KITH HOLDINGS LIMITED
僑威集團有限公司*

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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2012

INTERIM RESULTS

The Board of Directors (the "Board") of Kith Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2012, together with the comparative figures for the corresponding period of 2011. The details are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		(Unaudited) Six months ended 30th June,	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
			(restated)
Continuing operations			
Revenue	4	**1,087,630**	910,625
Cost of sales		**(949,967)**	(784,492)
Gross profit		**137,663**	126,133
Other income		**3,250**	5,497
Distribution and selling expenses		**(3,779)**	(3,380)
Administrative expenses		**(63,965)**	(51,967)
Fair value loss on held-for-trading investments		**(327)**	(697)
Fair value gain on other financial assets		**1,532**	626
Impairment loss on available-for-sale investments		**(440)**	–
Finance costs		**(10,484)**	(10,162)
Share of loss in an associate		**(4,385)**	–
Profit before tax	5	**59,065**	66,050
Income tax expense	6	**(12,193)**	(9,600)
Profit for the period from continuing operations		**46,872**	56,450

	Notes	(Unaudited) Six months ended 30th June, 2012 HK$'000	2011 HK$'000 (restated)
Discontinued operation			
Profit for the period from discontinued operation	20	**37,169**	4,772
Profit for the period		**84,041**	61,222
Profit for the period attributable to:			
Owners of the Company			
From continuing operations		**22,030**	29,926
From discontinued operation		**37,169**	2,425
		59,199	32,351
Non-controlling interests			
From continuing operations		**24,842**	26,524
From discontinued operation		**–**	2,347
		24,842	28,871
		84,041	61,222
Earnings per share for profit attributable to owners of the Company:	7		
From continuing and discontinued operations			
Basic		**HK22.64 cents**	HK12.37 cents
Diluted		**HK22.64 cents**	HK12.37 cents
From continuing operations			
Basic		**HK8.43 cents**	HK11.45 cents
Diluted		**HK8.43 cents**	HK11.45 cents
From discontinued operation			
Basic		**HK14.21 cents**	HK0.92 cents
Diluted		**HK14.21 cents**	HK0.92 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Six months ended 30th June,	
	2012	2011
	HK$'000	*HK$'000*
		(restated)
Profit for the period	**84,041**	61,222
Other comprehensive income for the period:		
Exchange differences arising on translation of foreign operations	**(7,976)**	15,332
Fair value adjustment on available-for-sale investments	**–**	(1,056)
Other comprehensive income for the period, net of tax	**(7,976)**	14,276
Total comprehensive income for the period	**76,065**	75,498
Total comprehensive income for the period attributable to:		
Owners of the Company	**54,496**	42,391
Non-controlling interests	**21,569**	33,107
	76,065	75,498

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**(Unaudited) As at 30th June, 2012** *HK$'000*	(Audited) As at 31st December, 2011 *HK$'000*
Non-current Assets			
Property, plant and equipment		**598,878**	615,022
Prepaid lease payments		**17,738**	18,044
Interest in an associate	10	**58,030**	–
Deposits paid for acquisition of property, plant and equipment	11	**14,361**	2,306
Available-for-sale investments		**20,743**	21,183
Deferred tax assets		**127**	129
Total non-current assets		**709,877**	656,684
Current Assets			
Inventories		**135,569**	142,196
Trade and other receivables from third parties, deposits and prepayments	12	**770,211**	672,934
Trade and other receivables from non-controlling shareholders	13	**39,770**	89,512
Tax recoverable		**–**	15
Prepaid lease payments		**613**	613
Short-term loans receivable		**109,470**	95,526
Held-for-trading investments		**850**	4,873
Other financial assets		**1,508**	–
Bank balances and cash		**73,904**	81,814
		1,131,895	1,087,483
Assets of a disposal group classified as held for sale		**–**	49,299
Total current assets		**1,131,895**	1,136,782

	Notes	**(Unaudited) As at 30th June, 2012** *HK$'000*	(Audited) As at 31st December, 2011 *HK$'000*
Current Liabilities			
Trade and other payables	14	**237,512**	211,538
Tax liabilities		**6,540**	14,838
Dividend payable to Company's shareholders		**11,243**	–
Dividend payable to non-controlling shareholders		**14,719**	8,118
Borrowings	15	**562,238**	561,305
Obligation under finance lease – due within one year		**756**	947
		833,008	796,746
Liabilities directly associated with a disposal group classified as held for sale		**–**	3,293
Total current liabilities		**833,008**	800,039
Net Current Assets		**298,887**	336,743
Total Assets Less Current Liabilities		**1,008,764**	993,427
Non-current Liabilities			
Obligation under finance lease – due after one year		**109**	391
Deferred tax liabilities		**37,396**	38,917
Total non-current liabilities		**37,505**	39,308
Net Assets		**971,259**	954,119
Capital and Reserves			
Share capital	16	**26,145**	26,145
Share premium and reserves		**595,154**	551,879
Equity attributable to:			
Owners of the Company		**621,299**	578,024
Non-controlling interests		**349,960**	376,095
Total Equity		**971,259**	954,119

