CHAMPION TECHNOLOGY HOLDINGS LIMITED

(Continued in Bermuda with limited liability)

Stock Code: 92

2011/2012 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Turnover increased 9% to HK$3,411 million
- Profit for the year rose 3% to HK$98 million
- Adjusted EBITDA (excluding impairment) went up 1% to HK$1,468 million
- Profit attributable to owners of the Company grew 10% to HK$62 million
- Earnings per share was HK1.04 cents

The board of directors (the "Board") of Champion Technology Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2012 with comparative figures for 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Turnover	2	**3,410,999**	3,125,455
Direct operating expenses		**(2,970,608)**	(2,741,826)
Gross profit		**440,391**	383,629
Other income		**10,948**	13,199
Distribution costs		**(36,654)**	(42,590)
General and administrative expenses		**(191,972)**	(175,171)
Impairment losses recognised for deposits and prepaid development costs		**(104,174)**	(65,720)
Research and development costs expensed		**(17,370)**	(14,564)
Finance costs		**(3,436)**	(3,470)
Share of loss of a jointly controlled entity		**(21)**	-
Profit before taxation		**97,712**	95,313
Taxation credit	4	**167**	133
Profit for the year		**97,879**	95,446
Other comprehensive income (expense):			
Exchange difference arising on translation		**1,150**	(2,134)
Total comprehensive income for the year		**99,029**	93,312
Profit for the year attributable to:			
Owners of the Company		**62,478**	56,763
Non-controlling interests		**35,401**	38,683
		97,879	95,446

	Note	**2012** HK$'000	2011 HK$'000
Total comprehensive income for the year attributable to:			
Owners of the Company		**63,125**	55,561
Non-controlling interests		**35,904**	37,751
		99,029	93,312
Earnings per share	*6*		
- Basic		**HK1.04 cents**	HK1.15 cents
- Diluted		**HK1.03 cents**	HK1.14 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	Notes	**2012** ***HK$'000***	2011 *HK$'000*
Non-current assets			
Property, plant and equipment		**62,565**	66,309
Development costs for systems and networks		**3,911,482**	3,203,621
Goodwill		**36,795**	36,795
Intangible assets		**-**	-
Available-for-sale investments		**628,148**	628,148
Interest in an associate		**-**	-
Interest in a jointly controlled entity		**479**	-
Deposits and prepaid development costs		**2,574,430**	3,843,105
		7,213,899	7,777,978
Current assets			
Inventories		**20,621**	25,568
Trade and other receivables	*7*	**1,812,878**	1,080,301
Taxation recoverable		**10**	10
Deposits, bank balances and cash		**280,101**	465,247
		2,113,610	1,571,126
Current liabilities			
Trade and other payables	*8*	**94,633**	103,388
Warranty provision		**1,229**	1,445
Customers' deposits		**3,483**	3,514
Bank borrowings - amount due within one year		**215,870**	225,198
Convertible bond		**-**	64,341
Overdrafts		**40,164**	54,060
		355,379	451,946
Net current assets		**1,758,231**	1,119,180
Total assets less current liabilities		**8,972,130**	8,897,158

	2012	2011
	HK$'000	*HK$'000*
Non-current liabilities		
Retirement benefit obligations	**50,389**	61,337
Deferred taxation	**-**	169
	50,389	61,506
Net assets	**8,921,741**	8,835,652
Capital and reserves		
Share capital	**612,502**	601,411
Reserves	**6,838,214**	6,780,821
Equity attributable to owners of the Company	**7,450,716**	7,382,232
Non-controlling interests	**1,471,025**	1,453,420
	8,921,741	8,835,652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2012

1. Basis of preparation and application of new and revised Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, and in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Historical cost is generally based on the fair value of the consideration given in exchange for goods. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

In the current year, the Group has applied a number of revised standard and amendments issued by the HKICPA that are mandatorily effective for accounting periods beginning on 1 July 2011. The adoption of the standard and amendments in the current year has had no material effect on the consolidated financial statements of the Group for the current and prior accounting periods.

