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CONTINENTAL

HOLDINGS LIMITED

恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00513)

**ANNOUNCEMENT OF INTERIM RESULTS FOR
THE SIX MONTHS ENDED 31 DECEMBER 2012**

The board of directors (the “Board”) of Continental Holdings Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2012 together with the comparative figures for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 31 December	
	<i>Notes</i>	2012	2011
		HK\$'000	HK\$'000
Revenue	4	506,025	525,850
Cost of sales		(437,141)	(447,548)
Gross profit		68,884	78,302
Selling and distribution costs		(4,852)	(13,053)
Administrative expenses		(49,454)	(47,901)
Other operating income		125	460
Excess of interest in the net fair value of the net identifiable assets over the fair value of the total cost of acquisition of subsidiaries		—	364,797
Impairment loss of available-for-sale financial assets		—	(85,779)
Change in fair value of financial assets at fair value through profit or loss		1,197	(9,159)
Share-based compensation		—	(35,338)

		Unaudited Six months ended 31 December	
		2012	2011
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance costs	5	(6,244)	(4,933)
Share of results of associates		–	375
Share of results of jointly controlled entities		(2,137)	(3,950)
Profit before income tax	6	7,519	243,821
Income tax (expense)/credit	7	(1,714)	1,358
Profit for the period		5,805	245,179
Other comprehensive income for the period			
Change in fair value of available-for-sale financial assets, net		7,056	(67,681)
Reclassification from equity to profit or loss on impairment of available-for-sale financial assets		–	85,779
Exchange differences on translation of foreign operations, associates and jointly controlled entities		16,020	25,109
Other comprehensive income for the period, net of tax		23,076	43,207
Total comprehensive income for the period		28,881	288,386
Profit for the period attributable to:			
Owners of the Company		5,587	247,779
Non-controlling interests		218	(2,600)
		5,805	245,179
Total comprehensive income attributable to:			
Owners of the Company		28,663	290,986
Non-controlling interests		218	(2,600)
		28,881	288,386
Dividends	8	–	–
Earnings per share for profit attributable to the owners of the Company during the period			
	9		
– Basic		HK0.11 cent	HK6.21 cents
– Diluted		HK0.10 cent	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 31 December 2012 HK\$'000	Audited At 30 June 2012 HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		117,163	115,437
Land use rights		41,357	41,824
Investment property		456,195	453,500
Mining right		1,032,149	1,020,524
Interests in associates		–	–
Interests in jointly controlled entities		496,719	484,655
Available-for-sale financial assets		44,192	37,136
Deferred tax assets		6,093	6,093
		<u>2,193,868</u>	<u>2,159,169</u>
Current assets			
Inventories		273,641	257,352
Trade receivables	10	139,735	109,010
Prepayments, deposits and other receivables		10,994	11,614
Financial assets at fair value through profit or loss		12,893	11,696
Derivative financial instruments		37	–
Due from associates		154	–
Due from a jointly controlled entity		139	139
Cash and cash equivalents		55,328	85,236
		<u>492,921</u>	<u>475,047</u>
Current liabilities			
Trade payables	11	(153,743)	(133,166)
Other payables and accruals		(51,184)	(72,802)
Due to associates		–	(111)
Derivative financial instruments		–	(84)
Obligations under finance lease – due within one year		(110)	–
Bank loans		(340,119)	(324,172)
Convertible note		(57,055)	(54,889)
Provision for tax		(7,516)	(10,411)
		<u>(609,727)</u>	<u>(595,635)</u>
Net current liabilities		<u>(116,806)</u>	<u>(120,588)</u>
Total assets less current liabilities		2,077,062	2,038,581

