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# POKFULAM DEVELOPMENT COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 225)**

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2013

The Board of Directors announces that the unaudited consolidated results of the Company and its subsidiaries ("the Group") for the six months ended 31 March 2013 together with comparative figures for the corresponding period in 2012 are as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*FOR THE SIX MONTHS ENDED 31 MARCH 2013*

| | | Six months ended | |
|---|---|---|---|
| | | **31.3.2013** | 31.3.2012 |
| | *NOTES* | ***HK$'000*** | *HK$'000* |
| | | **(unaudited)** | (unaudited) (restated) |
| Turnover | | **67,429** | 64,164 |
| Cost of goods sold | | **(9,774)** | (8,830) |
| Cost of rental and other operations | | **(14,079)** | (13,652) |
| | | **43,576** | 41,682 |
| Other income | | **17,500** | 11,403 |
| (Decrease) increase in fair value of investments held for trading | | **(143)** | 12,857 |
| (Decrease) increase in fair value of investment properties | | **(46,345)** | 8,375 |
| Selling and marketing expenses | | **(1,104)** | (979) |
| Administrative expenses | | **(5,679)** | (4,770) |
| Finance costs | *3* | **(488)** | (317) |
| Share of profit (loss) of a jointly controlled entity | | **1,141** | (3,981) |
| Profit before tax | *4* | **8,458** | 64,270 |
| Income tax expense | *5* | **(5,547)** | (7,804) |
| Profit for the period | | **2,911** | 56,466 |

| | NOTES | Six months ended **31.3.2013** *HK$'000* **(unaudited)** | 31.3.2012 *HK$'000* (unaudited) (restated) |
|---|---|---|---|
| **Other comprehensive income** | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Exchange difference arising on translation of foreign operations | | **437** | 193 |
| Exchange gain arising from long term advances to a jointly controlled entity | | **620** | 341 |
| Other comprehensive income for the period | | **1,057** | 534 |
| **Total comprehensive income for the period** | | **3,968** | 57,000 |
| **Profit for the period attributable to:** | | | |
| Owners of the Company | | **2,263** | 55,916 |
| Non-controlling interests | | **648** | 550 |
| | | **2,911** | 56,466 |
| **Total comprehensive income for the period attributable to:** | | | |
| Owners of the Company | | **3,320** | 56,450 |
| Non-controlling interests | | **648** | 550 |
| | | **3,968** | 57,000 |
| | | ***HK cents*** | *HK cents* (restated) |
| Earnings per share – basic | *7* | **2.1** | 50.7 |
| | | ***HK cents*** | *HK cents* |
| Interim dividend per share | *6* | **4.0** | 4.0 |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
*AT 31 MARCH 2013*

| | *NOTES* | **31.3.2013** **HK$'000** **(unaudited)** | 30.9.2012 *HK$'000* (audited and restated) |
|---|---|---|---|
| **Non-current Assets** | | | |
| Investment properties | | **3,697,530** | 3,729,000 |
| Property, plant and equipment | | **6,308** | 6,452 |
| Interest in a jointly controlled entity | | **12,620** | 72,710 |
| Amount due from a jointly controlled entity | | **134,028** | 69,734 |
| Available-for-sale investments | | **8,000** | 8,000 |
| | | **3,858,486** | 3,885,896 |
| **Current Assets** | | | |
| Inventories | | **6,779** | 6,831 |
| Investments held for trading | | **45,926** | 46,069 |
| Trade and other receivables | *8* | **4,782** | 5,437 |
| Deposits and prepayments | | **2,070** | 1,225 |
| Bank balances and cash | | **100,566** | 72,606 |
| | | **160,123** | 132,168 |
| **Current Liabilities** | | | |
| Trade and other payables | *9* | **13,901** | 20,016 |
| Rental and management fee deposits | | **21,913** | 21,474 |
| Provision for taxation | | **5,364** | 9,865 |
| Bank loan, secured | | **70,000** | 42,000 |
| | | **111,178** | 93,355 |
| **Net Current Assets** | | **48,945** | 38,813 |
| **Total Assets less Current Liabilities** | | **3,907,431** | 3,924,709 |
| **Capital and Reserves** | | | |
| Share capital | | **110,179** | 110,179 |
| Reserves | | **3,771,047** | 3,789,763 |
| Equity attributable to owners of the Company | | **3,881,226** | 3,899,942 |
| **Non-controlling interests** | | **8,507** | 7,859 |
| **Total equity** | | **3,889,733** | 3,907,801 |
| **Non-current Liability** | | | |
| Deferred taxation | | **17,698** | 16,908 |
| | | **3,907,431** | 3,924,709 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*FOR THE SIX MONTHS ENDED 31 MARCH 2013*

