan lenders to extend the respective due dates to April and May 2013;

(2) On 30th January, 2013, the Company entered into a placing agreement with a placing agent, whereby the Company has agreed to issue and the placing agent has agreed, on a best efforts basis, to act as placing agent to procure subscribers to subscribe for up to four series of 24 months 6% unlisted bonds (the "Bonds') in an aggregate principal amount of up to HK$300,000,000. The maximum net proceeds from the Bonds will be approximately HK$279,000,000. The final tranche is expected to be closed in May 2013; and

(3) The Group has also signed a non binding and subject to contract term sheet with an independent third party who has indicated an intention to subscribe a secured note of US$10,000,000 (approximately HK$78,000,000) which is expected to be issued by the Company in April 2013.

The directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards and amendments ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which have become effective for the accounting period beginning on 1st January, 2012.

HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

The Group has applied the amendments to HKFRS 7 "Disclosures – Transfer of Financial Assets" in the current year. The amendments increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency about risk exposures when financial assets are transferred.

In the current year, the Group discounted certain trade receivables to a bank for cash. If the trade receivables are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise in full carrying amount of the receivables and has recognised the cash received on transfer as secured borrowings as set out in note 16. The relevant disclosures have been made in note 13 regarding the transfer of these trade receivables on application of the amendments to HKFRS 7. In accordance with the transitional provisions set out in the amendments to HKFRS 7, the Group has not provided comparative information for the disclosures required by the amendments.

Except as described above, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new standards, amendments and interpretation that have been issued but are not yet effective in the consolidated financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle [2]
HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans [2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities [2]
HKFRS 9	Financial Instruments [4]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures [4]
HKFRS 10	Consolidated Financial Statements [2]
HKFRS 11	Joint Arrangements [2]
HKFRS 12	Disclosures of Interests in Other Entities [2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance [2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities [3]
HKFRS 13	Fair Value Measurement [2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income [1]
HKAS 19 (2011)	Employee Benefits [2]
HKAS 27 (2011)	Separate Financial Statements [2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures [2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities [3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine [2]

[1] Effective for annual periods beginning on or after 1st July, 2012

[2] Effective for annual periods beginning on or after 1st January, 2013

[3] Effective for annual periods beginning on or after 1st January, 2014

[4] Effective for annual periods beginning on or after 1st January, 2015

HKFRS 7 (Amendments) "Disclosures – Offsetting Financial Assets and Financial Liabilities" require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 "Financial Instruments: Presentation". The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with HKAS 32. The Group expects to adopt the amendments from 1st January, 2013. The application of the amendments is unlikely to have any material financial impact on the Group.

HKFRS 9 "Financial Instruments", issued in November 2009, introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9:

– 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 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 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 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 at fair value through profit or loss was presented in profit or loss.

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

The directors anticipate that HKFRS 9 will be adopted in the consolidated financial statements for the annual period beginning on 1st January, 2015 and that the application of this new standard may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. However, it is impracticable to provide a reasonable estimate of the effect of HKFRS 9 until a detailed review has been completed.

HKFRS 10 ''Consolidated Financial Statements'' replaces all of the guidance on control and consolidation in HKAS 27 "Consolidated and Separate Financial Statements", and HK(SIC) — Int 12 "Consolidation — Special Purpose Entities". HKAS 27 is renamed "Separate Financial Statements"; it continues to be a standard dealing solely with separate financial statements. The existing guidance for separate financial statements is unchanged. HKFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The revised definition of control focuses on the need to have both power and variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns.

Returns must vary and can be positive, negative or both. The determination of power is based on current facts and circumstances and is continuously assessed. The fact that control is intended to be temporary does not obviate the requirement to consolidate any investee under the control of the investor. Voting rights or contractual rights may be evidence of power, or a combination of the two may give an investor power. Power does not have to be exercised. An investor with more than half the voting rights would meet the power criteria in the absence of restrictions or other circumstances.

HKFRS 11 ''Joint Arrangements'' refines that joint arrangements are limited to joint operations and joint ventures only. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures. HKFRS 11 addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The existing HKAS 28 was extended as ''Investments in Associates and Joint Ventures'' as a result of the compulsory requirement for equity accounting for all investments in joint ventures under HKFRS 11.

HKFRS 12 "Disclosures of Interests in Other Entities" is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities. This new standard requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

In June 2012, the HKICPA issued amendments to HKFRS 10, HKFRS 11 and HKFRS 12 which clarify the transition guidance in HKFRS 10, provide further relief from full retrospective application of these standards, and limit the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK (SIC)-Int 12 at the beginning of the annual periods in which HKFRS 10 is applied for the first time. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

The amendments in HKFRS 10 issued in December 2012 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9, rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (2011) and HKAS 28 (2011), and the subsequent amendments to these standards issued in July and December 2012 from 1st January, 2013.

HKFRS 13 "Fair Value Measurement" improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The scope of HKFRS 13 is broad and it applies to both financial instrument items and non-financial instrument items for which other

HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope. HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted. The directors of the Company anticipate that HKFRS 13 will be adopted in the consolidated financial statements for the annual period beginning 1st January, 2013 and that the application of this new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

HKAS 1 (Amendments) ''Presentation of Items of Other Comprehensive Income'' changes the disclosure of items presented in other comprehensive income in the statement of comprehensive income. The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. Items that will not be reclassified to profit or loss will be presented separately from items that may be reclassified in the future. Entities that choose to present other comprehensive income items before tax will be required to show the amount of tax related to the two groups separately. The title used by HKAS 1 for the statement of comprehensive income has changed to 'statement of profit or loss and other comprehensive income'. However, HKAS 1 still permits entities to use other titles. The amendments affect presentation only and have no impact on the Group's financial position and performance. The Group expects to adopt the amendments from 1st January, 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the annual period beginning 1st January, 2013.

Amendments of HKAS 32 "Offsetting Financial Assets and Financial Liabilities" clarifies the requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria and clarify the meaning of "currently has a legally enforceable right of set-off" and some gross settlement systems may be considered equivalent to net settlements. The application of these amendments is unlikely to have any material financial impact on the Group upon adoption on 1st January, 2014.

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1st January, 2013. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group:

(a) HKAS 1 "Presentation of Financial Statements" clarifies the differences between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

(b) HKAS 16 "Property, Plant and Equipment" clarifies that major spare parts and servicing equipments that meet the definition of property, plant and equipment are not inventories.

(c) HKAS 32 "Financial Instruments: Presentation" clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 "Income Taxes". The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

The directors of the Company anticipate that the application of the other new standards, amendments and interpretation will have no material impact on the results and financial position of the Group.

4. REVENUE

The principal activities of the Group are printing and manufacturing of packaging products, distribution of television business-related products, other electronic and related products, and design, development and sale of integrated circuits. As described in note 7, the operations of design, development and sale of integrated circuits were classified as discontinued operation.

