PAK TAK INTERNATIONAL LIMITED

（百德國際有限公司）*

(incorporated in Bermuda with limited liability)

(Stock Code: 2668)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2012

HIGHLIGHTS

The highlights of the results for the year ended 31 March 2012:

- Turnover increased by 2% to HK$397 million from HK$391 million for the year ended 31 March 2011;
- Net profit for the year was HK$9.639 million, as compared to net profit of HK$0.472 million for the year ended 31 March 2011;
- Earnings per share for the year were HK4.32 cents, as compared to HK0.35 cents for the year ended 31 March 2011;
- The Group's net current assets at 31 March 2012 was HK$25.7 million, as compared to net current liabilities of HK$4.7 million at 31 March 2011, representing a current ratio of 1.47 (2011: 0.93).

FINANCIAL RESULTS

The directors (the "**Directors**") of Pak Tak International Limited (the "**Company**") are pleased to announce the audited consolidated results of the Company and its subsidiaries (together the "**Group**") for the year ended 31 March 2012 together with the audited comparative figures for the corresponding year ended 31 March 2011 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Note	**2012** *HK$'000*	2011 *HK$'000*
Turnover	*3*	**397,048**	391,275
Cost of sales		**(351,661)**	(354,155)
Gross profit		**45,387**	37,120
Other revenue	*4*	**1,834**	2,597
Other net gain/(loss)	*4*	**2,843**	(7)
Administrative expenses		**(28,340)**	(23,135)
Selling expenses		**(7,381)**	(11,812)
Profit from operations		**14,343**	4,763
Finance costs	*5(a)*	**(1,413)**	(2,055)
Share of loss of an associate		**–**	(1,780)
Profit before taxation	*5*	**12,930**	928
Income tax expense	*6*	**(3,291)**	(456)
Profit for the year		**9,639**	472
Attributable to:			
Equity shareholders of the Company		**10,210**	826
Non-controlling interests		**(571)**	(354)
		9,639	472
		HK cents	*HK cents*
Earnings per share			
– Basic and diluted	*7*	**4.32**	0.35

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	2012	2011
	HK$'000	*HK$'000*
Profit for the year	**9,639**	472
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**(218)**	1,172
Reclassification adjustments for amounts on exchange reserve transferred to profit or loss on deregistration of subsidiary, net of nil tax	**–**	(206)
Total comprehensive income for the year	**9,421**	1,438
Attributable to:		
Equity shareholders of the Company	**9,813**	2,589
Non-controlling interests	**(392)**	(1,151)
	9,421	1,438

CONSOLIDATED BALANCE SHEET

At 31 March 2012

	Note	**2012**	2011
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**158,737**	168,464
Interests in leasehold land held for own use under operating leases		**4,579**	4,597
Investment properties		**4,029**	4,093
Interest in an associate		**–**	–
		167,345	177,154
Current assets			
Inventories		**37,503**	29,414
Trade receivables	*10*	**35,370**	24,468
Other receivables, prepayments and deposits		**7,387**	10,154
Amount due from an associate		**–**	362
Cash and cash equivalents		**494**	2,469
		80,754	66,867
Current liabilities			
Trade payables	*11*	**15,080**	13,527
Bills payable		**69**	4,119
Other payables and accrued charges		**13,271**	9,723
Amounts due to holders of non-controlling interests in a subsidiary		**3,683**	3,741
Interest-bearing borrowings		**22,153**	40,421
Obligations under finance leases		**58**	58
Tax payable		**691**	–
		55,005	71,589
Net current assets/(liabilities)		**25,749**	(4,722)
Total assets less current liabilities		**193,094**	172,432
Non-current liabilities			
Obligations under finance leases		**19**	77
Deferred tax liabilities		**5,623**	3,023
Provision and other accrued charges		**15,478**	6,779
		21,120	9,879
NET ASSETS		**171,974**	162,553
CAPITAL AND RESERVES			
Share capital		**23,640**	23,640
Reserves		**149,877**	140,064
Total equity attributable to equity shareholders of the Company		**173,517**	163,704
Non-controlling interests		**(1,543)**	(1,151)
TOTAL EQUITY		**171,974**	162,553

NOTES:

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's consolidated financial statements:

- HKAS 24 (revised), Related party disclosures
- Improvements to HKFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKAS 24 (revised) simplifies the definition of "related party" and removes inconsistencies, which emphasises a symmetrical view of related party transactions. The revised standard also provides limited relief from disclosure of information by government-related entities in respect of transactions with the government to which the Group is related, or transactions with other entities related to the same government. These amendments have had no material impact on the Group's consolidated financial statements.

Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, Financial instruments: Disclosures. These amendments do not have any material impact on the Group's financial instruments in these consolidated financial statements.

3. TURNOVER

Turnover represents the amounts received and receivable for goods sold and sub-contracting services provided to outside customers during the year and is analysed as follows:

	2012	2011
	HK$'000	*HK$'000*
Sales of goods	**395,472**	388,685
Sub-contracting income	**1,576**	2,590
	397,048	391,275

4. OTHER REVENUE AND NET GAIN/(LOSS)

	2012	2011
	HK$'000	*HK$'000*
Other revenue		
Claims and compensation received	**–**	86
Discount received	**126**	168
Interest income from associate	**257**	375
Other interest income	**66**	6
Reimbursement income	**878**	1,138
Sales of scrap and unused raw materials	**133**	215
Sundry	**374**	609
	1,834	2,597
Other net gain/(loss)		
Exchange gain/(loss), net	**580**	(79)
Gain on disposal of property, plant and equipment	**109**	72
Reversal of impairment loss on amount due from an associate	**2,154**	–
	2,843	(7)

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging/(crediting):

	2012	2011
	HK$'000	*HK$'000*
(a) Finance costs:		
Implied interest on financing the acquisition of property, plant and equipment	**–**	61
Interest on bank loans wholly repayable within five years	**992**	959
Interest on loans from other financial institutions wholly repayable within five years	**412**	1,026
Finance charges on obligations under finance leases	**9**	9
	1,413	2,055

	2012	2011
	HK$'000	*HK$'000*
(b) Staff costs:		
Salaries, wages and allowances	**92,962**	89,970
Contributions to defined contribution retirement plans	**515**	641
Staff welfare and benefits	**9,465**	(677)
Provision for long service payments	**197**	251
	103,139	90,185

	2012	2011
	HK$'000	*HK$'000*

(c) **Other items:**

Auditor's remuneration	**520**	520
Amortisation of interests in leasehold land held under operating leases	**116**	114
Cost of inventories sold*	**351,661**	354,155
Depreciation on property, plant and equipment	**26,594**	25,374
Provision for inventories	**–**	1,633

* Cost of inventories includes HK$107,374,000 (2011: HK$99,424,000) relating to staff costs, depreciation and amortisation expenses and provision for inventories, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6. INCOME TAX

(a) Taxation in the consolidated income statement represents:

	2012	2011
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Under-provision in respect of prior years	**691**	–
Deferred tax		
Origination and reversal of temporary differences	**2,600**	456
Income tax expense	**3,291**	456

No provision for Hong Kong Profits Tax has been made for 2012 as the companies in the Group either have no assessable profits or have agreed tax losses brought forward in excess of the estimated assessable profit for the year.

(b) Reconciliation between the income tax expense and accounting profit at the applicable tax rates:

	2012	2011
	HK$'000	*HK$'000*
Profit before taxation	**12,930**	928
Add: Loss of an associate	**–**	1,780
	12,930	2,708
Notional tax at Hong Kong Profits Tax rate of 16.5% (2011: 16.5%)	**2,133**	447
Tax effect of expenses not deductible for tax purpose	**4,703**	2,927
Tax effect of income not taxable	**(4,990)**	(3,383)
Tax effect of tax losses not recognised	**668**	525
Under-provision of income tax in respect of prior years	**691**	–
Others	**86**	(60)
Actual tax expense	**3,291**	456

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$10,210,000 (2011: HK$826,000) and 236,402,000 (2011: 236,402,000) ordinary shares in issue during the year.

The diluted earnings per share for the years ended 31 March 2012 and 2011 was the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence for both years.

8. SEGMENT REPORTING

The executive directors manage the Group's operations as a single business segment. The Group's operations are monitored and strategic decisions are made on the basis of operating results, consolidated assets and liabilities as reflected in the Group's consolidated financial statements.

(a) Geographical information

The Group's revenue from external customers by geographical market is as follows:

	2012	2011
	HK$'000	*HK$'000*
United States of America ("**USA**")	**333,733**	326,265
Europe	**31,397**	32,039
Asia	**18,085**	11,796
Australia	**2,115**	1,267
Others	**11,718**	19,908
	397,048	391,275

The Group's information about its non-current assets by geographic location is as follows:

	2012	2011
	HK$'000	*HK$'000*
Mainland China	**137,631**	147,907
Hong Kong	**12,603**	10,853
Thailand	**17,111**	18,394
	167,345	177,154

(b) Major customers

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below:

	2012	2011
	HK$'000	*HK$'000*
Customer A	**119,167**	50,087
Customer B	**92,420**	66,038
Customer C	**86,158**	105,512
Customer D	**40,280**	N/A
Customer E	**N/A**	55,070
Customer F	**N/A**	73,430

N/A: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 March 2012 (2011: HK$nil).