	Unaudited	Audited
	At 31 December	At 30 June
	2012	2012
<i>Notes</i>	HK\$'000	HK\$'000
Non-current liabilities		
Obligations under finance lease		
– due after one year	(155)	–
Due to a related company	(29,123)	(27,961)
Due to ultimate holding company	(7,877)	(7,877)
Loan from a controlling shareholder	(109,934)	(105,000)
Convertible note	(13,977)	(13,694)
Deferred tax liabilities	(241,497)	(238,431)
	<u>(402,563)</u>	<u>(392,963)</u>
Net assets	<u>1,674,499</u>	<u>1,645,618</u>
EQUITY		
Equity attributable to the owners of the Company		
Issued capital	51,107	51,107
Reserves	1,629,739	1,601,076
	<u>1,680,846</u>	<u>1,652,183</u>
Non-controlling interests	(6,347)	(6,565)
	<u>(6,347)</u>	<u>(6,565)</u>
Total equity	<u>1,674,499</u>	<u>1,645,618</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRSs”) on the historical cost basis except for the investment properties and certain financial assets and liabilities, which are measured at fair values.

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those used in the Group’s annual financial statements for the year ended 30 June 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA.

Amendments to HKAS 1 (Revised) Presentation of Items of Other Comprehensive Income

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 9	Presentation – Offsetting Financial Assets and Financial Liabilities ³
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date and Transition Disclosures ³
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities ²
HKAS 19 (Revised 2011)	Employee Benefits ¹
HKAS 27 (Revised 2011)	Separate Financial Statements ¹
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ¹
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosures of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HK(IFRIC) – Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ¹
HKFRSs (Amendments)	Annual Improvements 2009 – 2011 Cycle ¹

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the Directors are not yet in a position to quantify the effects on the Group's financial statement.

¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 January 2014

³ Effective for annual periods beginning on or after 1 January 2015

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Company's executive directors. The executive directors of the Company have identified the Group's four (2011: three) services lines as operating segments.

The operating segments were determined based on the reports reviewed by the Company's executive directors that are used to assess performance and allocate resources.

The Group has identified the following reportable segments:

- Design, manufacturing, marketing and trading of fine jewellery and diamonds;
- Property investment;
- Mining operation; and
- Investment

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers, if any, are carried out at arms length prices.

3. SEGMENT INFORMATION (CONTINUED)

Unaudited
Six months ended 31 December

	Design, manufacturing, marketing and trading of fine jewellery and diamonds		Property investment		Mining operation		Investment		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment Revenue:										
Sales to/revenue from external parties	<u>499,456</u>	<u>525,231</u>	<u>–</u>	<u>–</u>	<u>6,275</u>	<u>–</u>	<u>294</u>	<u>619</u>	<u>506,025</u>	<u>525,850</u>
Segment results	<u>22,344</u>	<u>26,635</u>	<u>(574)</u>	<u>(559)</u>	<u>(5,944)</u>	<u>–</u>	<u>1,583</u>	<u>(101,731)</u>	<u>17,409</u>	<u>(75,655)</u>
Excess of interest in the net fair value of the net identifiable assets over the fair value of the total cost of acquisition of subsidiaries									–	364,797
Share-based compensation									–	(35,338)
Unallocated expenses									(1,509)	(1,475)
Finance costs									(6,244)	(4,933)
Share of results of associates									–	375
Share of results of jointly controlled entities									(2,137)	(3,950)
Profit before income tax									<u>7,519</u>	<u>243,821</u>

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts and dividend income from investments.

An analysis of the Group's revenue is as follows:

	Unaudited	
	Six months ended 31 December	
	2012	2011
	HK\$'000	HK\$'000
Sale of goods	499,456	525,231
Sale of gold ores	6,275	–
Dividend income from investments	294	619
	506,025	525,850

5. FINANCE COSTS

	Unaudited	
	Six months ended 31 December	
	2012	2011
	HK\$'000	HK\$'000
Interest charges on:		
Bank loans wholly repayable within five years	4,162	3,286
Interest expenses on finance lease	9	–
Interest expenses on loan from a controlling shareholder	794	347
Imputed interest expenses on amount due to a related company	880	–
Imputed interest expenses on convertible notes	2,449	3,179
Total borrowing costs	8,294	6,812
Less: bank loan interest capitalised in investment property	(2,050)	(1,879)
	6,244	4,933

6. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting):