## 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 March 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 September 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards issued by HKICPA:

| | |
|---|---|
| Amendments to HKAS 1 | *Presentation of Items of Other Comprehensive Income;* and |
| Amendments to HKAS 12 | *Deferred Tax: Recovery of Underlying Assets* |

**Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income***

The amendments to HKAS 1 introduce new terminology of statement of comprehensive income. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

**Amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets***

Under the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets*, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property portfolios and concluded that the Group's investment properties in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, the Group does not recognise any deferred taxes on changes in fair value of investment properties in Hong Kong as the Group is not subject to any income taxes on disposal of these investment properties in accordance with the relevant tax regulation. Previously, the Group recognised deferred taxes on changes in fair value of investment properties in Hong Kong on the basis that the entire carrying amounts of the properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being decreased by HK$458,265,000 and HK$510,545,000 as at 1 October 2011 and 30 September 2012 respectively, with the corresponding adjustment being recognised in retained profits. In addition, the application of the amendments has resulted in the Group's income tax expense for the six months ended 31 March 2013 and 31 March 2012 being increased by HK$7,647,000 and decreased by HK$1,374,000 respectively, and hence resulted in the profit for the six months ended 31 March 2013 being decreased by HK$7,647,000 and the profit for the six months ended 31 March 2012 being increased by HK$1,374,000.

**Summary of the effect of the above change in accounting policy**

The effect of the change in accounting policy described above on the financial positions of the Group as at the beginning and the end of the immediately preceding financial year, i.e. 1 October 2011 and 30 September 2012 respectively, are as follows:

| | As at 1 October 2011 | | | As at 30 September 2012 | | |
|---|---|---|---|---|---|---|
| | Original stated | Adjustments | Restated | Original stated | Adjustments | Restated |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Total effects on net assets | | | | | | |
| – Deferred tax liabilities | (470,191) | 458,265 | (11,926) | (527,453) | 510,545 | (16,908) |
| Total effects on equity | | | | | | |
| – Retained profits | 2,842,681 | 458,265 | 3,300,946 | 3,227,829 | 510,545 | 3,738,374 |

**Impact on basic earnings per share**

| | Six months ended 31.3.2013 HK cents | Six months ended 31.3.2012 HK cents |
|---|---|---|
| Basic earnings per share before adjustment | 9.0 | 49.5 |
| Adjustment arising from change in accounting policy in relation to application of amendments to HKAS 12 in respect of deferred taxes on investment properties | (6.9) | 1.2 |
| Reported basic earnings per share | 2.1 | 50.7 |

2. **SEGMENT INFORMATION**

The Group's operating segments based on information reported to the chief operating decision maker (managing director) for the purposes of resource allocation and performance assessment are as follows:

| | | |
|---|---|---|
| Property investment and management | – | letting and management of commercial and residential properties |
| Trading of goods | – | trading of visual and sound equipment |
| Securities investment | – | dealings in listed securities |

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

**Six months ended 31 March 2013**

| | Property investment and management HK$'000 | Trading of goods HK$'000 | Securities investment HK$'000 | Segment total HK$'000 | Eliminations HK$'000 | Consolidated HK$'000 |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| External | 49,814 | 16,993 | 622 | 67,429 | – | 67,429 |
| Inter-segment | 765 | – | – | 765 | (765) | – |
| | 50,579 | 16,993 | 622 | 68,194 | (765) | 67,429 |
| Segment profit (loss) | (6,414) *(Note)* | 2,375 | 474 | (3,565) | – | (3,565) |
| Other income | | | | | | 16,808 |
| Central administrative costs | | | | | | (5,438) |
| Finance costs | | | | | | (488) |
| Share of profit of a jointly controlled entity | | | | | | 1,141 |
| Profit before tax | | | | | | 8,458 |

*Note:* Segment loss of property investment and management division included decrease in fair value of investment properties of HK$46,345,000.