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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, 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 sale 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 ("GEM") 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 losing control of Megalogic Holdings. Megalogic Holdings was deconsolidated from that date and the investment in Megalogic Holdings was recognised as interest in an associate. As at 31st December, 2011, it was accounted for as assets of a disposal group classified as held for sale and liabilities directly associated with a disposal group classified as held for sale. Details of changes are set out in note 10 and 20 respectively. For the presentation of the condensed consolidated interim financial statements for the six months ended 30th June, 2012 and 2011, the design, development and sale of integrated circuits business was regarded as "discontinued operation". Details are set out in note 9.

2. Basis of preparation

The Group's unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The condensed consolidated interim financial statements have been reviewed by the Audit Committee of the Company and were approved by the Board on 30th August, 2012. The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December, 2011.

3. Principal accounting policies

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for property, plant and equipment and certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Except as for the adoption of new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning from 1st January, 2012, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31st December, 2011, as described in the annual financial statements, with the addition of accounting policy for interest in an associate as detailed below. The directors anticipate that the application of these new and revised HKFRSs will not have material impact on the condensed consolidated interim financial statements of the Group.

Interest in an associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associate are incorporated in these condensed consolidated financial statements using the equity method of accounting. Under the equity method, interest in an associate is carried in the condensed consolidated statement of financial position at deemed cost (being the fair value of investment retained at the date when control is lost) as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of the associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Any additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

The following new and revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRSs (Amendments)	Annual Improvements 2009 – 2011 Cycle[2]
HKFRS 1 (Amendments)	First-time Adoption of Financial Reporting Standards – Government Loans[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[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]
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

The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and its financial positions.

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31st December, 2011.

4. Revenue and segment information

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. For the six months ended 30th June, 2011, the Group's design, development and sale of integrated circuits operating segment was re-classified as discontinued operation. The comparative figures have been re-presented to segregate the disclosure of the continuing operations and the discontinued operation.

Segment turnover and results

The following is an analysis of the Group's turnover and results by reportable segment.

	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 sale of integrated circuits**	**The Group Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30th June, 2012 (Unaudited)						
SEGMENT REVENUE						
Reportable segment revenue	407,036	49,864	631,082	1,087,982	–	1,087,982
Elimination of inter-segment revenue	–	–	(352)	(352)	–	(352)
Consolidated revenue	407,036	49,864	630,730	1,087,630	–	1,087,630
SEGMENT RESULTS						
Reportable segment profit/(loss)	71,803	(3,463)	14,875	83,215	–	83,215
Interest income				467	–	467
Fair value loss on held-for-trading investments				(327)	–	(327)
Impairment loss on available-for-sale investments				(440)	–	(440)
Fair value gain on other financial assets				1,532	–	1,532
Share of loss in an associate				(4,385)	–	(4,385)
Gain recognised on deemed disposal of interest in a subsidiary				–	37,169	37,169
Unallocated corporate expenses				(10,513)	–	(10,513)
Finance costs				(10,484)	–	(10,484)
Consolidated profit before tax				59,065	37,169	96,234

	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 sale of integrated circuits	The Group Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30th June, 2011 (Unaudited)						
SEGMENT REVENUE						
Reportable segment revenue	340,724	70,653	502,302	913,679	25,187	938,866
Elimination of inter-segment revenue	–	–	(3,054)	(3,054)	–	(3,054)
Consolidated revenue	340,724	70,653	499,248	910,625	25,187	935,812
SEGMENT RESULTS						
Reportable segment profit/(loss)	69,758	(4,484)	13,449	78,723	5,721	84,444
Interest income				3,229	2	3,231
Fair value loss on held-for-trading investments				(697)	–	(697)
Fair value gain on other financial assets				626	–	626
Unallocated corporate expenses				(5,669)	–	(5,669)
Finance costs				(10,162)	(8)	(10,170)
Consolidated profit before tax				66,050	5,715	71,765

Segment assets

The following is an analysis of the Group's assets by reportable segment.

