WING LEE HOLDINGS LIMITED
永利控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 876)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

INTERIM RESULTS

The board of directors (the "Board") of Wing Lee Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2012, together with comparative figures for the same period ended 30 June 2011.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2012

		Six months ended	
		30.6.2012	30.6.2011
		HK$'000	*HK$'000*
	Notes	**(unaudited)**	(unaudited)
Turnover	3	**184,766**	194,922
Cost of goods sold		**(119,280)**	(126,259)
Gross profit		**65,486**	68,663
Other income		**3,500**	713
Other expenses		**(6,296)**	–
Selling and distribution costs		**(3,724)**	(1,960)
Administrative expenses		**(37,697)**	(29,102)
Gain arising from fair value changes of investment properties		**128,095**	106,838
Finance costs		**(1,211)**	(673)
Profit before taxation	4	**148,153**	144,479
Taxation	5	**(7,365)**	(7,768)
Profit for the period		**140,788**	136,711

* *for identification only*

		Six months ended	
		30.6.2012	30.6.2011
		HK$'000	*HK$'000*
	Notes	**(unaudited)**	(unaudited)
Profit for the period		**140,788**	136,711
Other comprehensive income:			
Exchange differences arising from translation of foreign operations		**–**	6,902
Exchange differences realised upon dissolution of foreign operations		**(255)**	–
Total comprehensive income for the period		**140,533**	143,613
Profit for the period attributable to:			
Owners of the Company		**141,122**	137,107
Non-controlling interests		**(334)**	(396)
		140,788	136,711
Total comprehensive income attributable to:			
Owners of the Company		**140,867**	143,902
Non-controlling interests		**(334)**	(289)
		140,533	143,613
Earnings per share – Basic	7	**HK44.0 cents**	HK39.0 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	Notes	**30.6.2012**	31.12.2011
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Non-current assets			
Investment properties	8	**756,724**	609,679
Property, plant and equipment		**213,669**	212,236
Prepaid lease payments		**13,862**	14,037
Deposits paid for acquisition of property, plant and equipment		**1,043**	3,201
Deposits paid for acquisition of investment properties		**–**	2,562
		985,298	841,715
Current assets			
Inventories		**56,109**	49,476
Trade and other receivables	9	**89,517**	79,091
Fixed deposits		**47,366**	62,022
Bank balances and cash		**43,168**	56,063
		236,160	246,652
Asset classified as held for sale		**8,400**	–
		244,560	246,652
Current liabilities			
Trade and other payables	10	**65,446**	63,554
Rental deposits received		**6,429**	5,371
Taxation payable		**11,861**	10,463
Bank loans – due within one year		**51,642**	63,145
		135,378	142,533
Net current assets		**109,182**	104,119
Total assets less current liabilities		**1,094,480**	945,834
Non-current liabilities			
Bank loans – due after one year		**117,887**	99,265
Deferred tax liabilities		**20,334**	18,022
		138,221	117,287
		956,259	828,547
Capital and reserves			
Share capital		**160,263**	160,263
Reserves		**796,896**	668,850
Equity attributable to owners of the Company		**957,159**	829,113
Non-controlling interests		**(900)**	(566)
		956,259	828,547

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except as described below.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are mandatorily effective for the current interim period.

In the prior year, the Group has early adopted the amendments to HKAS 12 "Income Taxes" in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40 "Investment property".

The application of the other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards and amendments that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvement to HKFRSs 2009 – 2011 cycle [2]
Amendments to HKFRS 1	Government loans [2]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities [2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures [4]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interest in other entities – transition guidance [2]
HKFRS 9	Financial instruments [4]
HKFRS 10	Consolidated financial statements [2]
HKFRS 11	Joint arrangements [2]
HKFRS 12	Disclosure of interests in other entities [2]

HKFRS 13	Fair value measurement [2]
Amendments to HKAS 1	Presentation of items of other comprehensive income [1]
HKAS 19 (as revised in 2011)	Employee benefits [2]
HKAS 27 (as revised in 2011)	Separate financial statements [2]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures [2]
Amendments to HKAS 32	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 1 July 2012.