The Group has not early applied those new and revised standards, amendments and interpretation that have been issued but are not yet effective. The directors of the Company are in process of assessing the impact of the application of these new and revised standards, amendments and interpretation on the consolidated financial statements.

2. Turnover and segment information

(a) Turnover

Turnover represents the amounts received and receivable for goods sold and services provided by the Group to outside customers, licensing fees and leasing income received and receivable, and dividends received and receivable from the Group's strategic investments during the year.

The turnover of the Group comprises the following:

	2012	2011
	HK$'000	*HK$'000*
Sales of systems and products	**2,189,992**	1,900,613
Software licensing	**1,066,338**	1,028,653
Rendering of services	**66,881**	62,089
Leasing of systems products	**23,222**	22,520
Dividend income	**64,566**	111,580
	3,410,999	3,125,455

(b) Segment information

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, that are regularly reviewed by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance.

Three operating segments under HKFRS 8 Operating Segments are identified as follows:

- Systems sales, licensing and others - includes income from sales of systems products, software licensing and customisation, provision of related services and sales of cultural products
- Leasing of systems products - includes income from leasing of systems products
- Strategic investments - includes income from investments

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in the consolidated financial statements. Segment results represent the profit (loss) before taxation earned by each segment, excluding interest income, finance costs, unallocated income and expenses such as central administration costs and directors' salaries. This is the measure reported to the executive directors of the Company, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below:

	Systems sales, licensing and others	**Leasing of systems products**	**Strategic investments**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2012				
TURNOVER				
External and total revenue	**3,323,211**	**23,222**	**64,566**	**3,410,999**
RESULTS				
Segment result	**77,697**	**1,503**	**42,030**	**121,230**
Interest income				**7,358**
Finance costs				**(3,436)**
Unallocated expenses, net				**(27,419)**
Share of loss of a jointly controlled entity				**(21)**
Profit before taxation				**97,712**
Year ended 30 June 2011				
TURNOVER				
External and total revenue	2,991,355	22,520	111,580	3,125,455
RESULTS				
Segment result	19,069	(268)	95,224	114,025
Interest income				6,404
Finance costs				(3,470)
Unallocated expenses, net				(21,646)
Profit before taxation				95,313

	Systems sales, licensing and others *HK$'000*	Leasing of systems products *HK$'000*	Strategic investments *HK$'000*	Consolidated *HK$'000*
Year ended 30 June 2012				
Amounts included in the measure of segment profit or loss:				
Depreciation and amortisation	**1,261,740**	**1,424**	**-**	**1,263,164**
Impairment losses recognised for deposits and prepaid development costs	**104,174**	**-**	**-**	**104,174**
Gain on disposal of property, plant and equipment	**(8)**	**-**	**-**	**(8)**
Year ended 30 June 2011				
Amounts included in the measure of segment profit or loss:				
Depreciation and amortisation	1,282,097	944	-	1,283,041
Impairment losses recognised for deposits and prepaid development costs	65,720	-	-	65,720
Gain on disposal of available-for-sale investments	-	-	(109)	(109)
Gain on disposal of property, plant and equipment	(38)	-	-	(38)

No assets and liabilities are included in the measure of segment reporting as they are not regularly reviewed by the executive directors of the Company.

(c) Geographical information

The following table provides an analysis of the Group's revenue and non-current assets by location of customers and by location of assets respectively:

	Revenue Year ended 30 June		**Non-current assets** As at 30 June (Note)	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China (including Hong Kong and Macau)	**2,701,344**	2,454,240	**6,540,181**	7,103,421
Europe (mainly United Kingdom and Germany)	**511,968**	474,474	**43,046**	43,955
Others	**197,687**	196,741	**2,045**	2,454
	3,410,999	3,125,455	**6,585,272**	7,149,830

Note: Non-current assets exclude the Group's available-for-sale investments and interest in a jointly controlled entity.