	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 sale of integrated circuits**	**The Group Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 30th June, 2012 (Unaudited)						
SEGMENT ASSETS						
Reportable segment assets	1,113,733	42,268	593,350	1,749,351	–	1,749,351
Interest in an associate				58,030	–	58,030
Available-for-sale investments				20,743	–	20,743
Deferred tax assets				127	–	127
Held-for-trading investments				850	–	850
Other financial assets				1,508	–	1,508
Unallocated corporate assets				11,163	–	11,163
Consolidated total assets				1,841,772	–	1,841,772

	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 sale of integrated circuits	The Group Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31st December, 2011 (Audited)						
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

5. Profit for the period from continuing operations before taxation

Profit for the period from continuing operations before taxation has been arrived at after charging/(crediting):

	(Unaudited) Six months ended 30th June,	
	2012	2011
	HK$'000	*HK$'000*
		(restated)
Staff costs	**57,261**	40,252
Retirement benefits scheme contributions	**6,483**	5,027
Total staff costs including directors' emoluments	**63,744**	45,279
Cost of inventories recognised as an expense	**949,967**	784,492
Depreciation of property, plant and equipment	**26,543**	25,936
Amortisation of prepaid lease payments	**306**	306
Loss on disposal of property, plant and equipment	**910**	78
Interest income	**(467)**	(3,229)

6. Income tax expense

	(Unaudited) Six months ended 30th June,	
	2012	2011
	HK$'000	*HK$'000*
		(restated)
Continuing operations:		
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**1,520**	1,100
Taxation outside Hong Kong	**12,192**	8,135
	13,712	9,235
Deferred tax (credit)/charge	**(1,519)**	365
	12,193	9,600

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Taxation outside Hong Kong represents the enterprise income tax of the People's Republic of China (the "PRC") calculated at the applicable rates on the estimated assessable profit of the Group's PRC subsidiaries for the relevant period.

7. Earnings per share

From continuing operations

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

	(Unaudited) Six months ended 30th June,	
	2012	2011
	HK$'000	*HK$'000*
Earnings		
Profit for the period attributable to owners of the Company	**59,199**	32,351
Less: Profit for the period attributable to owners of the Company from discontinued operation	**(37,169)**	(2,425)
Earnings for the purposes of basic and diluted earnings per share from continuing operations	**22,030**	29,926

	(Unaudited) Six months ended 30th June,	
	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)	**8.43**	11.45
Diluted earnings per share (in HK cents)	**8.43**	11.45

For the six months ended 30th June, 2012 and 2011, 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 periods.

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is HK14.21 cents per share (2011: HK0.92 cents per share), based on the profit for the period attributable to owners of the Company from discontinued operation of approximately HK$37,169,000 (2011: HK$2,425,000) and the denominators detailed above for both basic and diluted earnings per share.

8. Dividends

An interim dividend in respect of the six months ended 30th June, 2012 of HK1.8 cents per share, totalling approximately of HK$4,706,000 is declared. Such interim dividend is not reflected as dividend payable in the interim financial statements.

	(Unaudited)	
	Six months ended 30th June,	
	2012	2011
	HK$'000	*HK$'000*
Interim dividend declared of HK1.8 cents (2011: HK2.3 cents) per ordinary share	**4,706**	6,013

The 2011 final dividend of HK4.3 cents per ordinary share, totalling HK$11,243,000, was paid in July 2012. The 2010 final dividend of HK8.4 cents per ordinary share, totalling HK$21,962,000, was paid in June 2011.

9. Discontinued operation

On 23rd December, 2011, the Stock Exchange granted the In Principle Approval on the Spin-off. Upon the completion of the Spin-off on 19th January, 2012, the Group's interest 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 recognised as interest in an associate.

The results and cash flows of the operation in design, development and sale of integrated circuits for the six months ended 30th June, 2012 and 2011, which have been classified as discontinued operation and included in the condensed consolidated income statement and the condensed consolidated statement of cash flows are set out below.