Revenue represents the amounts received and receivable for goods sold by the Group at invoiced value, net of returns, discounts and sales related tax, during the year. The following is an analysis of the Group's revenue for the year:

	2012	2011
	HK$'000	*HK$'000*
Revenue from sale of goods		
– from continuing operations	**2,027,839**	1,940,599
– from discontinued operation *(note 7)*	**–**	59,134
	2,027,839	1,999,733

See note 5 for an analysis of revenue by major products and services.

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments.

The Group is currently organised into three main operating segments for continuing operations-printing and manufacturing of packaging products, distribution of television business-related products and distribution of other electronic and related products. The Group's design, development and sale of integrated circuits operating segment was classified as discontinued operation.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment revenue represents the revenue generated by each operating segment. Inter-segment revenue represents inter-segment sales which were transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment results represents the profit earned or loss incurred by each operating segment without allocation of central administration expenses (unallocated corporate expenses), investment and other income, finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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

– all assets are allocated to reportable segments other than interest in an associate, available-for-sale investments, held-for-trading investments, current and deferred tax assets, deposits paid for acquisition of properties under development and unallocated corporate assets; and

– all liabilities are allocated to reportable segments other than borrowings, obligation under finance lease, current and deferred tax liabilities, and unallocated corporate liabilities.

For the year ended 31st December, 2012

	Continuing operations				Discontinued operation	
	Printing and manufacturing of packaging products *HK$'000*	Distribution of television business-related products *HK$'000*	Distribution of other electronic and related products *HK$'000*	Total *HK$'000*	Design, development and sales of integrated circuits *HK$'000*	The Group total *HK$'000*
Segment revenue and results						
SEGMENT REVENUE						
Reportable segment revenue	761,625	85,524	1,181,042	2,028,191	–	2,028,191
Elimination of inter-segment revenue	–	–	(352)	(352)	–	(352)
Consolidated revenue	761,625	85,524	1,180,690	2,027,839	–	2,027,839
SEGMENT RESULTS						
Reportable segment profit	136,773	7,666	20,958	165,397	–	165,397
Interest income				1,756	–	1,756
Fair value loss on held-for–trading investments				(383)	–	(383)
Impairment loss on available-for–sale investments				(440)	–	(440)
Fair value gain on other financial assets				2,387	–	2,387
Impairment loss on trade and other receivables, deposits and prepayments				(18,199)	–	(18,199)
Impairment on property, plant and equipment				(2,357)	–	(2,357)
Share of loss of an associate				(6,714)	–	(6,714)
Loss on disposal of property, plant and equipment				(3,490)	–	(3,490)
Gain recognised on deemed disposal of interest in a subsidiary				–	37,169	37,169
Unallocated corporate expenses				(17,695)	–	(17,695)
Finance costs				(25,326)	–	(25,326)
Profit before tax				94,936	37,169	132,105
Income tax expense				(35,125)	–	(35,125)
Profit for the year				59,811	37,169	96,980
Segment assets and liabilities						
SEGMENT ASSETS						
Reportable segment assets	1,129,248	27,060	545,695	1,702,003	–	1,702,003
Interest in an associate				55,701	–	55,701
Available-for-sale investments				22,461	–	22,461
Deferred tax assets				130	–	130
Tax recoverable				277	–	277
Held-for-trading investments				796	–	796
Deposits paid for acquisition of properties under development				25,636	–	25,636
Unallocated corporate assets				12,863	–	12,863
Consolidated total assets				1,819,867	–	1,819,867

	Continuing operations				Discontinued operation	
	Printing and manufacturing of packaging products	Distribution of television business-related products	Distribution of other electronic and related products	Total	Design, development and sales of integrated circuits	The Group total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT LIABILITIES						
Reportable segment liabilities	147,833	30,435	31,365	209,633	–	209,633
Deferred tax liabilities				47,503	–	47,503
Tax liabilities				13,153	–	13,153
Borrowings				548,037	–	548,037
Obligation under finance lease				391	–	391
Unallocated corporate liabilities				4,431	–	4,431
Consolidated total liabilities				823,148	–	823,148

	Continuing operations				Discontinued operation		
	Printing and manufacturing of packaging products	Distribution of television business-related products	Distribution of other electronic and related products	Total	Design, development and sales of integrated circuits	Corporate level	The Group total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER SEGMENT INFORMATION							
Capital expenditure	29,988	33	–	30,021	–	54	30,075
Depreciation of property, plant and equipment	52,174	459	–	52,633	–	1,129	53,762
Amortisation of prepaid lease payments	613	–	–	613	–	–	613
Impairment loss on trade and other receivables, deposits and prepayments	44	2,955	14,300	17,299	–	900	18,199
Impairment of property, plant and equipment	2,357	–	–	2,357	–	–	2,357
Loss on disposal of property, plant and equipment	3,490	–	–	3,490	–	–	3,490
Impairment on available-for-sale investments	–	–	–	–	–	440	440

For the year ended 31st December, 2011

	Continuing operations				Discontinued operation	
	Printing and manufacturing of packaging products	Distribution of television business-related products	Distribution of other electronic and related products	Total	Design, development and sales of integrated circuits	The Group total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue and results						
SEGMENT REVENUE						
Reportable segment revenue	709,392	92,618	1,142,574	1,944,584	59,134	2,003,718
Elimination of inter-segment revenue	–	–	(3,985)	(3,985)	–	(3,985)
Consolidated revenue	709,392	92,618	1,138,589	1,940,599	59,134	1,999,733
SEGMENT RESULTS						
Reportable segment profit/(loss)	142,250	(20,412)	18,438	140,276	13,531	153,807
Interest income				3,775	3	3,778
Fair value loss on held-for–trading investments				(799)	–	(799)
Impairment loss on available-for–sale investments				(1,972)	–	(1,972)
Fair value gain on other financial assets				1,900	–	1,900
(Impairment loss)/reversal of impairment loss on trade and other receivables, deposits and prepayments				(3,227)	17	(3,210)
Unallocated corporate expenses				(21,494)	–	(21,494)
Finance costs				(21,186)	(9)	(21,195)
Profit before tax				97,273	13,542	110,815
Income tax expense				(21,032)	(2,292)	(23,324)
Profit for the year				76,241	11,250	87,491
Segment assets and liabilities						
SEGMENT ASSETS						
Reportable segment assets	1,172,112	88,139	446,838	1,707,089	49,299	1,756,388
Available-for-sale investments				21,183	–	21,183
Deferred tax assets				129	–	129
Tax recoverable				15	–	15
Held-for-trading investments				4,873	–	4,873
Unallocated corporate assets				10,878	–	10,878
Consolidated total assets				1,744,167	49,299	1,793,466
SEGMENT LIABILITIES						
Reportable segment liabilities	151,679	24,245	41,604	217,528	3,293	220,821
Deferred tax liabilities				38,917	–	38,917
Tax liabilities				14,838	–	14,838
Borrowings				561,305	–	561,305
Obligation under finance lease				1,338	–	1,338
Unallocated corporate liabilities				2,128	–	2,128
Consolidated total liabilities				836,054	3,293	839,347