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

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

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

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; 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 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

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

3. SEGMENT INFORMATION

The Group's operations are organised into two operating divisions namely manufacture of and trading in electronic components and properties investment. These divisions are based on the information reported to the chief operating decision maker.

The executive directors of the Company (the "Executive Directors") have been identified as the chief operating decision maker. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources.

Manufacture of and trading in electronic components	–	manufacture of and trading in electronic jacks and connectors in Mainland China (the "PRC") and Hong Kong
Properties investment	–	investments in properties in Hong Kong and the PRC

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

Segment revenues and results

	Manufacture of and trading in electronic components	**Properties investment**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)
For the six months ended 30 June 2012			
TURNOVER			
External sales	174,756	10,010	184,766
Inter-segment revenue	–	1,236	
	174,756	11,246	
RESULTS			
Segment results	24,898	134,108	159,006
Finance costs			(1,211)
Interest income on bank deposits			566
Unallocated expenses			(10,208)
Profit before taxation			148,153
For the six months ended 30 June 2011			
TURNOVER			
External sales	185,396	9,526	194,922
Inter-segment revenue	–	930	
	185,396	10,456	
RESULTS			
Segment results	32,875	112,873	145,748
Finance costs			(673)
Interest income on bank deposits			132
Unallocated expenses			(728)
Profit before taxation			144,479

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of other expenses, central administration costs, interest income from bank deposits and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2012	30.6.2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of prepaid lease payments	**175**	169
Depreciation of property, plant and equipment	**13,626**	12,207
Expense in relation to the proposed spin-off of properties investment segment (included in other expenses)	**6,296**	–
Interest on bank deposits	**(566)**	(132)
Provision for bad debts	**2,233**	–

5. TAXATION

	Six months ended	
	30.6.2012	30.6.2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax		
Hong Kong Profits Tax	**4,691**	3,772
Taxation in other jurisdictions	**362**	3,594
	5,053	7,366
Deferred tax	**2,312**	402
	7,365	7,768

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the six months ended 30 June 2012. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. DIVIDENDS

During the six months ended 30 June 2012, a final dividend of HK4 cents per share in respect of the year ended 31 December 2011 (2011: HK2 cents per share in respect of the year ended 31 December 2010) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid amounted to HK$12,821,000 (2011: HK$7,027,000).

Subsequent to 30 June 2012, the directors have determined that an interim dividend of HK2 cents per share (2011: HK2 cents) will be paid to the owners of the Company whose names appear in the Register of Members on 18 September 2012.

7. **EARNINGS PER SHARE – BASIC**

The calculation of the basic earnings per share for the six months ended 30 June 2012 is based on the profit for the period attributable to owners of the Company of HK$141,122,000 (2011: HK$137,107,000) and on the weighted average number of ordinary shares of 320,525,879 shares in issue during the period (2011: 351,955,315 shares).

No diluted earnings per share is presented as there were no potential dilutive shares in issue for both periods.

8. **MOVEMENTS IN INVESTMENT PROPERTIES**

The fair value of the Group's investment properties at 30 June 2012 and 31 December 2011 have been arrived at on the basis of a valuation carried out on that date by RHL Appraisal Limited ("RHL"), an independent firm of professional property valuers not connected with the Group. The valuation was arrived at using the Direct Comparison Method by making reference to the comparable market transactions as available and where appropriate, on the basis of capitalisation of the net rental income with the allowance of outgoings and, in appropriate case, made provisions for reversionary income potential. The resulting increase in fair value of investment properties of HK$128,095,000 has been recognised directly in profit or loss for the six months ended 30 June 2012 (2011:HK$106,838,000).

During the six months ended 30 June 2012, the Group acquired one investment property for a cash consideration of HK$27,306,000 (2011: HK$5,000,000)

9. **TRADE AND OTHER RECEIVABLES**

At 30 June 2012, included in trade and other receivables are trade receivables of HK$73,003,000 (31.12.2011: HK$66,198,000). Payment terms with customers are mainly on credit. Invoices are normally payable within 30 to 90 days after issuance, except for certain well-established customers, where the terms are extended to 120 days.