	(Unaudited) Six months ended 30th June,	
	2012	2011
	HK$'000	*HK$'000*
Profit for the period from discontinued operation		
Revenue	**–**	25,187
Cost of sales	**–**	(15,126)
Gross profit	**–**	10,061
Other income	**–**	20
Distribution and selling expenses	**–**	(308)
Administrative expenses	**–**	(4,050)
Finance costs	**–**	(8)
Gain recognised on deemed disposal of interest in a subsidiary	**37,169**	–
Profit before tax	**37,169**	5,715
Income tax expense	**–**	(943)
Profit for the period from discontinued operation	**37,169**	4,772
Profit for the period from discontinued operation attributable to:		
Owners of the Company	**37,169**	2,425
Non-controlling interests	**–**	2,347
	37,169	4,772
Cash flows from discontinued operation		
Net cash used in operating activities	**–**	(1,469)
Net cash used in investing activities	**(7,635)**	(1,415)
Net cash from financing activities	**–**	5,700
Net cash (outflow) inflow	**(7,635)**	2,816

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

	(Unaudited) Six months ended 30th June,	
	2012	2011
	HK$'000	*HK$'000*
Staff salaries, bonus and other benefits	**–**	1,847
Retirement benefits scheme contributions	**–**	63
Total staff costs including directors' emoluments	**–**	1,910
Cost of inventories recognised as an expense	**–**	15,126
Depreciation of property, plant and equipment	**–**	560
Operating lease rentals in respect of land and buildings	**–**	254
Interest income	**–**	(2)

The results of Megalogic Holdings from 1st January, 2012 to 19th January, 2012 were insignificant and were not consolidated in the Group's condensed consolidated income statement for the six months ended 30th June, 2012.

10. Interest in an associate

	(Unaudited)	(Audited)
	30th June,	31st December,
	2012	2011
	HK$'000	*HK$'000*
Fair value of listed investment retained upon loss of control of a subsidiary	**62,415**	–
Share of loss in an associate	**(4,385)**	–
	58,030	–

The interest in an associate represents a 39.01% interest in Megalogic Holdings, a company with shares listed on the GEM of the Stock Exchange.

As at 30th June, 2012, the market value of the Group's interest in Megalogic Holdings was approximately HK$79,579,000, based on the closing share market price of Megalogic Holdings.

Summarised financial information in respect of the Group's associate is set out below:

	As at 30th June, 2012 *HK$'000*
Total assets	69,698
Total liabilities	(3,289)
Net assets	66,409

	Six months ended 30th June, 2012 *HK$'000*
Total revenue	15,935
Loss for the period	(11,224)
Group's share of loss in an associate	(4,385)

11. Deposits paid for acquisition of property, plant and equipment

Included in the balance of deposits paid for acquisition of property, plant and equipment at 30th June, 2012 was an amount of approximately HK$10,352,000 deposit paid for the acquisition of a printing machinery set from Bobst SA. Details of the capital commitments are set out in note 17.

12. Trade and other receivables from third parties, deposits and prepayments

The Group allows an average credit period of 30 to 120 days to its trade customers. Included within trade and other receivables from third parties, deposits and prepayments are trade receivables balance of HK$737,771,000 (31st December, 2011: HK$610,271,000), the aged analysis of this balance is as follows:

	(Unaudited) 30th June, 2012 ***HK$'000***	(Audited) 31st December, 2011 *HK$'000*
Within 60 days	**387,094**	415,819
Within 61 – 90 days	**119,142**	95,902
More than 90 days	**231,535**	98,550
	737,771	610,271

13. Trade and other receivables from non-controlling shareholders

The Group allows an average credit period of 30 to 90 days to non-controlling shareholders. Included within trade and other receivables from non-controlling shareholders are trade receivables balance of HK$38,260,000 (31st December, 2011: HK$88,057,000), the aged analysis of this balance is as follows:

	(Unaudited) 30th June, 2012 *HK$'000*	(Audited) 31st December, 2011 *HK$'000*
Within 60 days	**36,787**	86,509
More than 90 days	**1,473**	1,548
	38,260	88,057

14. Trade and other payables

Included within trade and other payables are trade payables balance of HK$175,524,000 (31st December, 2011: HK$145,374,000), the aged analysis of this balance is as follows:

	(Unaudited) 30th June, 2012 *HK$'000*	(Audited) 31st December, 2011 *HK$'000*
Within 60 days	**98,097**	97,798
Within 61 – 90 days	**11,537**	13,166
More than 90 days	**65,890**	34,410
	175,524	145,374

15. Borrowings

	(Unaudited) 30th June, 2012 *HK$'000*	(Audited) 31st December, 2011 *HK$'000*
Current liabilities		
Bank overdraft	**–**	392
Short-term bank borrowings	**131,949**	138,479
Long-term bank borrowings		
– portion of bank loans due for repayment within one year	**53,582**	99,788
– portion of term loans from bank due for repayment after one year which contain a repayment on demand clause	**48,033**	35,589
Factoring loans	**2,789**	11,115
Trust receipt loans	**275,885**	275,942
Other loans	**50,000**	–
Total borrowings	**562,238**	561,305
Analysed as:		
Secured	**38,891**	59,166
Unsecured	**523,347**	502,139
	562,238	561,305