3. Depreciation and amortisation

	2012 ***HK$'000***	2011 *HK$'000*
Amortisation on:		
Development costs for systems and networks, included in direct operating expenses	**1,250,605**	1,271,112
Intangible assets, included in general and administrative expenses	**-**	590
Depreciation of property, plant and equipment, included in general and administrative expenses	**12,559**	11,339
Total depreciation and amortisation	**1,263,164**	1,283,041

4. Taxation credit

	2012	2011
	HK$'000	*HK$'000*
The credit comprises:		
Deferred taxation	**(167)**	(133)

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits derived from Hong Kong. No provision for taxation has been made as the Group's income neither arises in, nor is derived from Hong Kong. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The low effective tax rate is attributable to the fact that a substantial portion of the Group's profit neither arises in, nor is derived from Hong Kong and is accordingly not subject to Hong Kong Profits Tax and such profit is either exempt from Macau income tax or not subject to taxation in any other jurisdictions.

5. Dividends

	2012	2011
	HK$'000	*HK$'000*
2012 final dividend proposed in scrip form equivalent to HK0.1 cents (2011: HK0.1 cents) per share, with a cash option	**6,125**	6,014
2012 interim dividend paid in scrip form equivalent to HK0.3 cents (2011: HK0.3 cents) per share, with a cash option	**18,136**	17,774
Special dividend by way of distribution in specie (Note)	**-**	19,463
	24,261	43,251

The proposed final dividend for 2012 is calculated on the basis of 6,125,016,308 shares (2011: 6,014,110,442 shares) in issue on 30 June 2012.

Note: On 28 March 2011, the directors declared a special dividend by way of a distribution in specie of one share of Digital HKfor approximately every 527 shares of the Company held. A total of 11,250,000 shares of Digital HK with an aggregate market value of HK$19,463,000 were recognised as distribution during the year ended 30 June 2011.

6. Earnings per share

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

	2012	2011
	HK$'000	*HK$'000*
Earnings attributable to owners of the Company for the purpose of calculating basic earnings per share	**62,478**	56,763
Interest on convertible bond	**140**	800
Earnings for the purpose of calculating diluted earnings per share	**62,618**	57,563

	Number of shares *('000)*	
	2012	2011
Weighted average number of shares for the purpose of calculating basic earnings per share	**6,036,372**	4,924,371
Effect of dilutive potential ordinary shares:		
Convertible bond	**19,388**	140,741
Weighted average number of shares for the purpose of calculating diluted earnings per share	**6,055,760**	5,065,112

The weighted average number of shares and the effect of dilutive potential ordinary shares in respect of the convertible bond of the Company for the purpose of calculating the earnings per share for the year ended 30 June 2011 have been adjusted on the assumption that the rights issue of the Company completed during that year on the basis of four rights shares for every nine existing shares held had been effective on 1 July 2010.

7. Trade and other receivables

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**1,017,291**	843,421
Advances to suppliers	**765,084**	204,443
Other receivables	**30,503**	32,437
	1,812,878	1,080,301

The Group maintains a well-defined credit policy regarding its trade customers depending on their credit worthiness, nature of services and products, industry practice and condition of the market with credit period ranging from 30 days to 180 days. The advances to suppliers and other receivables are unsecured, non-interest bearing and refundable, and are expected to be realised in the next twelve months from the end of the reporting period.

The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	2012	**2011**
	HK$'000	*HK$'000*
0 - 60 days	**514,204**	399,176
61 - 90 days	**331,875**	306,100
91 - 180 days	**171,195**	138,139
> 180 days	**17**	6
	1,017,291	843,421

8. Trade and other payables

As at 30 June 2012, the balance of trade and other payables included trade payables of HK$11,855,000 (2011: HK$21,372,000). The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 - 60 days	**9,461**	11,801
61 - 90 days	**90**	522
91 - 180 days	**2,182**	7,464
> 180 days	**122**	1,585
	11,855	21,372

The credit period for purchases of goods ranged from 30 days to 60 days.

Other payables mainly represent receipts in advance and accruals.