	Continuing operations				Discontinued operation		
	Printing and manufacturing of packaging products	Distribution of television business-related products	Distribution of other electronic and related products	Total	Design, development and sales of integrated circuits	Corporate level	The Group total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER SEGMENT INFORMATION							
Capital expenditure	21,592	1,025	–	22,617	2,147	700	25,464
Depreciation of property, plant and equipment	49,707	317	–	50,024	1,255	1,067	52,346
Amortisation of prepaid lease payments	613	–	–	613	–	–	613
Impairment loss/(reversal of impairment loss) on trade and other receivables, deposits and prepayments	240	2,987	–	3,227	(17)	–	3,210
Loss on disposal of property, plant and equipment	293	–	–	293	–	6	299

INFORMATION ABOUT MAJOR CUSTOMERS

The Group's sales to customers which accounted for 10% or more of its total revenue from continuing operations are as follows:

	2012	2011
	HK$'000	*HK$'000*
Customer A	**240,015**	266,888
Customer B	**217,689**	212,483
Customer C	**N/A**[1]	207,961

[1] The transaction with customer C did not account for more than 10% of the total sales of the Group for the year ended 31st December, 2012.

The sales to customer A are included in the segment of printing and manufacturing of packaging products. The sales to customers B and C are included in the segment of distribution of other electronic and related products.

GEOGRAPHICAL INFORMATION

The Group's continuing operations are located in Hong Kong, the PRC and the United States of America (the "USA") and its discontinued operation is located in Hong Kong. Printing and manufacturing of packaging products are carried out in the PRC. Distribution of television business-related products is carried out in the USA. Distribution of other electronic and related products and design, development and sales of integrated circuits are mainly carried out in Hong Kong and other parts of the PRC. The geographical location of customers is based on the location of the customers, irrespective of the origin of the goods or service. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and prepaid lease payments, and the location of the operation to which they are allocated, in the case of deposits paid for acquisition of property, plant and equipment and deposits paid for acquisition of properties under development. The Group's revenue from continuing operations and discontinued operation from external customers by geographical location of the customers and information about its non-current assets by geographical location of the assets are set out below:

	Revenue from external customers		**Non-current assets** *(Note)*	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations				
Hong Kong (place of domicile)	**118,720**	164,660	**3,574**	4,649
Other parts of the PRC	**1,823,595**	1,683,672	**665,954**	629,451
USA	**85,524**	92,267	**910**	1,272
Others	**–**	–	**–**	–
	2,027,839	1,940,599	**670,438**	635,372
Discontinued operation				
Hong Kong (place of domicile)	**–**	17,965	**–**	–
Other parts of the PRC	**–**	31,292	**–**	–
Others	**–**	9,877	**–**	–
	–	59,134	**–**	–
	2,027,839	1,999,733	**670,438**	635,372

Note: Non-current assets exclude interest in an associate, available-for-sale investments and deferred tax assets.

6. INCOME TAX EXPENSE

Income tax expense recognised in profit or loss

	2012	2011
	HK$'000	*HK$'000*
Continuing operations:		
Current tax:		
Hong Kong Profits Tax	**3,534**	3,325
PRC Enterprise Income Tax	**24,339**	22,155
Other jurisdictions	**–**	17
	27,873	25,497
Overprovision in prior years:		
Hong Kong Profits Tax	**(36)**	–
PRC Enterprise Income Tax	**(663)**	–
	(699)	–
Deferred tax charge/(credit):		
Attributable to a change in tax rate	**5,946**	–
Current year	**2,005**	(4,465)
	7,951	(4,465)
Total income tax expense recognised in profit or loss relating to continuing operations	**35,125**	21,032

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for certain PRC subsidiaries of the Company is 25% from 1st January, 2008 onwards.

Pursuant to the relevant laws and regulations in the PRC, one of the Company's PRC subsidiaries was exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year followed by a 50% reduction for the next three years (the "Tax Holiday"). The Tax Holiday of that subsidiary expired in 2012 and that subsidiary is subject to a tax rate of 25% for the year ended 31st December, 2012.

The Tax Holiday for Yunnan Qiaotong Package Printing Company Limited ("Yunnan Qiaotong"), a PRC subsidiary of the Company, expired in 2000. Starting from 2001, Yunnan Qiaotong is classified as one of the approved "Advanced Technology Enterprise with Foreign Investment 外商投資先進技術型企業" and is entitled to a preferential PRC Enterprise Income Tax rate of 15% up to 31st December, 2005. However, pursuant to an approval received from local tax authorities, Yunnan Qiaotong is classified as one of the approved "Enterprise with Foreign Investment in the Central and Western Regions 中西部地區外商投資企業". Accordingly, Yunnan Qiaotong continues to be entitled to a preferential PRC Enterprise Income Tax rate of 15%.

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

The income tax expense for the year can be reconciled to the profit before tax from continuing operations per the consolidated income statement as follows:

	2012	2011
	HK$'000	*HK$'000*
Profit before tax from continuing operations	**94,936**	97,273
Income tax expense calculated at the domestic tax rate of 25% (2011: 25%)	**23,734**	24,318
Tax effect of income not taxable for tax purpose	**(14,053)**	(3,859)
Tax effect of expenses not deductible for tax purpose	**30,774**	5,881
Tax effect of tax losses not recognised	**2,383**	14,096
Effect of tax exemptions/relief granted to PRC subsidiaries	**(11,571)**	(13,774)
Tax effect of change in tax rate	**5,946**	–
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,398)**	(5,835)
Overprovision in respect of prior years	**(699)**	–
Deferred tax charge on dividend withholding tax	**9**	205
Income tax expense recognised in profit or loss (relating to continuing operations)	**35,125**	21,032

The domestic tax rate in the PRC is used for the 2012 and 2011 reconciliations above as it is where the operation of the Group is substantially based.

7. DISCONTINUED OPERATION

Upon the completion of the Spin-off on 19th January, 2012, the effective interest held by the Group in Megalogic Holdings was diluted from 52.01% to 39.01% and resulted in losing control of Megalogic Holdings. Megalogic Holdings was deconsolidated from the date of the completion of the Spin-off and was accounted for as an associate since then.