The following is an aged analysis of trade receivables, presented based on the invoice date, at the end of the reporting period:

	30.6.2012	31.12.2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 90 days	**71,405**	61,261
91 – 180 days	**1,593**	4,067
Over 180 days	**5**	870
	73,003	66,198

10. TRADE AND OTHER PAYABLES

At 30 June 2012, included in trade and other payables are trade payables of HK$19,760,000 (31.12.2011: HK$13,559,000).

The following is an aged analysis of trade payables at the end of the reporting period:

	30.6.2012	31.12.2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 90 days	**19,425**	12,447
91 – 180 days	**300**	1,112
Over 180 days	**35**	–
	19,760	13,559

11. CAPITAL COMMITMENTS

	30.6.2012	31.12.2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of:		
– property, plant and equipment	**2,662**	6,410
– investment properties	**–**	23,058
	2,662	29,468

12. RELATED PARTY TRANSACTION

During the six months ended 30 June 2012, the Group sold an investment property to a related company which is owned by the directors at a cash consideration of HK$850,000. The consideration was determined based on a valuation carried out by RHL with reference to market evidence of transaction prices for similar properties in a similar location.

BUSINESS REVIEW

For the six months ended 30 June 2012 (the "Period"), the Group's revenue amounted to approximately HK$185 million (2011: HK$195 million), representing a decrease of 5% as compared with the same period of last year. The unaudited profit amounted to approximately HK$141 million (2011: HK$137 million), representing an increase of 3% as compared with the same period of last year. Earnings per share were HK44.0 cents (2011: HK39.0 cents).

Manufacturing of Electronic Components

The first core business of the Group consists of the design, manufacture and sale of electronic jacks and connectors, all of which are basic components used in electronic, communication and computer products. The major customer groups who account for the larger proportion in the Group's products sales are reputable brand named owners from Korea, Japan, Europe and the USA.

The Period was marked by slowly improving economic prospects but risks of a renewed upsurge of the European crisis continued to loom. Mounting doubts over the Eurozone's ability to contain its debt crisis, and the turmoil produced by a backlash against the tough austerity program has added to the economic uncertainties in certain member countries, causing business risks to remain elevated. Bad debts provision of approximately HK$2 million for European customers has been made for the Period. Japan's tragic earthquake and tsunami which resulted in a substantial interruption in the supply chain of electronic consumer products in the world. Sales volume of electronic components manufacturing segment declined and orders received by the Group from Europe and Japan also declined.

By exerting significant effort in developing the Korean market in 2011 and 2012, the first-tier customers there have responded well to the production capability and deliverables of the Group. The Group attained remarkable success in obtaining a considerable share of the electronics component manufacturing sector in Korean market. Korea has become one of the major markets for the Group and is expanding rapidly.

Facing the above challenging markets, the Group's sales of electronic components still achieved a turnover of approximately HK$175 million during the Period, a decrease of 6% compared with the same period last year.

Though there was increasing wages and peripheral costs in the factories, the Group has maintained a stable gross profit margin, through operating with caution and stringent cost control. During the Period, the Group has invested approximately HK$15 million on new machinery, mainly comprised of 6 sets of high quality plastic injection machines and 27 sets of automatic machines to further improve the quality and production efficiency of our products.

Property Investments

The Group also engaged in the business of property investments, principally being the leasing of completed commercial retail and residential properties, in Hong Kong and the PRC.

Despite the lingering fear of global economic recession, financial market volatility and policy headwinds casting a shadow on the property market in Hong Kong, the property market has demonstrated resilience and shown signs of rebound with prices stabilising in recent months after a short period of consolidation towards the end of 2011 and early 2012. Activities in the markets seem to have recovered under an environment of limited supply of new stock and low interest rates. The operating conditions for most retail, consumption and commercial sectors in Hong Kong have performed favorably given the strong retail spending from visitors from mainland China. The demand for high quality commercial properties in traditional commercial districts remained strong given the lack of new supply, which led to an increase in rental rates.