FINAL DIVIDEND AND SCRIP DIVIDEND SCHEME

Subject to the approval of shareholders at the forthcoming annual general meeting of the Company on 30 November 2012, the Board has proposed a final dividend of HK0.1 cents per share for the year ended 30 June 2012 (2011: HK0.1 cents per share) to shareholders whose names appear on the register of members of the Company on 7 December 2012. Taking into account the interim dividend of HK0.3 cents (2011: HK0.3 cents) per share paid on 25 May 2012, total dividend per share for the year would be HK0.4 cents (2011: HK0.4 cents); and total dividend for the year would be HK$24 million, compared with HK$43 million of last year.

The final dividend will be satisfied by allotment of new shares of the Company, credited as fully paid, by way of scrip dividend, with an alternative to the shareholders to elect to receive such dividend (or part thereof) in cash in lieu of such allotment (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme is subject to the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Exchange") of a listing of and permission to deal in the shares to be issued pursuant thereto. A circular setting out the details of the Scrip Dividend Scheme together with the form of election will be sent to the shareholders of the Company as soon as practicable.

It is expected that certificates for shares to be issued under the Scrip Dividend Scheme and dividend warrants will be despatched to those entitled thereto on or before 6 February 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 6 December 2012 to 7 December 2012, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the above final dividend and the Scrip Dividend Scheme, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 5 December 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the year under review (the "Year"), the Group's turnover increased 9 percent to HK$3,411 million from HK$3,125 million in the previous year (the "Previous Year"). Profit for the Year increased by 3 percent to HK$98 million as compared with HK$95 million for the Previous Year. Profit attributable to owners of the Company increased by 10 percent to HK$62 million from HK$57 million for the Previous Year. Earnings per share for the Year was HK1.04 cents (2011: HK1.15 cents). The Group's gross margin improved slightly to 12.9 percent (2011: 12.3 percent). EBITDA was relatively stable at HK$1,364 million from HK$1,382 million for the Previous Year. In view of the less than optimistic outlook for the global economy, with the exception of China and a few emerging markets, the Group continued to adopt a prudent approach for its investment projects pending signs of recovery. During the Year, the Group had recognised impairment losses of HK$104 million (2011: HK$66 million) for deposits and prepaid development costs for systems and networks. Excluding the impairment losses, adjusted EBITDA for the Year was HK$1,468 million, compared with HK$1,448 million for the Previous Year.

The Group continued to review and exercise cost control. Distribution costs decreased by 14 percent to HK$36.7 million (2011: HK$42.6 million), general and administrative expenses increased 10 percent to HK$192 million (2011: HK$175 million) and research and development costs expensed increased by 19 percent to HK$17.4 million (2011: HK$14.6 million). Total staff costs included in direct operating expenses and general and administrative expenses decreased by 4 percent to HK$126 million (2011: HK$131 million). Depreciation and amortisation expenses dropped modestly to HK$1,263 million (2011: HK$1,283 million) as a result of the delay in roll-out of new systems and networks.

Finance costs remained low at HK$3.4 million (2011: HK$3.5 million), as a result of the prevailing low interest rate and low gearing of the Group.

Review of Operations

For the Year, China's economy showed signs of slowing down in some sectors. Exports were affected by the uncertain state of many western economies, while weaker than expected imports indicated a decline in homegrown consumption. Amid such concerns over slowing growth, investment sentiment had turned cautious and the pace of market activities remained subdued. The Group continued to focus on innovative communications and security solutions and services customised to achieve high reliability and high integrity. Enhancement of product mix and introduction of new solutions and services have contributed to a moderate increase in sales. However, the interruption in the supply of key components and products sourced from Japan since the tsunami in March last year had affected the Group's new product development, hence, restraining revenue growth.

The Group's strategic investment in In-Car telematics solutions, anti-radiation products to counteract radio transmission from mobile phones, as well as smart logistics solutions, continued, but at a slower pace than originally planned in line with world economy. Meanwhile, in an effort to boost its offerings of security solutions, the Group has been working with international partners to offer comprehensive customised solutions for integrated security systems. These investments were subject to periodic review to determine if progress was in line with the original plans and if the anticipated benefits could be achieved. Where required, impairment provisions at an appropriate level would be made.