	2012	2011
	HK$'000	*HK$'000*
Profit for the year from discontinued operation		
Revenue	**–**	59,134
Cost of sales	**–**	(36,008)
Gross profit	**–**	23,126
Other income	**–**	3
Distribution and selling expenses	**–**	(657)
Administrative expenses	**–**	(8,921)
Finance costs	**–**	(9)
Gain recognised on deemed disposal of interest in a subsidiary	**37,169**	–
Profit before tax	**37,169**	13,542
Income tax expense	**–**	(2,292)
Profit for the year from discontinued operation	**37,169**	11,250
Profit for the year from discontinued operation attributable to:		
Owners of the Company	**37,169**	5,845
Non-controlling interests	**–**	5,405
	37,169	11,250
Cash flows from discontinued operation		
Net cash used in operating activities	**–**	(1,819)
Net cash used in investing activities	**(7,635)**	(2,144)
Net cash from financing activities	**–**	5,699
Net cash (outflow)/inflow	**(7,635)**	1,736

Profit for the year from discontinued operation has been arrived at after charging/(crediting):

	2012	2011
	HK$'000	*HK$'000*
Staff salaries, bonus and other benefits	**–**	4,630
Retirement benefits scheme contributions	**–**	134
Total staff costs including directors' emoluments	**–**	4,764
Auditor's remuneration	**–**	400
Cost of inventories recognised as an expense	**–**	36,008
Depreciation of property, plant and equipment		
– owned assets	**–**	1,255
Net foreign exchange loss	**–**	37
Operating lease rentals in respect of land and buildings	**–**	370
Bank interest income	**–**	(3)

The results of Megalogic Holdings from 1st January, 2012 to 19th January, 2012 were insignificant and were not included in the consolidated income statement for the year ended 31st December, 2012.

The carrying amounts of assets and liabilities relating to Megalogic Holdings which were classified as a disposal group held for sale as at 31st December, 2011 are set out in note 14.

8. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

	2012	2011
	HK$'000	*HK$'000*
Profit for the year from continuing operations has been arrived at after charging:		
Salaries, bonus and other benefits	**122,276**	115,535
Retirement benefits scheme contributions	**9,448**	8,207
Total staff costs including directors' emoluments	**131,724**	123,742
Auditor's remuneration	**1,880**	1,800
Depreciation of property, plant and equipment		
– owned assets	**53,080**	50,447
– assets held under finance leases	**682**	644
Amortisation of prepaid lease payments	**613**	613
Loss on disposal of property, plant and equipment	**3,490**	299
Research and development costs	**27,614**	13,847
Cost of inventories recognised as an expense	**1,743,978**	1,694,851
Net foreign exchange loss	**775**	–
and after crediting (included in other income):		
Dividend income from held-for-trading investments	**–**	(11)
Interest income on short-term loans receivable	**(1,181)**	(3,444)
Bank interest income	**(262)**	(331)
Compensation income *(note)*	**–**	(12,406)
Net foreign exchange gain	**–**	(667)

Note:

Pursuant to an agreement dated 19th July, 2010 between a manufacturer and two subsidiaries of the Company, the manufacturer agreed to compensate all goods returned during a 12-month warranty period if the actual goods returned rate exceeds the agreed goods returned rate (the "Compensation Condition"). During the year ended 31st December, 2011, the manufacturer agreed to pay the excess portion over the agreed goods returned rate and the relevant charges directly attributable to the goods returned according to the Compensation Condition, which amounted to approximately HK$12,406,000, to a subsidiary of the Company as compensation payment.

9. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Dividends recognised as distribution to owners of the Company during the year:		
Interim dividend paid for 2012 – HK1.8 cents (2011: HK2.3 cents) per share	**4,706**	6,013
Final dividend paid for 2011 – HK4.3 cents (2011: HK8.4 cents for 2010) per share	**11,243**	21,962
	15,949	27,975

Subsequent to the year ended 31st December, 2011, final dividend in respect of the year ended 31st December, 2011 of HK4.3 cents per share amounting to approximately HK$11,243,000 had been proposed by the Board and approved by the shareholders in the annual general meeting held on 13th June, 2012. No final dividend was proposed for the year ended 31st December, 2012 nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS PER SHARE

From continuing operations

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company	**55,365**	35,070
Less: Profit for the year attributable to the owners of the Company from discontinued operation	**(37,169)**	(5,845)
Earnings for the purposes of basic and diluted earnings per share from continuing operations	**18,196**	29,225

	2012	2011
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**261,453,600**	261,453,600
Basic earnings per share (in HK cents)	**6.96**	11.18
Diluted earnings per share (in HK cents)	**6.96**	11.18

For the years ended 31st December, 2011 and 2012, diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during both years.

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is HK14.22 cents per share (2011: HK2.23 cents per share), based on the profit for the year attributable to the owners of the Company from discontinued operation of approximately HK$37,169,000 (2011: HK$5,845,000) and the denominators detailed above for both basic and diluted earnings per share.

11. INTEREST IN AN ASSOCIATE

	The Group	
	2012	2011
	HK$'000	*HK$'000*
At 1st January	**–**	–
Addition	**62,415**	–
Share of loss for the year	**(6,714)**	–
At 31st December	**55,701**	–

The results of the associate of the Group which is listed in Hong Kong, and its aggregated assets and liabilities, are set out below:

As at 31st December, 2012

Name	Place of incorporation and form of entity	Particular of issued share capital	Assets	Liabilities	Turnover	Loss	Effective interest held
			HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	
Megalogic Holdings	Cayman Islands, limited liability company	200,000,000 ordinary shares of HK$0.1 each	64,023	3,601	31,281	(17,211)	39.01%

As at 31st December, 2012, the fair value of the Group's interest in Megalogic Holdings, which is listed on the Stock Exchange, was approximately HK$93,623,000.

12. DEPOSIT PAID FOR ACQUISITION OF PROPERTIES UNDER DEVELOPMENT

On 30th March, 2012, Yunnan Qiaotong, a debtor of Yunnan Qiaotong (the "Debtor") and a subsidiary of the Debtor (the "Transferee') entered into a tripartite agreement (the "Tripartite Agreement"), pursuant to which the Transferee assumed the Debtor's obligation to repay the outstanding loans (including total outstanding principal and accumulated interest) due to Yunnan Qiaotong amounting to RMB37,582,000 (equivalent to approximately HK$46,316,000) (the "Outstanding Loan"), which was included in short-term loans receivable balance as at 31st December, 2011. Approximately RMB16,972,000 (equivalent to approximately HK$20,916,000) of the Outstanding Loan was repaid in cash on 30th March, 2012 in accordance with the terms of the Tripartite Agreement. The balance of approximately RMB20,610,000 (equivalent to approximately HK$25,400,000) would be settled by the transfer of 7 residential units which are under development by the Transferee and are permitted for pre-sale (the "Properties"). On the same date, Yunnan Qiaotong and the Transferee entered into property acquisition agreements in respect of the sale and purchase of each of the Properties. As at 31st December, 2012, the Properties are still under development.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**801,361**	709,660
Less: allowance for doubtful debts		
– individually assessed	**(11,349)**	(11,332)
– collectively assessed	**(14,300)**	–
Trade receivables, net	**775,712**	698,328
Other receivables, deposits and prepayments	**21,373**	64,118
	797,085	762,446

The Group generally allows an average credit period of 30 to 120 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the end of the reporting period, presented based on the invoice date:

	2012	2011
	HK$'000	*HK$'000*
Within 60 days	**578,407**	502,328
Within 61 – 90 days	**52,572**	95,902
More than 90 days	**144,733**	100,098
	775,712	698,328

Before accepting any new customer, the Group uses an internal credit assessment process to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed by the management regularly.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$78,010,000 (2011: HK$55,998,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 169 days (2011: 114 days).