	Unaudited	
	Six months ended 31 December	
	2012	2011
	HK\$'000	HK\$'000
Cost of inventories sold	437,141	447,548
Depreciation of property, plant and equipment	4,085	4,087
Amortisation of land use rights	865	394
Amortisation of mining right	430	469
Minimum lease payments under operating leases on land and buildings	2,901	2,322
Write back against inventories*	(6,000)	–
Provision for trade receivables	1,210	1,493
Net foreign exchange losses	1,190	2,056
Fair value (gain)/loss on derivative financial instruments – forward currency contracts	(120)	105
Loss/(Gain) on disposal of property, plant and equipment	40	(70)
	<u> </u>	<u> </u>

* Amount included in cost of sales

7. INCOME TAX EXPENSE/(CREDIT)

The amount of income tax expense/(credit) charged to the condensed consolidated statement of comprehensive income represents:

	Unaudited	
	Six months ended 31 December	
	2012	2011
	HK\$'000	HK\$'000
Current tax		
Hong Kong	2,644	3,237
People's Republic of China	511	335
	<u>3,155</u>	<u>3,572</u>
Over-provision in prior years		
Hong Kong	(2,105)	(4,930)
	<u> </u>	<u> </u>
Deferred tax-current period	664	–
	<u>1,714</u>	<u>(1,358)</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2012 (2011: Nil).

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to the owners of the Company for the six months ended 31 December 2012 of HK\$5,587,000 (2011: HK\$247,779,000) and on the weighted average of 5,110,656,270 (2011: 3,990,195,918) ordinary shares in issue during the period.

For the six months ended 31 December 2012, diluted earnings per share amounts is based on the profit for the period attributable to owners of the Company of HK\$5,587,000 and adjusted to reflect the imputed interest expenses on the convertible notes, after adjustments to reflect the effect of deemed exercise or conversion of convertible note of Tamar Investments Group Limited (“Tamar Investments”), which was HK\$5,869,000 and on the adjusted weighted average of 5,968,262,615 ordinary shares outstanding during the period, being the weighted average of number of ordinary shares of 5,110,656,270 used in basic earnings per share calculation and adjusted for the effect of deemed exercise or conversion of convertible notes existing during the period of 857,606,345. The convertible note of Famous Key Holdings Limited (“Famous Key”) has an anti-dilutive effect and are ignored in the calculation of diluted earnings per share.

10. TRADE RECEIVABLES

The Group normally grants credit terms to its customers according to industry practice together with consideration of their creditability, repayment history and years of establishment. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

An ageing analysis of trade receivables, net of provision, as at the reporting date, based on the date of recognition of the sale, is as follows:

	Current	31-60 days	61-90 days	Over 90 days	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unaudited balance at 31 December 2012	<u>23,212</u>	<u>51,053</u>	<u>25,522</u>	<u>39,948</u>	<u>139,735</u>
Audited balance at 30 June 2012	<u>51,172</u>	<u>29,340</u>	<u>18,345</u>	<u>10,153</u>	<u>109,010</u>

11. TRADE PAYABLES

An ageing analysis of the trade payables at the reporting date is as follows:

	Current	31-60 days	61-90 days	Over 90 days	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unaudited balance at 31 December 2012	<u>89,171</u>	<u>26,154</u>	<u>14,483</u>	<u>23,935</u>	<u>153,743</u>
Audited balance at 30 June 2012	<u>88,451</u>	<u>21,171</u>	<u>11,839</u>	<u>11,705</u>	<u>133,166</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The Group consolidated turnover for the six months ended 31 December 2012 recorded a slight decrease of 3.8% from last interim of HK\$525,850,000 to HK\$506,025,000. Profit attributable to equity owners of the Company of HK\$5,587,000, a decrease of HK\$242,192,000 when compare to the last interim profit of HK\$247,779,000. Such decrease in profit is mainly attributable to the absence of the one-off gain arising from acquisition of subsidiaries engaging in mining and exploration of mineral resources in the People's Republic of China (the "PRC") recorded in the last interim. Earnings per share dropped to HK0.11 cent from HK6.21 cents in last interim period.