10. TRADE RECEIVABLES

Individual credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables are due within 30 to 60 days from the date of billing. Debtors with balances over 90 days are monitored tightly and regularly.

Trade receivables relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable within one year. The Group does not hold any collateral over these balances.

Default risk of the industry and country are influenced on a lesser extent because most of the Group's customers mainly from the USA with higher credit-ratings.

The following is an ageing analysis of trade receivables:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Current	**28,387**	21,986
Less than 1 month past due	**6,726**	1,856
1 to 3 months past due	**187**	464
More than 3 months past due	**70**	162
Amounts past due	**6,983**	2,482
	35,370	24,468

11. TRADE PAYABLES

The following is an ageing analysis of trade payables:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Due within 1 month or on demand	**11,831**	10,106
Due after 1 month but within 3 months	**3,249**	2,717
Due after 3 months but within 12 months	**–**	704
	15,080	13,527

BUSINESS REVIEW

The Directors are pleased to report that for the year ended 31 March 2012 the Group has maintained its steady growth path and increased its turnover. Further, as a reflection of the Group's cost control measures, the net profit has also improved, resulting in a net profit of the year of HK$9.639 million.

The Group recorded a turnover of approximately HK$397 million for the year ended 31 March 2012, representing an increase of 2% over the previous year. This growth in turnover is in line with the Group's policy of controlled growth. Over the years the Group has maintained the policy of manufacturing high quality and well made products while selling its goods at a premium value. The Group feels that in light of the modest growth in the economy of the U.S., the largest market for the Group's products, the Group's policy of controlled growth has been one of the prime reasons to enable the Group to maintain its current position as a manufacturing company with sustainable strength to meet the uncertainties facing the global economies.

Over the course of the recent years, the Group's strategies of focusing on manufacturing premium products and automating its production means have proven to be the correct approach to operate in the current environment of continuing modest economic growth in the U.S., weak retail markets, and relentless cost increase in China. The changing economic structure in China, where labor cost continues to rise but labor supply continues to shift away from the southern China region, has made it a necessity for the Group to further automate its product means, to control costs, and to improve its efficiency. The Group has proven itself successful in meeting these challenges in the year ended 31 March 2012, and succeeded in achieving the profitability of HK$9.639 million.

For the Group to continue achieving positive results, the board of Directors (the "**Board**") has found it necessary to explore other opportunities of growth, including expanding its markets beyond the U.S. As the Group has demonstrated its strength in these recent years after the financial crisis of 2008, the Group has the capability of focusing on its core competence while only diverting to new projects where the projects meet with the Group's overall strategic policy imperatives. The Group believes that while short-term global economic weaknesses may introduce new challenges to its turnover and profitability, over the long run, the Group's position as a sound company with manufacturing strength will enable it to overcome short-term economic set backs in the global economies.

While economic data point to weakening global economies, especially in developed countries, the Group believes that the course that it has chosen in recent years would be effective to enable the Group to weather the downturn if it materializes. The Group believes that its strategies of controlled growth, and of emphasizing on selecting only good customers who appreciate the Group's quality by paying premium prices, must continue as it is a policy that is critical to the Group's ability to survive in the current economic time.

ANALYSIS OF RESULTS

Turnover

In the year ended 31 March 2012, the Group's turnover grew by 2% as compared to the previous year from HK$391 million to HK$397 million. This modest increase resulted from the Group's slight change in customer base as the Group's sales are made to customers looking for high-end knitwear products, and willing to pay premium prices. The Group's market position as a premium product manufacturer is now more and more reflected in its product mix that is made up of a large portion of high-end knitwear products.

Gross profit increased by 22% from HK$37 million to HK$45 million for the year ended 31 March 2012. The increase in gross profit reflects the Group's success in cost control and managing its gross margin. One of the main reasons for the improvement in gross profit is that as the depreciation charges on the automated machineries that the Group brought many years ago begin to phase out, the Group's profitability improves.