Ageing of trade receivables which are past due but not impaired

	2012	2011
	HK$'000	*HK$'000*
Within 60 days	**18,414**	20,880
61 – 90 days	**6,218**	13,492
More than 90 days	**53,378**	21,626
	78,010	55,998

The trade receivables that were past due but not impaired related to customers that have good business relationship with the Group and have made continuing repayments. Management believes that no individual impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. A substantial amount of which has been received after the end of the reporting period.

Movement in the allowance for doubtful debts

For the year ended 31st December, 2012

	Individual impairment allowance *HK$'000*	**Collective impairment allowance** *HK$'000*	**Total** *HK$'000*
Balance at beginning of the year	11,332	–	11,332
Impairment losses recognised during the year	2,999	14,300	17,299
Amounts written off during the year as uncollectible	(2,982)	–	(2,982)
Balance at end of the year	11,349	14,300	25,649

For the year ended 31st December, 2011

	Individual impairment allowance *HK$'000*	**Collective impairment allowance** *HK$'000*	**Total** *HK$'000*
Balance at beginning of the year	11,737	–	11,737
Impairment losses recognised during the year	3,210	–	3,210
Amounts written off during the year as uncollectible	(3,615)	–	(3,615)
Balance at end of the year	11,332	–	11,332

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK$2,999,000 (2011: HK$3,210,000) which related to customers that were in financial difficulties and the directors consider the recoverability of these debts is remote. The Group does not hold any collateral over these balances.

For trade receivables not individually identified as impaired, the directors of the Company have considered whether objective evidence of impairment exists. Having taken into consideration the lengthening repayment period of the debtors and the macro economic condition in the PRC, the directors of the Company assessed for impairment on a collective basis. A collective impairment allowance of HK$14,300,000 (2011: nil) has been made and charged to the consolidated income statement for the year ended 31st December, 2012.

As at 31st December, 2012, certain trade receivables amounting to HK$8,654,000 (2011: HK$15,086,000) were pledged to banks for banking facilities granted to the Group.

During the year, the Group discounted certain trade receivables with an aggregate carrying amount of HK$8,654,000 to a bank for cash proceeds of HK$5,760,000. If the trade receivables are not paid at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to those trade receivables, it continues to recognise the full carrying amount of trade receivables and has recognised the cash received on the transfer as a factoring loan which is included in secured borrowings as set out in note 16.

14. ASSETS OF AND LIABILITIES DIRECTLY ASSOCIATED WITH A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As described in note 7, the Group announced on 4th May, 2011 a plan to spin-off its operations in design, development and sale of integrated circuits through separate listing of its then non-wholly owned subsidiary, Megalogic Holdings, on the Stock Exchange. An in principle approval was granted by the Stock Exchange on 23rd December, 2011 and the spin-off was completed on 19th January, 2012.

The assets and liabilities relating to Megalogic Holdings which were separately presented as assets of and liabilities directly associated with a disposal group classified as held for sale in the consolidated statement of financial position as at 31st December, 2011 are as follows:

	31st December, 2011
	HK$'000
Assets:	
Goodwill	2,695
Property, plant and equipment	3,443
Inventories	3,972
Trade and other receivables, deposits and prepayments	30,563
Tax recoverable	991
Bank balances and cash	7,635
Total assets of a disposal group classified as held for sale	49,299
Liabilities:	
Trade and other payables	2,754
Deferred tax liabilities	539
Total liabilities directly associated with a disposal group classified as held for sale	3,293
	46,006

The cumulative income or expense recognised in other comprehensive income relating to Megalogic Holdings was as follows:

	31st December, 2011
	HK$'000
Surplus arising on revaluation of property, plant and equipment	207
Deferred tax effect on surplus arising on revaluation of property, plant and equipment	(34)
Total cumulative income recognised in other comprehensive income relating to a disposal group classified as held for sale	173

15. TRADE AND OTHER PAYABLES

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**138,573**	145,374
Other payables and accruals	**60,433**	66,164
	199,006	211,538

An ageing analysis of the trade payables presented based on the invoice date at the end of the reporting period is as follows:

	2012	2011
	HK$'000	*HK$'000*
Within 60 days	**82,370**	97,798
Within 61 – 90 days	**7,397**	13,166
More than 90 days	**48,806**	34,410
	138,573	145,374

16. BORROWINGS

	2012	2011
	HK$'000	*HK$'000*
Bank overdraft	**3,874**	392
Short-term bank borrowings	**150,416**	138,479
Long-term bank borrowings		
– portion of bank loans due for repayment within one year	**17,770**	99,788
– portion of term loans from bank due for repayment after one year which contain a repayment on demand clause	**38,676**	35,589
Factoring loans	**5,760**	11,115
Trust receipt loans	**242,378**	275,942
Other loans	**89,163**	–
	548,037	561,305
Analysed as:		
Secured	**117,999**	59,166
Unsecured	**430,038**	502,139
	548,037	561,305

The Group's bank loans are carried at amortised cost. None of the portion of the term loans due for repayment after one year which contain a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

At 31st December, 2011 and 2012, the Group's borrowings were due for repayment as follows, which are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause:

	2012	2011
	HK$'000	*HK$'000*
Carrying amount repayable:		
On demand or within one year	**509,361**	525,716
After one year but within two years	**28,089**	13,516
After two years but within five years	**10,587**	22,073
	548,037	561,305

All of the banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. In circumstances that the Group commits any default in settlement or commits any breaches of the covenants, notwithstanding any of the expiry dates has not been due, the respective bank has full discretion to exercise its overriding right of repayment on demand to call for cash cover on demand for prospective and contingent liabilities.

As at 31st December, 2012 and subsequent to the end of the reporting period, certain bank and other borrowings of the Group became overdue but has been rescheduled with respective lenders to extend respective due dates to April and May 2013. As at 31st December, 2012, none of the covenants relating to drawn down facilities had been breached (2011: nil).