According to the Hong Kong Property Review 2012 published by the Hong Kong Rating and Valuation Department, new retail completions are forecast to be approximately 1.19 million sq. ft. and 0.56 million sq. ft. in 2012 and 2013 respectively. The majority of the new completions in 2012 are forecast to be in the Wanchai, Yau Tsim Mong and Tuen Mun districts, whilst almost half of the new completions in 2013 are expected to be in Hong Kong Island.

Most of the properties in our portfolio are located in developed urban areas in Hong Kong, e.g. Wanchai and Mongkok, with good transportation links. The Group has maintained high occupancy rates in its properties, and has also been able to maintain a good rental yield over its investment properties. With rising property prices in recent years, the rental yield of our investment properties will remain appeasing. A half-year rental income of approximately HK$10 million (2011: HK$9.5 million) was recorded by the Group for the Period.

At the reporting date, as the commercial property market was blooming in Hong Kong, the aggregate market value of property investment portfolio, being appraised by independent valuers, amounted to HK$757 million (31.12.2011: HK$610 million). A fair value gain on investment properties for the Period was approximately HK$128 million (2011: HK$107 million).

As at 30 June 2012, a total of 8 investment properties, with an aggregate fair value of approximately HK$376 million, were charged to secure bank loans of approximately HK$135 million.

The Company is considering a separate listing of its property investment business on The Stock Exchange of Hong Kong Limited and has engaged relevant professional parties for the preparation of the proposed spin-off. If the separate listing were to proceed, the spin-off would be by way of introduction, following a distribution in specie by the Company. There is no intention for the Company to sell, or for the proposed new listed company to issue any new shares to the public in connection with the proposed spin-off.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2012, the net current assets of the Group amounted to approximately HK$109 million (31.12.2011: HK$104 million). The current and quick ratio were 1.8 and 1.4 (31.12.2011: 1.7 and 1.4) respectively. Shareholders' funds rose to approximately HK$956 million (31.12.2011: HK$829 million).

Moreover, as at 30 June 2012, the bank deposits and cash of the Group were approximately HK$91 million (31.12.2011: HK$118 million).

The Group continued to adopt a prudent financial management policy and generally operated with internal resources. The bank borrowing ratio, calculated by dividing total bank loans by equity attributable to owners of the Company, was 17.7% (31.12.2011: 19.6%), representing a relatively low borrowing exposure. As at 30 June 2012, the total bank borrowings of the Group were HK$170 million (31.12.2011: HK$162 million), of which HK$52 million was repayable within one year (31.12.2011: HK$63 million). The loans were principally used as working capital and to finance the acquisition of investment properties.

Capital Expenditure

The total capital expenditure incurred for the Period was approximately HK$42 million (2011: HK$13 million), out of which, approximately HK$15 million (2011: HK$8 million) was expended on the Heyuan plant to improve the production efficiency and product quality, whilst approximately HK$27 million (2011: HK$5 million) was paid to acquire investment properties.

Treasury Policy

The Group's sales were principally denominated in US dollars and Hong Kong dollars while purchases were transacted mainly in US dollars, Renminbi and Hong Kong dollars. The fluctuation of Renminbi in the first half of 2012 did not materially affect the costs and operations of the Group during the Period and the directors do not foresee significant risk in exchange rate fluctuation. Currently, the Group has not entered into any financial instrument for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposures and interest rate exposures, and consider hedging against the exposures should the need arise.

Other than the information disclosed above, the Group had no material acquisitions nor disposals of subsidiaries and associated companies for the Period, no contingent liabilities as at 30 June 2012 and at the reporting date, and no future plans for material investments nor acquisitions of material capital assets as at 30 June 2012 and at the reporting date.

HUMAN RESOURCES

As at 30 June 2012, the Group employed a total of approximately 2,200 employees (31.12.2011: 1,900 employees) in Hong Kong and Mainland China. The total salaries and wages for the Period amounted to HK$39 million (2011: HK$34 million).

Employees are remunerated based on their performances, experience and prevailing industry practice. The Group's remuneration policies and packages were reviewed by its management on a regular basis. In addition to offering competitive salary packages, the Group also grants discretionary bonuses and share options to subscribe shares of the Company to qualified employees based on operation conditions and individual performance.