For the Year, China sales increased by 10 percent to HK$2,701 million as compared with HK$2,454 million for the Previous Year.

In Europe, the unstable economic climate continued to affect the Group's trading position. The austerity measures adopted by governments across Europe slowed spending and delayed project rollout. In particular, the Group's business in the United Kingdom ("UK") declined amidst a contraction of the economy triggered by its government's deepest spending cuts in a generation. The Group maintained its focus on emergency services, NHS (National Health Services) projects and fire control sectors, where some projects were either delayed, suffered from reduced budgets, or were cancelled. To alleviate the shortfall in the UK operation, the Group put more effort on other European markets, building on its innovative range of personal security products. Germany remained a significant market for the Group, but its outlook was clouded by the weak fundamentals of its neighbours, resulting in an uncertain economy for Europe as a whole. Turnover of the European operations was HK$512 million, an increase of 8 percent as compared with HK$474 million for the Previous Year.

Kantone Holdings Limited ("Kantone")

Kantone's turnover was HK$1,429 million and profit for the Year was HK$80 million, representing corresponding increase of 7 percent and decrease of 5 percent as compared with HK$1,341 million and HK$84 million respectively for the Previous Year. Sales in China were in line with the country's economic development. With the Central Government's support of the science and technology sector in general, sales and marketing activities for Kantone's customised solutions and products continued, but the momentum has slackened due to delays in rolling out new projects. In Europe, fiscal tightening across the board posed great challenges to Kantone's business operation. Elsewhere however, Kantone recorded satisfactory growth from Australasia and Middle East markets in sales of traditional systems products and personal security solutions.

For e-gaming and online entertainment, Kantone continued to invest in the enhancement of integrated gaming technology solutions, online payment channels and sales networks. The new regulations covering the administration of lottery in China which came into effect early this year have laid the foundation for the integrated development of paper and paperless lottery distribution and rationalisation of the industry. This hopefully may be a signal of the gradual opening up of the China lottery market in an orderly manner, and as such, may bode well for innovative service providers such as Kantone to expand its activities into various parts of the lottery value chain. Nonetheless, investments in the e-lottery project were subject to periodic review to determine if progress was in line with original plans, and if the anticipated benefits could be achieved.

DIGITALHONGKONG.COM ("Digital HK")

Digital HK recorded a loss of HK$2,752,000 on turnover of HK$3,003,000 for the Year, compared with a loss of HK$2,565,000 on turnover of HK$3,124,000 in the Previous Year. It continues to seek investments to broaden its income streams. In particular, it plans to leverage its expertise and e-commerce capabilities to engage in a number of sectors, including those of health and culture via the promotion and trading of products and provision of related services, which are in line with China's national policy to promote its culture and health industries.

OUTLOOK

As global markets are likely to remain uncertain over the continuing debt crisis in Europe, concern over the US economy and scepticism whether China can maintain its high growth rate, the Group will remain vigilant in the implementation of its business plans.

While the Group's business fundamentals remain positive, the continuing global uncertain market conditions may further dampen consumer and business confidence and so affect customer purchases and the Group's performance. The Group also has to bear rising operating costs brought about by inflation, higher wages and social security contributions due to national policies.

Throughout the years, the Group has followed closely the policies of China's economic development, and has managed to take advantage of opportunities offered by such policies, namely backing the information technology and telecommunications industry. Going forward, the Group will continue its prudent approach in investing in complementary businesses that have good growth prospects. In addition to continuing investments in technologies and innovative solutions which are key to sustainable growth, the Group plans to expand its business in the culture sector, which is in line with China's national policy to promote its culture industry alongside its rise as an economic power.