17. DEEMED DISPOSAL OF A SUBSIDIARY

As described in note 7, on 19th January 2012, the Spin-off was completed and Megalogic Holdings was successfully listed on GEM of the Stock Exchange. The net assets of Megalogic Holdings at the date of deemed disposal were as follows:

	19th January, 2012
	HK$'000
Analysis of assets and liabilities over which control was lost:	
Assets of a disposal group classified as held for sale disposed of	49,299
Liabilities directly associated with a disposal group classified as held for sale disposed of	(3,293)
Net assets disposed of	(46,006)
Gain on deemed disposal of a subsidiary:	
Fair value of interest retained in interest in an associate upon loss of control of a subsidiary	62,415
Net assets disposed of	(46,006)
Non-controlling interests	20,760
Gain recognised on deemed disposal of a subsidiary	37,169

The financial impact of the results and cash flows of Megalogic Holdings to the Group's turnover, profit for the year and cash flows during the year is disclosed in note 7.

An amount of approximately HK$132,000 in asset revaluation reserve is transferred to retained profits at the date of deemed disposal.

18. EVENTS AFTER THE REPORTING PERIOD

a) On 30th January, 2013, the Company entered into a placing agreement with a placing agent, whereby the Company has agreed to issue and the placing agent has agreed, on a best efforts basis, to act as placing agent to procure subscribers to subscribe for up to four series of 6% unlisted bonds in an aggregate principal amount of up to HK$300,000,000 due in the year 2015.

b) On 14th January, 2013, the Company borrowed a loan from Oncapital Limited, a company controlled by a director of the Company, with a principal amount of HK$9,000,000 for a loan period of one year. The loan carries interest of 5.25% per annum.

c) For the period from 1st January, 2013 up to the date of this announcement, further aggregate amounts of approximately HK$94,454,000 of trust receipt loans, short-term bank borrowings and other loans became overdue. The Unsettled Year End Overdue Amounts and the Subsequent Overdue Amounts give an "Aggregate Overdue Amounts" of approximately HK$100,523,000 as at the date of this announcement. The Group has re-scheduled with the respective bank and other loan lenders to extend the respective due dates to April and May 2013.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The auditor expresses an unqualified opinion but modifies the auditor's report by adding emphasis of matters which auditor draws attention to the following material uncertainties:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2012 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.

Emphasis of matters

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements which indicates that out of the total borrowings of approximately HK$548,037,000, an aggregate amount of approximately HK$27,559,000 of trust receipt loans became overdue (the "Year End Overdue Amounts") as at 31st December, 2012. Up to the date of this report approximately HK$21,490,000 of the Year End Overdue Amounts had been settled which reduce the same down to approximately HK$6,069,000 (the "Unsettled Year End Overdue Amounts"). For the period from 1st January, 2013 up to the date of this report, further aggregate amounts of approximately HK$94,454,000 of trust receipt loans, short-term bank borrowings and other loans became overdue (the "Subsequent Overdue Amounts"). The Unsettled Year End Overdue Amounts and the Subsequent Overdue Amounts give an "Aggregate Overdue Amounts" of approximately HK$100,523,000 as at the date of this report which has been rescheduled with respective lenders to extend respective due dates to April and May 2013. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the success of the Group in generating sufficient cash flows from operations, in further re-scheduling of the settlement of the Aggregate Overdue Amounts with respective lenders and in obtaining new replacement financing as referred to Note 2 to the consolidated financial statements to meet its financial obligations as and when they fall due for the foreseeable future. We consider that adequate disclosures have been made in the consolidated financial statements.

DIVIDENDS

An interim dividend of HK1.8 cents per share has been paid for the six months ended 30th June, 2012. The Board do not recommend the payment of a final dividend for the year 2012.

BUSINESS REVIEW

Package Printing Division

The turnover from package printing business for the year ended 31st December, 2012 was approximately HK$761,625,000, representing an increase of 7.4% from 2011. Gross profit margin remained steady at 30.5% compared to 31.3% in 2011. Gross profit from the package printing business, which remains the core business of the Group, accounted for 81.9% of the Group's total gross profit for the year ended 31st December, 2012.

Tobacco package printing is still the core product line of the package printing division, which accounted for over 85.0% of the total turnover of the division. The Group's profitable package printing business provides the bulk of the profit of the Group for many years and continues to achieve growth in both turnover and gross profit amount. In particular, with the addition investment in the Anhui subsidiary from the Yunnan subsidiary, synergies has been achieved through mutual sharing of management, production and marketing personnel. As a result, the Anhui subsidiary showed substantial growth of turnover of 29.7% and gross profit of 11.3% in 2012. The Board is optimistic that the Anhui subsidiary has lots of potential in future growth, given its smaller scale compared to the Yunnan subsidiary.

The Group strives to maintain the competitiveness of the package printing division. The new sophisticated printing machinery ordered from Bobst SA last year, costing approximately CHF4,180,000, was installed and began production testing run by the second half of 2012.

With the Group's proven technological expertise, established relationships with major customers and the highly inelastic cigarettes consumers market in the People's Republic of China ("PRC"), the Board is confident that the package printing division will continue to provide good returns to the Group.

Distribution Business

Turnover from the distribution business of television business-related products (consisting mainly of light emitting diode ("LED"), liquid crystal display ("LCD") television sets and converter boxes distributed to the United States of America (the "USA") customers) during the year amounted to approximately HK$85,524,000, a slight decrease compared to HK$92,618,000 in 2011. This division recorded a gain of approximately HK$7,666,000, a much better result compared to the loss of approximately HK$20,412,000 in 2011, thanks to the downsizing and the cost saving efforts of the division. The Group is still reviewing its future operating and marketing strategy of this division as there are signs of the USA economy beginning to recover.

Other electronic and related products

Turnover from the distribution business of other electronic and related products (consisting mainly of LCD panels, computer components and portable storage devices distributed to customers in Hong Kong and PRC) during the year amounted to approximately HK$1,180,690,000, with an increase of 3.7% compared to the turnover of 2011. The gross profit margin increased slightly from 2.3% to 2.4%. Overall, the business remains the same in terms of turnover and profit margin.

Discontinued Operation – Design, Development and Sale of Integrated Circuits Division

The design, development and sale of integrated circuits division was spun off on 19th January, 2012. As a result, the Group's interest in the former subsidiary which operates this division is now 39.01% and it is accounted for as an associate since the date of the Spin-off.

The Group's share of loss of the associate, namely Megalogic Technology Holdings Limited ("Megalogic Holdings") for the year ended 31st December, 2012 is approximately HK$6,714,000. Megalogic Holdings incurred a loss of approximately HK$17,211,000 for the year ended 31st December, 2012. The loss of Megalogic Holdings is mainly attributable to the expenses incurred in connection with its listing and increase in Megalogic Holdings' opeating expenses.

As a result of the spin-off, the Group recorded a gain on deemed disposal of interest in a subsidiary of approximately HK$37,169,000 and it is disclosed as "discontinued operation" in the consolidated financial statements.