PROSPECTS

As compared with the same period last year, the manufacturing of electronic components segment was recovering from the decreased global demand, the outlook of this segment is healthy with ample opportunities to grow from the second half of 2012. The Group was invited to be one of the few approved suppliers of a well known Korean electronics brand. The management is optimistic about the operation conditions. The Group is expected to have steady growth with further enhancement in the high technology, high quality and higher price products. Our customer base for the electronic components manufacturing segment comprises a majority of internationally renowned electronic consumer product brands. We will further seek to lay a solid foundation for the future through expanding customer and product coverage.

Our properties investment depends on long-term rentals, we will adhere to sound investment strategies in identifying low-risk assets for investment so as to reap a reasonable return, and will exercise caution in considering new investment projects.

DIVIDEND

The Board has resolved to declare an interim dividend for the six months ended 30 June 2012 of HK2 cents (2011: HK2 cents) per share to the shareholders whose names appear on the register of members of the Company on 18 September 2012. The dividend warrants will be dispatched on or about 28 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 September 2012 to 18 September 2012, both days inclusive, during which no transfer of shares will be effected. To qualify for entitlement to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 September 2012.

CORPORATE GOVERNANCE

During the Period, the Company has complied with the provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviations:

Code Provision A.2.1

The code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual so that power is not concentrated in one individual.

Mr. Chow Tak Hung currently holds the offices of Chairman and Chief Executive Officer of the Company. Mr. Chow is the founder of the Group and has extensive experience in the electronics industry. He has the appropriate standing, management skills and business acumen that are essential prerequisites for assuming the two roles. The Board believes that vesting both roles in Mr. Chow provides the Group with strong and consistent leadership and, at the same time, allows for the continuous effective operations and development of the Group's business. As such, the structure is beneficial to the Group and the shareholders as a whole.

As other Board members are keeping abreast of the conduct, business activities and development of the Group and as the day-to-day business operations of the Group are delegated to the management, the Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority.

Code Provision A.4.2

The code provision A.4.2 of the CG Code requires that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The bye-law of the Company (the "Bye-laws") deviates from such code provision, as detailed below.

The Bye-laws provides that any new director appointed by the Board shall be subject to election by shareholders of the Company at the Company's next following annual general meeting, instead of the first general meeting, after appointment. The reason for keeping such Bye-laws provision is to ensure the Company's compliance with paragraph 4(2) of Appendix 3 to the Listing Rules and also to facilitate the Company's process of re-election of directors since it enables the Company and the shareholders to consider the re-election of those new directors appointed by the Board during the year and of those directors retiring by rotation at the same general meeting.

The Bye-laws does not state that directors should be subject to retirement by rotation at least once every three years and besides, it provides that the Chairman of the Board and/or the Managing Director shall not be subject to retirement by rotation. Notwithstanding the foregoing Bye-laws provisions, in practice, Ms. Chau Choi Fa, the Managing Director of the Company, has voluntarily submitted herself for re-election by shareholders before and will continue to do so; and Mr. Chow Tak Hung, the Chairman of the Board, will also voluntarily submit himself for re-election by shareholders in the Company's annual general meetings, such that all directors of the Company are subject to retirement by rotation at least once every three years.

The Board will consider in due course whether amendments on the Company's Bye-laws are necessary.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited interim results and condensed consolidated financial statements of the Group for the Period, including the accounting principles and accounting standards adopted, and discussed matters relating to internal controls and financial reporting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' dealings in the Company's securities. Having made specific enquiry of all directors, the directors have confirmed compliance with the required standard set out in the Model Code for the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Shares.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to the full trust and enormous support of our shareholders, customers, banks, partners and employees, which set the Company on course for long-term success.

By Order of the Board
Chow Tak Hung
Chairman

Hong Kong, 13 August 2012

As at the date of this announcement, the Board comprises of four executive directors, namely Mr. Chow Tak Hung, Ms. Chow Woon Yin, Ms. Wong Siu Wah and Ms. Chau Choi Fa and three independent non-executive directors, namely Dr. Lau Yue Sun, Mr. Yip Tai Him and Mr. Lam Kwok Cheong.