Six months ended 31 March 2012

| | Property investment and management *HK$'000* | Trading of goods *HK$'000* | Securities investment *HK$'000* | Segment total *HK$'000* | Eliminations *HK$'000* | Consolidated *HK$'000* |
|---|---|---|---|---|---|---|
| REVENUE | | | | | | |
| External | 48,196 | 15,362 | 606 | 64,164 | – | 64,164 |
| Inter-segment | 765 | – | – | 765 | (765) | – |
| | 48,961 | 15,362 | 606 | 64,929 | (765) | 64,164 |
| Segment profit | 45,688 *(Note)* | 2,132 | 13,457 | 61,277 | – | 61,277 |
| Other income | | | | | | 10,676 |
| Central administrative costs | | | | | | (3,385) |
| Finance costs | | | | | | (317) |
| Share of loss of a jointly controlled entity | | | | | | (3,981) |
| Profit before tax | | | | | | 64,270 |

*Note:* Segment profit of property investment and management division included increase in fair value of investment properties of HK$8,375,000.

Inter-segment revenue is charged at mutually agreed terms.

Segment profit (loss) represents the profit (loss) earned by each segment without allocation of certain other income (mainly including interest income and dividend income from available-for-sale investment), central administrative costs, finance costs, share of profit (loss) of a jointly controlled entity and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

No segment assets and liabilities are presented as the information is not reported to the chief operating decision maker in the resource allocation and assessment of performance.

## 3. FINANCE COSTS

The amounts represent interests on bank loans wholly repayable within five years.

## 4. PROFIT BEFORE TAX

| | Six months ended | |
|---|---|---|
| | **31.3.2013** | 31.3.2012 |
| | ***HK$'000*** | *HK$'000* |
| Profit before tax has been arrived at after charging (crediting): | | |
| Depreciation on property, plant and equipment | **740** | 720 |
| Loss (gain) on disposal of property, plant and equipment | **2** | (15) |
| Imputed interest on amount due from a jointly controlled entity | **(2,092)** | (2,071) |
| Dividend from listed securities | **(622)** | (606) |
| Dividend income from an investee company classified as an available-for-sale investment | **(14,022)** | (8,507) |

## 5. INCOME TAX EXPENSE

| | Six months ended | |
|---|---|---|
| | **31.3.2013** | 31.3.2012 |
| | ***HK$'000*** | *HK$'000* |
| | | (restated) |
| Company and subsidiaries | | |
| Hong Kong Profits Tax | **4,757** | 4,744 |
| Deferred tax charge | **790** | 3,060 |
| | **5,547** | 7,804 |

## 6. DIVIDEND

In January 2013, the final dividend in respect of the financial year ended 30 September 2012 of HK20 cents (2012: HK16 cents in respect of the financial year ended 30.9.2011) per share totalling HK$22,036,000 (2012: HK$17,629,000) was paid to shareholders.

Subsequent to the end of the interim reporting period, the directors have determined that an interim dividend in respect of the financial year ending 30 September 2013 of HK4 cents (2012: HK4 cents) per share totalling HK$4,407,000 (2012: HK$4,407,000) shall be paid to the shareholders of the Company whose names appear in the register of members on 28 June 2013.

## 7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the period of approximately HK$2,263,000 (six months ended 31.3.2012 (restated): approximately HK$55,916,000) and on 110,179,385 (six months ended 31.3.2012: 110,179,385) shares in issue during the period.

Diluted earnings per share is not presented as there were no potential ordinary shares in issue for both periods and as at 31 March 2013 and 2012.

## 8. TRADE AND OTHER RECEIVABLES

For sales of goods, the Group allows an average credit period of 30 days to its trade customers. Rentals receivable from tenants are payable on presentation of invoices.