At 30th June, 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:

	(Unaudited) 30th June, 2012 *HK$'000*	(Audited) 31st December, 2011 *HK$'000*
Carrying amount repayable:		
On demand or within one year	**514,205**	525,716
After one year but within two years	**19,771**	13,516
After two years but within five years	**28,262**	22,073
	562,238	561,305

16. Share capital

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 1st January, 2011,		
1st January, 2012		
and 30th June, 2012	**1,000,000,000**	100,000
Issued and fully paid:		
At 1st January, 2011,		
1st January, 2012		
and 30th June, 2012	**261,453,600**	26,145

17. Capital commitments

	(Unaudited)	(Audited)
	30th June,	31st December,
	2012	2011
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of tangible assets contracted but not provided in the condensed consolidated financial statements	**24,238**	36,303

On 16th November, 2011, Yunnan Qiaotong Package Printing Co., Ltd. ("Yunnan Qiaotong"), an indirectly non-wholly owned subsidiary of the Company, and Bobst SA entered into a sale and purchase agreement pursuant to which Bobst SA agrees to sell and Yunnan Qiaotong agrees to purchase a printing machinery set at a consideration of CHF4,180,000 (equivalent to approximately HK$34,590,000). Such amount was included in the commitments for the acquisition of property, plant and equipment contracted but not provided as at 31st December, 2011. A deposit of approximately HK$10,352,000 was paid during the six months ended 30th June, 2012. Details are set out in the Company's announcements dated 18th November, 2011 and 21st November, 2011. As at 30th June, 2012, the printing machinery set has not yet been delivered to Yunnan Qiaotong.

18. Contingent liabilities

The Group had no significant contingent liabilities at the date of condensed consolidated statement of financial position.

19. Related party transactions

During the period under review, the Group had transactions with the related parties as follows:

Related parties	Nature of transactions	(Unaudited) Six months ended 30th June, 2012 *HK$'000*	2011 *HK$'000*
Finance Bureau of Zhaotong City, Yunnan Province	Rental paid by the Group	**50**	57
Oncapital Limited	Rental paid by the Group	**438**	438

Remuneration of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

	(Unaudited) Six months ended 30th June, 2012 *HK$'000*	2011 *HK$'000*
Short-term benefits	**1,638**	1,330
Post-employment benefits	**13**	12
	1,651	1,342

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

Save as disclosed above, there were no other significant transactions with related parties during the period or significant balances with them as at 30th June, 2012.

20. Deemed disposal of interest in a subsidiary

On 4th May, 2011, the Company announced a possible deemed disposal transaction by way of the spin-off of design, development and sale of integrated circuits business through a separate listing of Megalogic Holdings on the GEM of the Stock Exchange. Details are set out in note 1.

The Spin-off was completed and Megalogic Holdings was successfully listed on GEM of the Stock Exchange on 19th January, 2012. Upon completion of the Spin-off, a gain of approximately HK$37,169,000, being the difference between the fair value of interest retained by the Group and the net assets of Megalogic Holdings effectively held by the Group together with the goodwill recognised, was recognised in the condensed consolidated income statement of the Group for the six months ended 30th June, 2012.

The net assets of Megalogic Holdings at the date of deemed disposal were as follows:

	(Unaudited) **Six months ended** **30th June, 2012** *HK$'000*
Fair value of interest retained in interest in an associate upon loss of control of a subsidiary	62,415
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)
Non-controlling interests	20,760
Gain recognised on deemed disposal of interest in a subsidiary	37,169

The gain recognised on deemed disposal is included in the profit for the period from discontinued operation in the condensed consolidated income statement (note 9).

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

21. Acquisition of properties under tripartite agreement

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$46,298,000) (the "Outstanding Loan"), which is included in short-term loans receivable balance in the consolidated statement of financial position as at 31st December, 2011. Approximately RMB16,972,000 (equivalent to approximately HK$20,908,000) of the Outstanding Loan has been 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$25,390,000) will 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. Up to the date of this announcement, the Properties are still under development and their construction are still ongoing, and the transfer of Properties to Yunnan Qiaotong has not yet been finalised.