For the year under review, the Group's major market remained to be the U.S., accounting for approximately 84% of the Group's total turnover. On the back of sales to one customer that had directed the Group's sales to various countries in the Asian region, the Group's sales in Asia improved to HK$18 million, representing 5% of total turnover. The Group's sales to European customers represented about 8% of the total turnover of the Group in the year ended 31 March 2012.

Profitability

The Group's profitability for the year ended 31 March 2012 was HK$9.639 million. This represents an increase of 1,942% as compared to the profit of HK$0.472 million achieved in the year ended 31 March 2011. The primary reason for the increase in profitability was the increase in gross profit. The increase in gross profit by about 22% contributed fully to the net profit of the Group.

Further, as the Group's associated company was able to pay off a loan to the Group that had previously been written off, the repayment contributed about HK$2 million to other income.

During the year, the Group has received approval from the Dongguan authorities to convert the Group's processing plant in Dongguan into a factory owned under a foreign investment enterprise owned wholly by the Group. In connection with this, the Group has made provisions amounting to about HK$9 million in order to discharge expenses that may arise, including labor retrenchment costs at the factory. The increase has been partly offset by the lower selling expenses in the year, as the commission that the Group incurred to generate sales from various customers was reduced from over HK$9.6 million in the year ended 31 March 2011 to HK$5 million in the current year. The drop in commission was due to the Group reducing sales to two import/export agents that had demanded high commission on the sales that they brought to the Group.

The Group's finance cost has also reduced given the improvement in the Group's financial position and the repayment of certain bank loans; finance cost was reduced by 33% to HK$1.4 million from HK$2.1 million for the prior year.

LIQUIDITY AND CAPITAL RESOURCES

The cash and cash equivalent of the Group were approximately HK$-0.93 million as at 31 March 2012, representing a decrease of approximately HK$1.56 million as compared with the balance as at 31 March 2011. During the year, the Group was able to reduce bank loans in the amount of HK$18 million.

The Group principally satisfies its demand for operating capital with cash inflow from operation and credit facilities of over HK$115 million (2011: HK$137 million), out of which HK$22 million has been utilized as at 31 March 2012. The credit facilities were secured by corporate guarantees given by the Company. The Director believes that the Group will maintain a sound and stable financial position, with sufficient liquid capital and financial resources to satisfy its business needs.

FOREIGN EXCHANGE RISKS AND INTEREST RATE RISK MANAGEMENT

The Group adopts strict and cautious policies in managing its exchange rate risk and interest rate risk. The principal foreign currency exchange risk stems from the exchange rate movements of the Hong Kong dollars, which are pegged to the U.S. dollars, and Renminbi. The sales of the Group and purchases of raw materials are mainly denominated in U.S. dollars, while the Group's operations in China, the location of its production, are primarily conducted in Renminbi, and its Hong Kong operations are conducted in Hong Kong dollars. During the year ended 31 March 2012, the rise in Renminbi against the U.S. dollars and HK dollars has slowed down, as the rise over the year was only 4%. The slower rise has reduced the pressure on the Group's profitability. Nevertheless, recognizing that there is continuing call for the Renminbi to go up further, management will consider hedging significant foreign currency exposure should the need arise.

The Directors are of the opinion that the Group is not subject to any significant interest rate risk even though the interest-bearing borrowings of the Group, denominated in Hong Kong dollars, are on the floating rate basis. As the Group has reduced its debt exposure by about 50%, its exposure to interest rate risk has also diminished considerably. As the Group operates at the debt to equity ratio of 13%, the interest rate exposure is not significant.

DIVIDENDS

The Directors have resolved not to recommend the payment of any dividend for the year ended 31 March 2012 (2011: HK$nil).

CHARGE ON GROUP ASSETS

At 31 March 2012, certain of the Group's interest-bearing borrowings were secured by pledge of the Group's machinery with a total carrying amount of HK$13 million (2011: HK$41 million), the Group's leasehold properties in Hong Kong and Mainland China with a total carrying amount of HK$4.7 million (2011: HK$4.8 million) and HK$62 million (2011: HK$63 million), respectively.

FINANCIAL GUARANTEES ISSUED

At 31 March 2012, the Company had issued corporate guarantees to banks and other financial institutions in connection with facilities granted to certain subsidiaries amounting to HK$119 million (2011: HK$128 million).

The guarantees were issued by the Company at nil consideration. The transactions were not at arm's length, and it is not possible to measure reliably the fair value of these transactions in accordance with HKAS 39, Financial instruments: Recognition and measurement, had they been at arm's length. Accordingly, the guarantees have not been accounted for as financial liabilities and measured at fair value.