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

| | **31.3.2013** | 30.9.2012 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 – 30 days | **2,737** | 3,355 |
| 31 – 60 days | **352** | 99 |
| 61 – 90 days | **3** | 63 |
| Over 90 days | **23** | 102 |
| | **3,115** | 3,619 |
| Other receivables | **1,667** | 1,818 |
| | **4,782** | 5,437 |

## 9. TRADE AND OTHER PAYABLES

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

| | **31.3.2013** | 30.9.2012 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 – 30 days | **1,051** | 2,167 |
| 31 – 60 days | **415** | 1,013 |
| 61 – 90 days | **–** | – |
| Over 90 days | **931** | 93 |
| | **2,397** | 3,273 |
| Other payables | **7,003** | 9,539 |
| Renovation fee payable | **1,162** | 5,673 |
| Retention payable | **2,445** | 937 |
| Deposits received for sale of goods | **894** | 594 |
| | **13,901** | 20,016 |

## INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of HK4 cents per ordinary share in respect of the financial year ending 30 September 2013 (2012: HK4 cents per ordinary share) payable on 8 July 2013 to shareholders whose names appear on the Register of Members on 28 June 2013.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 25 June 2013 to Friday, 28 June 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrars, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 24 June 2013.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Interim Profit

The unaudited consolidated net profit of the Group after taxation and minority interests for the six months ended 31 March 2013 was HK$2.3 million, as compared to HK$55.9 million (restated in accordance with changes in accounting policies ("As Restated")) for the corresponding period in the previous year. If the revaluation deficit of HK$46.3 million (2012: surplus of HK$8.4 million) on investment properties and the revaluation deficit of HK$0.1 million (2012: surplus of HK$12.9 million) on the listed securities investments were to be excluded, the operating net profit for the period would have been HK$48.7 million (2012: HK$34.6 million (As Restated)), representing an increase of 40.8% from the comparable figure of last year. The increase is mainly attributable to a higher dividend income from the Group's unlisted investment and increase in rental revenue for the period under review.

### Business Review

*A. Hong Kong*

The major portion of the Group's operating profit for the six months ended 31 March 2013 was derived from rental income of the Group's investment properties in Hong Kong, which had shown a moderate increase over that of the same period last year. The increase was due to higher rental rates for new leases and lease renewals as well as generally higher occupancy for the Group's properties in Hong Kong.

A major renovation program for one of the Group's residential properties on Headland Road has been in progress since April 2012, and tenancies there had necessarily been terminated. The renovation work is scheduled to be completed in September of this year. The newly renovated property will then be offered for lease in the rental market.

Renovation of the exterior wall of the Group's office building on Lockhart Road has commenced since October 2012. Cladding work on the building has been delayed due to change in design which needs to be approved by the Building Department. The cladding work would commence once approval from the Building Department is granted, and is expected to be completed by early 2014. Since the work is on the exterior wall of the building only, the management has been successful in limiting adverse effect on the occupancy rate of the property to a minimal.

Elephant Holdings Limited had recorded a moderate improvement in sales revenue during the six months under review, and this subsidiary continued to contribute profit to the Group.

*B. Property Projects in Mainland China*

*Silver Gain Plaza in Guangzhou (in which the Group has a one-third interest)* – profit generated from sales of the residential units in Phase III had been recognised in the last financial year. In order to satisfy the future financial obligations for this project, including the tax payment to the relevant government department and construction cost for the proposed office tower on top of the existing commercial podium of Phase II, the investing parties of Silver Gain Plaza have decided to retain the surplus fund in China for the above-mentioned purposes.

As of the date of this Announcement, the process of getting various relevant government departments to issue the necessary Certificates of Compliance for the commercial podium in Phase III and to obtain approval for the building plan of the office tower in Phase II is in progress.

*Residential units in Vivaldi Court of Manhattan Garden, Chao Yang District, Beijing* – Minor renovation work has been carried out to upgrade the Group's properties in this project, and there had been an improvement in the occupancy rate and rental revenue in the six months period under review.

**Prospects**

The prolonged economic crisis in Europe and the slow and uneven recovery of the US economy has shown its adverse effect on China's economic growth, which in turn has a bearing on Hong Kong's economy. Since the beginning of 2013, Hong Kong has experienced an economic slow-down, and this is reflected in the downward trend of the rental rates of the Group's high-end residential properties. In view of the above, the Group's overall rental income may see a slight decrease in the second half of the financial year.