22. Litigation

On 16th November, 2009, the Group decided to dispose the entire equity interest (being 60% of the total paid-up capital) (the "Equity Interest") held by Yunnan Qiaotong in 昆明市穗江彩印包裝有限責任公司 ("穗江彩印"), which is engaged in printing and manufacturing of packaging products, to the non-controlling shareholder (the "Buyer") of 穗江彩印 at a consideration of approximately HK$5,110,000, which was approved by the owner's meeting of 穗江彩印 held on 16th November, 2009. The Buyer did not execute his verbal commitment to purchase the Equity Interest. On 2nd September, 2010, Yunnan Qiaotong launched a legal proceeding against the Buyer to recover the investment cost, the amount owed by 穗江彩印 to Yunnan Qiaotong and related compensation amount. A court judgement was issued on 11th May, 2011 in which all the legal claims of Yunnan Qiaotong were declined. On 24th May, 2011, Yunnan Qiaotong filed an appeal requesting for the court to revoke the judgement of the first trial and claiming against the Buyer for compensation of the economic losses suffered by Yunnan Qiaotong together with the legal costs. On 25th April 2012, a judgment was laid down by the court dismissing the appeal of Yunnan Qiaotong.

In view of the outcome of the aforesaid legal appeal and management's assessment of the recoverable amounts of assets of 穗江彩印 to be minimal, all the assets of 穗江彩印 had been fully impaired and an impairment loss of HK$8,759,000 was recognised in the consolidated income statement during the year ended 31st December, 2010.

23. Comparative Amounts

As explained in note 1, due to the classification of discontinued operation, the profits from continuing and discontinued operations in the condensed consolidated income statement have been revised. Accordingly, certain prior period comparative amounts have been reclassified and restated to conform to the current period's presentation.

INTERIM DIVIDEND

The Board has declared the payment of an interim cash dividend of HK1.8 cents (2011: HK2.3 cents) per share for the six months ended 30th June, 2012 payable on 7th November, 2012 to shareholders of the Company (the "Shareholders") whose names appear on the Register of Members of the Company on 5th October, 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 4th October, 2012 to 5th October, 2012 during which period no transfer of shares will be registered. All transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, of 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 3rd October, 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operation Results

Total turnover of the Group from continuing operations for the six months ended 30th June, 2012 amounted to HK$1,087,630,000, representing an increase of 19.4% from the corresponding period in 2011. Profit attributable to owners of the Company stood at HK$59,199,000 for the six months ended 30th June, 2012. This profit is composed of HK$22,030,000 from continuing operations and HK$37,169,000 from discontinued operation. The profit from discontinued operation represents the gain on deemed disposal of the interest in a former subsidiary, Megalogic Holdings, as a result of the Spin-off.

The profit attributable to owners of the Company from continuing operations decreased from HK$29,926,000 in the six months ended 30th June, 2011 to HK$22,030,000 in the six months ended 30th June, 2012. The decrease is mainly due to two factors. The first one is that the Group has to share the loss in the associate company, Megalogic Holdings, of HK$4,385,000 during the period. The second one is the absence of approximately HK$3,000,000 interest income from the short-term loans receivable. The relevant short-term loans receivable was partly repaid and partly compensated by properties transferred to the Group during the six months ended 30th June, 2012. Excluding these two factors, the profits from continuing operations attributable to owners of the Company are at the same level for both periods. The increase in turnover from continuing operations is attributable to the increase in turnover of both package printing business and distribution business of electronic products (excluding television business-related products) of the Group. However, the distribution of television business-related products has recorded a decrease in turnover as a result of lower than expected demand. Administrative expenses from continuing operations also increased by approximately HK$11,998,000 mainly due to the rising labour costs and staff benefits of Yunnan subsidiary, and the overheads of the Company's subsidiary in the United States of America ("USA").

Business Overview

Package printing division

The turnover from package printing business for the six months ended 30th June, 2012 was HK$407,036,000, representing an increase of 19.5% from the same period of 2011. Gross profit margin decreased from 30.4% for the six months ended 30th June, 2011 to approximately 27.9% in the corresponding period in 2012. The decrease in gross profit margin was a result of an increase in the prices of raw materials, labour cost and staff benefits but the selling prices of package printing products remained relatively unchanged. Gross profit from the package printing business, which remains the core business of the Group, accounted for approximately 82.4% of the Group's total gross profit for the six months ended 30th June, 2012. With the substantial increase in turnover, this division contributes a profit of HK$71,803,000, an increase of 3.0% compared to the corresponding period in 2011.