BUSINESS REVIEW AND PROSPECT

In the period under review, the Group achieved a turnover of HK\$499,456,000 for the jewellery and diamonds operations. The United States, one of our major markets of our jewellery businesses is still slowly recovering. The pace remains lower than expectations and the luxury consumption is still being affected. In Europe and United Kingdom, the uncertainty of the sovereign debt in the regions continues to persist. Retail sales have been greatly impacted and jewellery sales have dropped as a result. Customers are cautious and conservative in managing their jewellery inventory and retail merchandise. We foresee this environment to prolong in the coming seasons. In view of the overall business environment, the Group will continue to enhance our wholesale brands and we expect to see more developments and increased contributions to the Group in the future.

As for the property investment, the Group is maintaining two development projects in Hong Kong and PRC. In Hong Kong, the project is located at No. 236-242 Des Voeux Road Central and the foundation work is in progress. The project occupies a site area of approximately 302 sq. m, which will be developed into a multi-storey commercial, shop and retail premises with a gross floor area of approximately 4,527 sq. m. We expect completion date will be in 2015. In the PRC, the Group has a 50% interest through a jointly controlled entity holds two parcels of land with a total area of approximately to 18,101 sq. m. and a gross floor area of approximately 98,881 sq. m. in Yangpu District of Shanghai (上海楊浦區) in the PRC. The land parcels will be developed into an eleven-floored upscale multi-purpose property comprising of a large shopping mall, premium grade offices and car parking facilities. Basement level and foundation works are close to completion. Works will commence on the ground upper levels this year. We target completion by end of 2014.

For the mining business, trial production continued. Pre-production exploration carried on at Hongzhuang site in the second half of 2012. Some areas with potential were identified. Further studies will be required to complete the mining design. In anticipation of the development plan at Hongzhuang site, management is also considering re-visiting some of the old shafts at Yuanling site to investigate the feasibility of re-opening some of these easily accessible shafts which may contain residue ore of economic value at today's gold price level.

PROSPECTS

The Group at all levels are making steady progress. On jewellery end, we will continue to focus our efforts on product innovations, value added services, as well as branding and marketing initiatives. In property and mining, both segments are making good progress and aim to bring in positive contributions to the Group. A hum of mining operations will be directed toward increasing the value of the project. These include exploration to enhance the resources value at both the Yuanling and Hongzhuang sites. The mining department will continue to further improve on the trial production and will explore new grounds for future development.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2012 (2011: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012, the Group had a gearing ratio of 0.23 (30 June 2012: 0.21), which is calculated on net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank borrowings and other borrowings less the cash and cash equivalents. Total cash and cash equivalents were HK\$55,328,000 (30 June 2012: HK\$85,236,000) which were mainly denominated in Hong Kong Dollars, US Dollars and British Pounds. The decrease in total cash and cash equivalents is mainly attributable to settlement of balance payment of the mining licence and advance to a jointly controlled entity. While bank loans were HK\$340,119,000 (30 June 2012: HK\$324,172,000) which were mainly denominated in Hong Kong Dollar and Renminbi. Other borrowings in respect of convertible notes, amount due to a related company, loan from a controlling shareholder and amount due to ultimate holding company were approximately of HK\$217,966,000 (30 June 2012: HK\$209,421,000). The bank loans are secured by first legal charges over the Group's investment property, certain leasehold land and buildings and guaranteed by corporate guarantees executed by the Company.

Subsequent to reporting date, the Group had renewed several banking facilities, in aggregate, of up to HK\$400,000,000 to the Group. In line with the Group's prudent financial management, the Directors considered that the Group has sufficient working capital to meet its operational requirements.

PLEDGE OF ASSETS

As at 31 December 2012, the Group's investment property, certain leasehold land and buildings and land use rights with an aggregate net carrying value of HK\$477,376,000 (30 June 2012: HK\$475,126,000) were pledged to certain banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

The Company has provided guarantees amounting to HK\$527,500,000 (30 June 2012: HK\$487,500,000) with respect to bank loans to its subsidiaries. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. At the reporting date, no provision for the Company's obligation under the guarantee contract has been made as the Directors considered that it was unlikely that the repayment of the loans would be in default.