Cultural Industries are often referred to as part of the Information Economy, and in some countries, *Cultural Industries* are also called *Creative Industries*. In the broad sense, such activities as scientific and technological innovation, software and database development, telecommunications services, and the production of hardware and electronic equipment are within the bounds of *Cultural Industries*. The Group's participation and sponsorship in the past two decades of various cultural events, including the popular exhibitions under the ***Peace and Harmony*** series hosted by Chinese World Cultural Heritage Foundation with thousands of rare antiques and relics; major programs such as "Le French May", "Paris 1730–1930: A Taste for China", "Treasures of the World's Cultures from the British Museum", "Otium Ludens Leisure and Play: Ancient Relics of the Roman Empire", has enabled it to accumulate related knowledge and business connections, both overseas and on the Mainland, in the field of culture and related activities. Ongoing engagement in international and regional cultural exchange activities also helps to enhance the Group's experience in the culture business.

Combining technology, creativity and art, and in collaboration with niche partners, the Group has developed a portfolio of comprehensive customised solutions for integrated security and monitoring systems safeguarding precious exhibits on the one hand, and on the other, we have enhanced our e-commerce capabilities embracing data-mining and knowledge management in the sales, marketing and promotion of art, antiques, cultural products and collectibles for the consumer market. With the further opening up of China's culture market, as well as the rising interest in Chinese culture and heritage among consumers around the world, the Group is well-positioned to capitalise on its extensive customer bases and global distribution networks to develop income streams for a wide range of culture-related topics within the ambit of the *Creative and Information Industry*.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position and Gearing

The Group's financial position remained positive with a low gearing.

As at 30 June 2012, the Group had HK$280 million made up of deposits, bank balances and cash. Current assets were approximately HK$2,114 million (2011: HK$1,571 million) and current liabilities amounted to approximately HK$355 million (2011: HK$452 million). With net current assets of HK$1,758 million (2011: HK$1,119 million), the Group maintained a high level of financial liquidity. The gearing ratio of the Group, which calculation was based on the Group's total borrowings of HK$256 million (2011: HK$344 million) and equity attributable to owners of the Company of HK$7,451 million (2011: HK$7,382 million), was 0.034 (2011: 0.047).

As at 30 June 2012, the borrowings mainly comprised bank loans of HK$216 million (2011: HK$225 million) and overdrafts of HK$40 million (2011: HK$54 million). All the bank loans were either repayable on demand or within one year and overdrafts were repayable on demand. The principal amount of the redeemable convertible bonds of HK$64 million outstanding as at 30 June 2011 was fully repaid upon maturity on 19 September 2011.

As at 30 June 2012, bank loans of HK$26 million (2011: HK$31 million) were secured by the Group's land and buildings with a carrying value of HK$8.1 million (2011: HK$8.5 million).

Treasury Policy

The Group is committed to financial prudence and maintains a positive financial position with low gearing. The Group finances its operation and business development by a combination of internally generated resources, capital markets instruments and banking facilities.

Other than the convertible bond, all the borrowings were used by subsidiaries of the Company bearing interest at floating rates. As all the Group's borrowings were denominated in their local currencies, the currency risk exposure associated with them was insignificant.

The Group does not engage in any speculative derivatives or structured product transactions, interest rate or foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expense, and where exposure to foreign exchange is anticipated, appropriate hedging instruments will be used.

Capital Commitments

As at 30 June 2012, the Group's capital commitments authorised but not contracted for were approximately HK$191 million (2011: HK$203 million). As at 30 June 2011, the Group's capital commitments contracted but not provided for were approximately HK$82 million. These commitments were set aside for the acquisition of property, plant and equipment, and development of systems and networks.

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

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

CORPORATE GOVERNANCE CODE

The Company complied with the code provisions in the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on the Exchange during the Year.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and the above annual results.

By Order of the Board
Paul KAN Man Lok
Chairman

Hong Kong, 28 September 2012

As at the date of this announcement, the executive directors of the Company are Dr. Paul Kan Man Lok, Mr. Leo Kan Kin Leung and Mr. Lai Yat Kwong; the non-executive director is Ms. Shirley Ha Suk Ling; and the independent non-executive directors are Mr. Terry John Miller, Mr. Francis Gilbert Knight, Mr. Frank Bleackley and Mr. Lee Chi Wah.