Tobacco package printing was still the core product line of the package printing division, which accounted for over 85.0% of the total turnover of the division. The success of the Group's profitable package printing business in the past has proved that the Group's business model will remain profitable for the foreseeable future. The Board believes that, with the Group's long-term working relationship and partnerships with tobacco enterprises in the PRC, experienced management, strong research and development capability and continued investment in leading technologies and equipment, the Group will continue to reap rewards from the domestic consumption market in the PRC.

Starting in 2011, the tobacco enterprises in the PRC has mandated a tendering system for their business. Vendors like the Group's Yunnan subsidiary has to submit tenders for their business in the first quarter of each year. The result of its Yunnan subsidiary's tender was great and the subsidiary has secured satisfactory amount of orders for the coming two years.

The Group continues to invest to upgrade and improve the technologies and capabilities of the package printing division. In 2011, a new sophisticated printing machinery was ordered from Bobst SA at a consideration of approximately CHF4,180,000. As at the date of this announcement, the new machine is undergoing the assembly and testing phase in the Group's Yunnan subsidiary and will be ready for production in the fourth quarter of 2012. This acquisition is financed partly by internal resources and partly by bank borrowings.

Distribution business

Television business-related products

Turnover from the distribution business of television business-related products (consisting mainly of television sets and converter boxes distributed to USA customers) during the six months ended 30th June, 2012 amounted to HK$49,864,000, representing a decrease of 29.4% from the corresponding period in 2011. The gross profit margin increased from 4.4% for the six months ended 30th June, 2011 to 9.1% in the corresponding period in 2012.

The Group's USA subsidiary, Kith Consumer Product Inc. ("KCPI"), continues to promote the Group's owned brand of "Affinity" television sets and "KCPI" converter boxes. In addition to selling to USA retail chain stores, the Group is also soliciting orders from smaller USA retail and online outlets. However, with the USA economy still struggling to recover, this division did not achieve the Group's expectation and recorded a decrease in turnover compared to the corresponding period in 2011. It also incurred a loss of HK$3,463,000 in the six months ended 30th June, 2012. The management is regularly evaluating the viability of this division in the future.

Other electronic and related products

Turnover from the distribution business of other electronic and related products (consisting mainly of computer components and portable storage devices distributed to customers in Hong Kong and PRC) for the six months ended 30th June, 2012 amounted to HK$630,730,000 with a 26.3% increase compared to the corresponding period in 2011. The gross profit margin of other electronic and related products increased slightly from 2.3% for the six months ended 30th June, 2011 to 3.0% in the corresponding period in 2012. The increase in turnover was due to the successful marketing efforts in capturing more business in this segment.

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 company. The results of this division for the six months ended 30th June, 2011 is disclosed as "discontinued operation" in the condensed consolidated financial statements.

The Group's share of loss of the division for the six months ended 30th June, 2012 is HK$4,385,000. Megalogic Holdings incurred a loss of HK$11,224,000 for the six months ended 30th June, 2012. This is mainly attributable to the expenses used for the listing project.

This division contributed a profit of HK$2,425,000 to the profit attributable to the owners of Company for the six months ended 30th June, 2011.

Spin-off

On 4th May, 2011, the Company submitted a spin-off proposal to 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 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 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 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 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 associated company.

The Board believes that the Spin-off is beneficial to the Shareholders as the Company will be able to realise the value of its investment in Megalogic Holdings by way of having an investment in readily marketable securities.

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., a wholly-owned subsidiary of Yunnan Qiaotong ("Zhaotong Xinqiao").

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 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 non-legally binding. As at the date of this announcement, there is no further development on the matters contemplated under the Letter of Intent.

Human resources development

As at 30th June, 2012, the Group employed a total of approximately 1,000 employees. There was no substantial change in the number of employees during the period and most of them were hired by the Group's production plants in the PRC during the period. The Group has provided training to employees to update their expertise and enhance their development. Competitive remuneration packages and fringe benefits, including provident fund and medical insurance, are provided to attract, retain and motivate employees.

Future prospects

The management is confident that the package printing business will maintain its steady growth trend, given the past history of the division's success, the Group's superior technological expertise and its good relationships with the PRC tobacco companies. With the encouraging results of securing further orders from the tendering system of the tobacco enterprises in the PRC, the Group has acquired a new 8-colour rotogravure printing machine to further increase the production capacity of the Group.

The management expects that sales of electronic products not related to television business will continue to grow throughout the year. As for the television business-related product division, given the slowing down of USA customers' demand on consumer electronic products, the Group is currently reviewing the possibility of any alternative future business strategy of this division.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained sufficient working capital as at 30th June, 2012 with net current assets of HK$298,887,000 (31st December, 2011: HK$336,743,000) and bank balances and cash of HK$73,904,000 (31st December, 2011: HK$81,814,000). The net debt to equity ratio (Interest bearing liabilities less cash/Shareholders' equity plus non-controlling interests) was 50.4% as at 30th June, 2012, which was identical to the ratio of 50.4% as at 31st December, 2011.