Spin-off

On 4th May, 2011, the Company submitted a spin-off proposal to the Stock Exchange of Hong Kong Limited (the "Stock Exchange") in relation to the proposed spin-off and separate listing of the design, development and sale of integrated circuits business on the Growth Enterprise Market ("GEM") of the Stock Exchange.

On 22nd June, 2011, Megalogic Holdings submitted an application for the listing of, and permission to deal in, the ordinary shares of Megalogic Holdings of HK$0.1 each ("Megalogic Shares") in issue and to be issued on the GEM.

Megalogic Holdings was incorporated as an exempted company in the Cayman Islands on 31st March, 2011. Prior to the spin-off, a reorganisation was carried out pursuant to which Megalogic Holdings became the holding company of Minilogic Device Corporation Limited ("Minilogic HK"). Minilogic HK is principally engaged in provision of integrated circuits solutions and the design, development and sale of integrated circuits products.

On 23rd December, 2011, the Stock Exchange granted an approval in principle (the "In Principle Approval") for the Group to spin off its design, development and sale of integrated circuits business through a separate listing of Megalogic Holdings, a then subsidiary of the Company, on GEM (the "Spin-off").

The Spin-off has been completed on 19th January, 2012. Upon the completion of the Spin-off, the Group's interest in Megalogic Holdings has been diluted from 52.01% to 39.01% and resulted in losing control of Megalogic Holdings. Megalogic Holdings has been deconsolidated from that date and is accounted for as an associate.

Signing of Letter of Intent

On 10th July, 2012, Ever Honest Industries Limited, a wholly-owned subsidiary of the Company and a 60% owner of Yunnan Qiaotong, entered into a letter of intent ("Letter of Intent") with 昭通市人民政府 (Zhaotong People's Government) in respect of the proposed relocation of the package printing plant of Yunnan Qiaotong to Zhaoyang Industrial Park by 2015, the proposed redevelopment of the original site of the plant and the proposed upgrade of the printing facilities of Zhaotong Xinqiao Printing Co., Ltd. ("Zhaotong Xinqiao"), a wholly-owned subsidiary of Yunnan Qiaotong.

The proposed relocation is estimated to involve capital investment of approximately RMB530,000,000, of which approximately RMB200,000,000 will be for land acquisition and construction of the new plant, and approximately RMB330,000,000 will be for the acquisition of new equipment in stages.

After completion of the relocation of the package printing plant by 2015, Yunnan Qiaotong may redevelop the original site into a residential and commercial development involving an estimated investment amount of approximately RMB500,000,000. The Letter of Intent also contemplates a possible investment by Yunnan Qiaotong of approximately RMB40,000,000 to upgrade the printing facilities of Zhaotong Xinqiao.

Yunnan Qiaotong has established a project working team to further consider the matters contemplated under Letter of Intent and to conduct feasibility studies. The Letter of Intent is nonlegally binding. Yunnan Qiaotong has started preliminary negotiations with 昭通市人民政府 (Zhaotong People's Government) about the exact location and size of the relocation site. No binding agreement has been reached as at the date of this announcement.

Proposed issue of bonds

On 30th January, 2013, the Company entered into the Placing Agreement with a company to act as the placing agent of the Company. The Company has agreed to issue and the placing agent has agreed, on a best efforts basis, to procure subscribers to subscribe for unlisted bonds of up to HK$300,000,000 in principal amount ("Bonds"). The Bonds will be issued by the Company as up to four series of 6% bonds in an aggregate amount of up to HK$300,000,000 due 2015. Details are disclosed in the Company's announcement dated 30th January, 2013.

The maximum gross and net proceeds from the Bonds Issue will be approximately HK$300,000,000 and HK$279,000,000 respectively. The Group intends to use the net proceeds for project investment and for general working capital.

The Bonds will not be listed on any stock exchange and none of the Bonds will be offered to the public in Hong Kong. As at the date of this announcement, no bonds were issued under the placing agreement.

Human Resources Development

As at 31st December, 2012, the number of employees of the Group was approximately 1,000 employees, most of whom were working for the Group's production plants in the PRC. Salaries and wages are reviewed on an annual basis based on performance and other relevant factors. Benefit plans for Hong Kong staff include a provident scheme and medical insurance. The Company also has a Share Option Scheme, under which options may be granted to employees to subscribe for shares in the Company. The new Share Option Scheme was approved by the shareholders at the extraordinary general meeting held on 13th June, 2012.

Future prospects

The management is confident that the demand in the PRC for high quality fast moving consumer products, mainly tobacco, which is the major market segment of the Group, will continue to be a solid basis for the strong performance of the package printing division for many years to come. The Group is constantly looking for ways to improve the production capabilities of our main production center in Yunnan and one of the ways is the signing of the Letter of Intent for the relocation of the factory premises. As such, the Group is preparing for this by tapping into financing with longer tenors. Thus the Group decides to issue bonds to potential subscribers to finance this project.

In the past three years, the Group has successfully tapped into the equity markets for opportunities for future growth. The Group's shares were listed as Taiwan Depository Receipts in February 2010 and the integrated circuits design, development and sale division was spun off in January 2012 on GEM. The Group will continue to look for various investment opportunities to enhance the return to shareholders.

Looking forward, the Group will continue to maintain and improve its profitable packaging printing business and distribution business in Hong Kong. On the other hand, the Group is still reviewing the marketing environment of consumer electronic products in the USA for adoption of future strategy in this market.

FINANCIAL OVERVIEW

The Group's total turnover from continuing operations of approximately HK$2,027,839,000 was 4.5% higher than that of 2011, which was a result of the increase in both the turnover of the package printing and distribution of other electronic and related products division of the Group. The package printing business achieved increase in turnover, from approximately HK$709,392,000 in 2011 to approximately HK$761,625,000 in 2012. Gross profit margin of the package printing business was a very healthy 30.5% and remains above 30% over many years. The turnover for the distribution of electronic and related products also increased from approximately HK$1,138,589,000 in 2011 to approximately HK$1,180,690,000 in 2012. However, the turnover for the distribution of television business-related products decreased from approximately HK$92,618,000 in 2011 to approximately HK$85,524,000 in 2012.

The gross profit from continuing operations for the year increased by approximately HK$38,113,000, or 15.5% as compared to that of 2011. The overall gross profit margin of the Group from continuing operations increased from 12.7% in 2011 to 14.0% in 2012.

Distribution and selling expenses decreased from approximately HK$13,996,000 in 2011 to approximately HK$8,418,000 in 2012. The decrease was the result of less expenses used in the distribution business in the USA.

Administrative expenses increased from approximately HK$130,253,000 in 2011 to approximately HK$146,808,000 in 2012. The increase was partly due to the loss on disposal and impairment of property, plant and equipment of approximately HK$5.8 million, in anticipation of the relocation of the Yunnan factory; partly due to donations for earthquake relief and culture events in Yunnan of approximately HK$4.0 million and partly due to general increase in operating expenses, in particular staff welfare in the PRC subsidiaries.