At 31 March 2012, the Directors considered it was not probable that a claim would be made against the Company under any of the guarantees. The maximum liability of the Company at the balance sheet date under the guarantees issued was the facilities drawn down by the subsidiaries of HK$22 million (2011: HK$40 million).

CAPITAL EXPENDITURES AND COMMITMENTS

During the period, the Group invested approximately HK$17 million (2011: HK$9.8 million) in property, plant and equipment, of which 76% (2011: 83%) was used for purchase of machinery.

As at 31 March 2012, the Group had capital commitments of approximately HK$4.2 million (2011: HK$5.6 million) in property, plant and equipment.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2012, the Group had a total of approximately 187 employees. The total staff cost of the Group amounted to approximately HK$103 million during the period, representing 26% of the Group's turnover. Salaries, wages and allowances amounted to approximately HK$93 million, representing an increase of 3% as compared to previous year. Employees' remuneration and bonuses are based on their responsibilities, performances, experience and the prevailing industry practice. The Group's remuneration policies and packages were reviewed periodically by the management of the Company in order to ensure that the packages are competitive in the market. The Group provides relevant training to its employees in accordance with the skills requirements of difference positions.

FUTURE PROSPECTS

The Group expects that 2012 will be another year in which the Group would approach its growth and development cautiously. With the economies of the developed countries barely growing, and with the Chinese economy also slowing down precipitously, the Group feels that it must continue its policy of prudence in managing its growth and development. Although one of the biggest challenges that the Group has faced in recent years, being the appreciation of the Chinese yuan, has become milder in 2011, labor shortages and rising commodity prices in China continue to have a significant impact on the efficient operation and cost control. The Group's management feels that the pressure on the Group to monitor and control its production and costs continues unabated.

The Group, however, will explore all business opportunities that may be available to it. To ensure its future success, the Group would utilize its expertise and experience in the manufacturing industry to expand and diversify its business as and when opportunities present themselves.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 16 August 2012 (Thursday) to 23 August 2012 (Thursday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 15 August 2012 (Wednesday).

AUDIT COMMITTEE

The Audit Committee was formed on 9 November 2001 to review and supervise the financial reporting process and internal control of the Company. The Audit Committee comprises of all independent non-executive Directors.

The Audit Committee has reviewed with management and auditors of the Company the accounting principles and practices adopted by the Group and discussed the audited financial statements for the year ended 31 March 2012.

REMUNERATION COMMITTEE

The Remuneration Committee was formed on 23 March 2005 to review and determine the remuneration packages of all Directors and senior management. The Remuneration Committee comprises of all independent non-executive Directors, the Chairman of the Board and one executive Director. During the year, the remuneration committee reviewed the Directors' and senior management's salaries and bonuses and approved their salary and bonus level.

NOMINATION COMMITTEE

The Nomination Committee was formed on 23 March 2005 to make recommendations for all appointment and re-appointment of Directors. The Nomination Committee comprises of all independent non-executive Directors, the Chairman of the Board and one executive Director.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was formed on 9 January 2012 to perform the corporate governance duties as set out in the Listing Rules. The Corporate Governance Committee comprises of all independent non-executive Directors, the Chairman of the Board and one executive Director.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct rules (the "**Model Code**") regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, the Company confirms that all the Directors have complied with the Model Code in the year ended 31 March 2012.

CORPORATE GOVERNANCE

The Directors are pleased to report that throughout the year ended 31 March 2012, the Company was in compliance with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "**Code**"). In particular, the Company has ensured that:

- the appointment to and the composition and operation of the Board of Directors and committees of the Board;
- the remuneration of Directors and senior management;
- accountability and audit;
- delegation by the Board;
- communication with shareholders; and
- requirements for company secretary,

are in compliance with the Code.

The Board will continuously review the corporate governance structure of the Company and effect changes whenever necessary.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

The Company's annual report containing all information required by the Listing Rules will be despatched to shareholders and published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.paktak.com in due course.

On behalf of the Board
Victor Robert Lew
Chairman

Hong Kong, 27 June, 2012

As at the date of this announcement, Mr. Cheng Kwai Chun, John, Mr. Lin Chick Kwan and Mr. Lin Wing Chau are Executive Directors; Mr. Victor Robert Lew is the Non-executive Director and the Chairman; Ms. Ko Hay Yin, Karen, Mr. Chow Chan Lum, Ms. Ho Man Yee, Esther and Mr. Yuen Chi King, Wyman are Independent Non-executive Directors.

* *for identification purposes only*