PLEDGE OF ASSETS

As at 30th June, 2012, certain of the Group's buildings and prepaid lease payments with an aggregate carrying value amounting to HK$69,567,000 (31st December, 2011: HK$70,645,000), certain inventories amounting to HK$22,423,000 (31st December, 2011: HK$22,493,000) and certain trade receivables amounting to HK$8,868,000 (31st December, 2011: HK$15,086,000) were pledged to banks for banking facilities granted to the Group.

In addition, as at 30th June, 2012, the Group's obligation under finance lease is secured by the lessor's title to the leased assets, which have a carrying amount of HK$2,425,000 (31st December, 2011: HK$2,766,000).

CAPITAL STRUCTURE

During the period, there was no change to the share capital of the Company.

EXCHANGE EXPOSURE

All 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 either in USA dollar or Hong Kong dollar. Through the currency match for sales and purchases, the exposure to exchange risks is minimised.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2012, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Name of director	**Capacity**	**Number of issued ordinary shares held**	**Percentage of the issued share capital of the Company**
Mr. Hui King Chun, Andrew	Held by trust	161,000,000 *(Note)*	61.58%
Mr. Liu Kam Lung	Beneficially held	152,000	0.06%
	Held by children under 18 or spouse	100,000	0.04%
		252,000	0.10%

Note: These shares are registered in the name of Accufit Investments Inc., a company indirectly wholly-owned by a discretionary trust, the beneficiaries of which are the family members of Mr. Hui King Chun, Andrew.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30th June, 2012, as required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2012, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interest disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK$0.1 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Basab Inc.	Beneficiary of trusts	161,000,000 *(Note)*	61.58%
Safeguard Trustee Limited	Beneficiary of trusts	161,000,000 *(Note)*	61.58%

Note: These shares are registered in the name of Accufit Investments Inc., which is 100% owned by Basab Inc. as trustee of the Basab Unit Trust which is a unit trust owned by Safeguard Trustee Limited as trustee of a discretionary trust, the beneficiaries of which are the family members of Mr. Hui King Chun, Andrew.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued capital of the Company as at 30th June, 2012.

SHARE OPTIONS

The Company's previous share option scheme expired on 14th May, 2012.

The Company's current share option scheme (the "Scheme") was adopted pursuant to the extraordinary general meeting of the Company held on 13th June, 2012 for the primary purpose of providing incentives to selected participants for their contribution to the Group, and will expire on 12th June, 2022. Under the Scheme, the Board may grant options to all directors of the Company (including independent non-executive directors) and any employee of the Group, and any eligible participant from time to time determined by the Board as having contributed or may contribute to the development and growth of the Group to subscribe shares in the Company.

No share options were granted during the period.

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

During the six months period ended 30th June, 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

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 fully complied with all code provisions of the Old Code during the period from 1st January, 2012 to 31st March, 2012. It has also fully complied with the CG Code during the period from 1st April, 2012 to 30th June, 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.

The Board will review the current situation from time to time and shall make necessary arrangements when the Board considers appropriate.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, 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 unaudited interim financial statements and discussed with management the accounting principles and practices adopted by the Group and the relevant financial reporting matters.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the executive director, Mr. Hui King Chun, Andrew, and three independent non-executive directors, Mr. Ng Chi Yeung, Simon (chairman of the committee), Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong. The Remuneration Committee has adopted terms of reference, which are in line with the CG Code.

NOMINATION COMMITTEE

The Nomination Committee comprises three independent non-executive directors, Mr. Ho Lok Cheong (chairman of the committee), Mr. Tam Yuk Sang, Sammy and Mr. Ng Chi Yeung, Simon. The Nomination Committee has adopted terms of reference, which are in line with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30th June, 2012.

On behalf of the Board
Kith Holdings Limited
Hui King Chun, Andrew
Chairman

Hong Kong, 30th August, 2012

As at the date of this announcement, the directors of the Company are:
Executive Directors: Mr. Hui King Chun, Andrew, Mr. Yau Chau Min, Paul, Mr. Hui Bin Long, Mr. Zhou Jin and Mr. Wang Feng Wu;
Non-Executive Director: Mr. Liu Kam Lung;
Independent Non-Executive Directors: Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong.

* *For identification purpose only*