The profit before tax for the year from continuing operations decreased slightly from approximately HK$97,273,000 in 2011 to approximately HK$94,936,000 in 2012. The decrease was in part due to a share of the loss of the associate of approximately HK$6,714,000. Excluding the effect of this share of loss, the profit before tax from continuing operations in 2012 will show a slight increase when compared to 2011.

The profit attributable to owners of the Company for the year increased from approximately HK$35,070,000 in 2011 to approximately HK$55,365,000 in 2012. This was mainly caused by the gain on deemed disposal of the spin-off group amounting to approximately HK$37,169,000.

Basic earnings per share for the year ended 31st December, 2012 increased to HK21.18 cents as compared to HK13.41 cents for 2011. In anticipation of the funds needed for the future relocation of the Yunnan factory, the Board do not recommend the payment of a final dividend for the year.

Working Capital

As at 31st December, 2012, the Group had net current assets of approximately HK$295,508,000 (2011:HK$290,737,000 which excludes the assets and liabilities of the spin-off group). The current assets as at 31st December, 2012 mainly comprised of inventories of approximately HK$162,780,000 (2011: HK$142,196,000), trade and other receivables, deposits and prepayments of approximately HK$797,085,000 (2011: HK$762,446,000), short-term loans receivable of approximately HK$51,533,000 (2011: HK$95,526,000) and bank balances and cash including pledged bank deposits of approximately HK$58,053,000 (2011: HK$81,814,000). The current liabilities mainly comprised of trade and other payables of approximately HK$199,006,000 (2011: HK$211,538,000), dividend and tax payables of an aggregate amount of approximately HK$28,211,000 (2011: HK$22,956,000), and borrowings classified as current liabilities of approximately HK$548,412,000 (2011: HK$562,252,000).

A collective impairment allowance on trade receivables of HK$14,300,000 has been made in 2012, after taking into account the lengthening repayment period of the debtors and the macro economic condition in the PRC.

The net asset value of the Group as at 31st December, 2012 amounted to approximately HK$ 996,719,000 versus approximately HK$954,119,000 as at 31st December, 2011.

Liquidity and financial resources

At the end of the reporting period and at the date of this announcement, the Group has certain trust receipt loans, short-term bank borrowings and other loans that became overdue. Details of this are disclosed in note 2.

In the opinion of the directors, the Group should be able to maintain itself as a going concern in the foreseeable future by generating sufficient cash flows from operations, in further re-scheduling of the settlement of the overdue amounts with respective lenders and in obtaining new replacement financing to meet its financial obligations as and when they fall due. Details of this are disclosed in note 2.

As at 31st December, 2012, the Group's aggregate bank and other borrowings amounted to approximately HK$548,037,000, which was lower than the total bank and other borrowings as at 31st December, 2011 of approximately HK$561,305,000. The net gearing ratio, representing the interest bearing liabilities less bank balances and cash divided by shareholders' equity plus non-controlling interests, is 49.2% in 2012 compared to 50.4% in 2011.

The interest rates for all the loans are fixed on monthly, quarterly or semi-annual basis. The finance costs for the year 2012 of approximately HK$25,326,000 were higher than those of 2011 because of the increase in average borrowings amount and the average interest rate of the Group in 2012. The Group continues to monitor its working capital requirement closely and will actively seek for funding with competitive rates to minimise the Group's finance cost.

The majority of the sales and purchases for the package printing division are denominated in Renminbi ("RMB") and most of the sales and purchases for the distribution division are denominated in United States dollar or Hong Kong dollar. The Group has minimal exchange rate risk exposure because most of the corresponding sales and purchases are denominated in the same currencies.

PLEDGE OF ASSETS

As at 31st December, 2012, certain banking and other facilities granted to the Group were secured by buildings of approximately HK$58,141,000, prepaid lease payments of approximately HK$11,343,000, inventories of approximately HK$20,368,000, trade receivables of approximately HK$8,654,000 and pledged bank deposit of approximately HK$1,009,000. In addition, the Group's obligation under finance lease is secured by the lessor's title to the motor vehicles of approximately HK$2,084,000.

CAPITAL COMMITMENTS

As at 31st December, 2012, the Group had commitments for the acquisition of property, plant and equipment of approximately HK$2,314,000, which are contracted but not provided for in the consolidated financial statements.

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

There were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

ANNUAL GENERAL MEETING ("AGM")

The AGM of the Company will be held on 17th June, 2013. For details of the AGM, please refer to the notice of AGM which will be published in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 13th June, 2013 to 17th June, 2013, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at annual general meeting. In order to be eligible to attend and vote at the forthcoming annual general meeting to be held on 17th June, 2013, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 11th June, 2013.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Stock Exchange made various amendments to the Code on Corporate Governance Practices (the "Old Code") contained in Appendix 14 of the Listing Rules and renamed it the Corporate Governance Code (the "CG Code"). The CG Code took effect on 1st April, 2012. The Company has complied with the code provisions of the Old Code during the period from 1st January, 2012 to 31st March, 2012. It has also complied with the CG Code during the period from 1st April, 2012 to 31st December, 2012, other than code provision A.2.1 of the Old Code and the CG Code. Reasons for deviation are explained below:

Mr. Hui King Chun, Andrew is the founder and Chairman of the Group. The Company does not at present have any officer with the title "Chief Executive Officer" and Mr. Hui has assumed the role of both Chairman and Managing Director since the establishment of the Company, and is in charge of the overall management of the Company. The Board intends to maintain this structure in future as it believes that this structure can ensure efficient and effective formulation and implementation of business strategies without compromising the balance of power and authority between the Board and management of the Company.

Further information is set out in the Corporate Governance Report contained in the annual report for 2012.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE") OF LISTING RULES

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the year ended 31st December, 2012.

AUDIT COMMITTEE

The Company has set up an audit committee, comprising of three independent non-executive directors of the Company, namely Mr. Tam Yuk Sang, Sammy (chairman of the committee), Mr. Ng Chi Yeung, Simon and Mr. Ho Lok Cheong. The audit committee has reviewed the audited financial statements for the year ended 31st December, 2012, the accounting principles and practices adopted by the Group with management and has discussed internal controls and financial reporting matters, with the directors.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The Company's 2012 annual report, as well as the announcement of annual results, containing the relevant information required by the Listing Rule will be published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company's website (http://www.kithholdings.com) in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises of five executive directors, namely Mr. Hui King Chun, Andrew, Mr. Yau Chau Min, Paul, Mr. Hui Bin Long, Mr. Zhou Jin and Mr. Wang Feng Wu; three independent non-executive directors, namely Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong and one non-executive director, namely Mr. Liu Kam Lung.

By Order of the Board
Kith Holdings Limited
Hui King Chun, Andrew
Chairman

Hong Kong, 31st March, 2013

* *For identification purpose only*