During the six months ended 31 December 2012, a guarantee to the extent of RMB235,000,000 (equivalent to approximately HK\$289,849,000), being 50% of the term loan facility of RMB470,000,000 (the "Facility") was given by the Group to a bank in respect of the Facility granted to 上海海錦房地產有限公司 (Shanghai Haijin Real Estate Co., Ltd.) (the "JV Subsidiary"). The JV Subsidiary is a wholly-owned subsidiary of Wealth Plus Developments Limited ("Wealth Plus"), a jointly controlled entity of the Company. As at 31 December 2012, the aggregate amount that the JV Subsidiary has utilised was approximately RMB63,768,000 (equivalent to HK\$78,651,000).

In the opinion of the Directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition after taking into consideration the possibility of the default of the parties involved. Accordingly, no value has been recognised in the consolidated Financial Statements.

CAPITAL STRUCTURE

There was no change to the Group's capital structure during the six months ended 31 December 2012.

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEMES

As at 31 December 2012, the Group employed a total of approximately 1,090 employees (30 June 2012: 1,155) with the majority in the PRC. The Group's remuneration to its employees is largely based on common industrial practice. The Company has adopted a share option scheme on 13 July 2010, under which the Company may grant options to eligible persons including directors and employees. No share option was granted pursuant to the scheme since its adoption.

EXPOSURE TO FINANCIAL RISK AND RELATED HEDGES

The Group utilises conservative strategies on its financial risk management and the market risk is kept to minimum. With the exception of the UK subsidiaries, all transactions and the borrowings of the Group are primarily denominated in US Dollar, Hong Kong Dollar and Renminbi. The risk of foreign exchange fluctuations is minimal. During the period, the Group made use of the foreign exchange forward contract in order to minimise the exchange rate risk as a result of fluctuation in British Pound. Management will continue to monitor the foreign exchange risk exposure and will take

appropriate action when necessary. During the six months ended 31 December 2012, the Group has entered into certain foreign exchange forward contracts.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2012.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governances Practices

The Company adopted all the Code Provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules and has complied with all the applicable Code Provisions throughout the six months ended 31 December 2012 except for the following derivations:

1. Code provision A.2.1

Code Provision A.2.1 provides that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive and Dr. Chan Sing Chuk, Charles currently holds both positions. The Board believes that vesting the roles of Chairman and Chief Executive in the same person provides the Group with strong and consistent leadership in the development and execution of long-term strategies.

2. Code provision A.4.1

Code provision A.4.1 provides that Non-executive Directors should be appointed for a specific term, subject to re-election. Non-executive Director and Independent Non-executive Directors of the Company do not have a specific term of appointment but are subject to retirement by rotation and re-election at the Company's Annual General Meeting at least once every three years in accordance with Article 115(A) & 115(D) of the Articles of Association of the Company. The Board considers that the deviation from Code Provision A.4.1 is not material as Non-executive Directors are subject to retirement by rotation and re-election in view of small number of total Directors of the Company, the Directors will consider to adopt the Code Provision should the number of Directors increase substantially.

Save as disclosed above, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are in line with the Code Provisions.

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 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. The Company has made specific enquiry with all Directors and all of them have confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 31 December 2012.

AUDIT COMMITTEE

The Audit Committee of the Company comprises four Independent Non-executive Directors of the Company.

The Audit Committee has discussed the Group’s accounting policies and basis adopted, the financial and internal control process of the Group and has reviewed the unaudited interim financial statements for the six months ended 31 December 2012. The Audit Committee has approved the unaudited interim financial statements.

On behalf of the Board
Chan Sing Chuk, Charles
Chairman

Hong Kong, 26 February 2013

As at the date of this announcement, Dr. Chan Sing Chuk, Charles BBS, JP, Ms. Cheng Siu Yin, Shirley, Ms. Chan Wai Kei, Vicki and Mr. Chan Wai Lap, Victor are Executive Directors, Mr. Fang Gang is a Non-executive Director, Mr. Yu Shiu Tin, Paul BBS, MBE, JP, Mr. Chan Ping Kuen, Derek, Mr. Sze Irons, JP and Mr. Cheung Chi Fai, Frank are Independent Non-executive Directors.