## FINANCIAL REVIEW

**Liquidity And Financial Resources**

The Group will continue to maintain its conservative approach to financial management, funding and treasury policies. Consolidated equity attributable to owners of the Company as at 31 March 2013 was HK$3,881.2 million (30.9.2012 (As Restated): HK$3,899.9 million).

At 31 March 2013, the Group's total bank balances and cash was HK$100.6 million (30.9.2012: HK$72.6 million).

At 31 March 2013, the Group's total borrowing, which was denominated in Hong Kong dollars, was HK$70.0 million (30.9.2012: HK$42.0 million).

The maturity profile of the Group's total borrowings, which is based on the scheduled repayment dates set out in the loan agreements, is set out as follows:

| | **31.3.2013** | 30.9.2012 |
|---|---|---|
| | ***HK$ Million*** | *HK$ Million* |
| Repayable: | | |
| within one year | **–** | 42.0 |
| after one year but within two years | **–** | – |
| after two years but within five years | **70.0** | – |
| | **70.0** | 42.0 |

The Group's bank term loan of HK$70.0 million (that is repayable more than two years after the end of reporting period but contains a repayment on demand clause) is classified under current liabilities and carries interest at HIBOR plus a margin.

At 31 March 2013, the Group had undrawn banking facilities of HK$320.0 million which will provide adequate funding for the Group's operational and capital expenditure requirement.

### Gearing And Charge On Assets

At 31 March 2013, the debt to equity ratio, based on the Group's total borrowings of HK$70.0 million and the consolidated equity attributable to owners of the Company of HK$3,881.2 million, was 1.8%, as compared with 1.1% (As Restated) on 30 September 2012.

At 31 March 2013, investment properties and properties for own use of the Group with an aggregate carrying value of HK$3,520.1 million and HK$3.0 million respectively were pledged to banks to secure the general banking facilities granted to the Group.

## EMPLOYEES AND REMUNERATION POLICIES

At 31 March 2013, the Group had 106 employees. The staff remuneration including directors' emoluments and other employee expenses for the six months ended 31 March 2013 amounted to approximately HK$9.3 million (2012: HK$8.7 million). There has been no change in employment and remuneration policies of the Group and the Group does not have any share option scheme for employees.

## CORPORATE GOVERNANCE

Throughout the six months ended 31 March 2013, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the following:

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Although Mr. Wong Tat Chang, Abraham holds both the positions of the Chairman and Managing Director of the Company, the Board considers that vesting the roles of both Chairman and Managing Director in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also considers that the current Board composition, where half of the Board are represented by Independent Non-executive Directors, and corporate governance structure ensure effective oversight of management.

The Board will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of roles of Chairman and Managing Director, are necessary.

## DISCLOSURE POLICY

With effect from 1 January 2013, the provisions in relation to the new statutory disclosure regime for inside information under the new Part XIVA of the Securities and Futures Ordinance and consequential amendments to Rules 13.09 and 13.10 of the Listing Rules impose a general obligation of disclosure of price sensitive, or inside information by listed corporation.

The Board adopted a Disclosure Policy (the "Disclosure Policy") on 21 February 2013 setting out the key new disclosure requirements and related confidentiality policy and information flow, and providing a general guide to the directors, senior management and relevant employees of the Company in the handling of confidential information and/or monitoring of information disclosure pursuant to applicable laws and regulations.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the six months ended 31 March 2013.

## REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the results (including the unaudited condensed consolidated financial statements) of the Group for the six months ended 31 March 2013.

In addition, the unaudited condensed consolidated financial statements of the Group for the six months ended 31 March 2013 have been reviewed by our auditors, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By Order of the Board
**Wong Tat Chang, Abraham**
*Chairman and Managing Director*

Hong Kong, 29 May 2013

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wong Tat Chang, Abraham (Chairman and Managing Director), Mr. Wong Tat Kee, David and Mr. Wong Tat Sum, Samuel as Executive Directors, and Mdm. Lam Hsieh Lee Chin, Linda, Mr. Li Kwok Sing, Aubrey and Mr. Sit Hoi Wah, Kenneth as Independent Non-Executive Directors.*