WING LEE PROPERTY INVESTMENTS LIMITED
永利地產發展有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 864)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

INTERIM RESULTS

The board of directors (the "Board") of Wing Lee Property Investments Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013, together with comparative figures for the corresponding period ended 30 June 2012.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Six months ended	
		30.6.2013	30.6.2012
		HK$'000	*HK$'000*
	Notes	**(unaudited)**	(unaudited)
Turnover	3	**13,015**	11,246
Direct operating expenses		**(541)**	(731)
		12,474	10,515
Other income		**157**	424
Net changes in fair value of investment properties	9	**30,957**	134,564
Administrative expenses		**(5,953)**	(4,362)
Other expenses		**(3,994)**	(3,576)
Finance costs	4	**(908)**	(984)
Profit before taxation	5	**32,733**	136,581
Taxation	6	**(1,193)**	(871)
Profit and total comprehensive income for the period attributable to owners of the Company		**31,540**	135,710
Earnings per share	8	**HK$0.084**	HK$0.377

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	30.6.2013 HK$'000 (unaudited)	31.12.2012 HK$'000 (audited)
Non-current assets			
Investment properties	9	**982,251**	956,054
Property, plant and equipment		**475**	570
		982,726	956,624
Current assets			
Rental and other receivables	10	**557**	772
Fixed deposits		**39,859**	30,053
Bank balances and cash		**12,373**	31,289
		52,789	62,114
Asset classified as held for sale	11	**5,200**	–
		57,989	62,114
Current liabilities			
Other payables and rental deposits received	12	**9,325**	11,549
Amount due to MSC	13	**–**	320,839
Amount due to Wing Lee Holdings	14	**–**	5,344
Taxation payable		**1,314**	455
Bank loans – due within one year		**30,857**	32,007
		41,496	370,194
Net current assets (liabilities)		**16,493**	(308,080)
Total assets less current liabilities		**999,219**	648,544
Non-current liabilities			
Bank loans – due after one year		**87,027**	94,227
Deferred taxation		**4,508**	4,356
		91,535	98,583
		907,684	549,961
Capital and reserves			
Share capital	15	**3,862**	30
Reserves		**903,822**	549,931
		907,684	549,961

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("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 "Stock Exchange").

During the current interim period and at the date of this result announcement, the ultimate holding company of the Company is Bright Asia Holdings Limited, a company incorporated in the British Virgin Islands. During the period from 1 January 2013 to the date of Listing (as defined below), the immediate holding company of the Company is Wing Lee Holdings Limited ("Wing Lee Holdings"), a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange. After the Listing, Bright Asia Holdings Limited has become the immediate holding company of the Company.

In preparation of applying the listing of the shares of the Company on the Main Board of the Stock Exchange (the "Listing"), the companies now comprising the Company and its subsidiaries (hereinafter collectively referred to as the "Group") underwent a group reorganization (the "Group Reorganization"), details of which are more fully explained in the listing document of the Company dated 28 February 2013 (the "Listing Document"). To effect the reorganization, the Company incorporated Tierra Development Limited ("Tierra Development") on 8 May 2012 and the entire issued share capital of Extra Rich Development Limited ("Extra Rich"), Fast Silver Development Limited ("Fast Silver") and Good Ocean Development Limited ("Good Ocean") was transferred from Wing Lee Land Company Limited ("Wing Lee Land") to Tierra Development. The consideration of the transfer was the issue of an aggregate of 1,998 shares in Tierra Development to Wing Lee Land, and the novation from Wing Lee Land to Tierra Development of an existing shareholder's loan of HK$14,400 owed from Wing Lee Land to M S C Holdings Limited ("MSC") (both Wing Lee Land and MSC are wholly owned subsidiaries of Wing Lee Holdings). The novated loan was in turn settled by capitalization, resulting in the issue of one share in Tierra Development to MSC. On the same date, MSC and Wing Lee Land, respectively, directed that the one and 1,998 shares in Tierra Development to be issued to the Company, with resultant loans in aggregate of HK$30,000 due from the Company to MSC and Wing Lee Land capitalized with the issue of shares by the Company. On 28 June 2012, the Company issued and allotted in aggregate of 300,000 shares to Wing Lee Holdings credited as fully paid as directed by MSC and Wing Lee Land.

Upon completion of the Group Reorganization, Wing Lee Land in substance transferred its entire equity interests in the companies now comprising the Group to the Company and the Company became the holding company of the Group on 28 June 2012. The Group comprising the Company and its subsidiaries resulting from the Group Reorganization is regarded as a continuing entity. The condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended 30 June 2012 have been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group during that period.

On 19 March 2013, the Company was successfully spun-off from Wing Lee Holdings through distribution in specie of approximately 83.0% of the issued share capital of the Company to the shareholders of Wing Lee Holdings. The shares of the Company were listed on the Stock Exchange on the same date and the Company has ceased to be a subsidiary of Wing Lee Holdings.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties that 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 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new or revised HKFRSs issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

HKFRS 10	Consolidated financial statements;
HKFRS 11	Joint arrangements;
HKFRS 12	Disclosure of interests in other entities;
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance;
HKFRS 13	Fair value measurement;
HKAS 19 (as revised in 2011)	Employee benefits;
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures;
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities;
Amendments to HKAS 1	Presentation of items of other comprehensive income;
Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle; and
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine.

Amendments to HKAS 1 "Presentation of items of other comprehensive income"

The amendments to HKAS 1 "Presentation of items of other comprehensive income" introduce new terminology for the 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 have been applied retrospectively.

HKFRS 13 "Fair value measurement"

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. The application of HKFRS 13 has no material impact on fair value measurement of the Group's investment properties at 30 June 2013.

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

3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on properties investment. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the executive directors of the Company (the "Executive Directors"), the chief operating decision maker of the Group. The Executive Directors regularly review revenue analysis by locations of the investment properties and relevant types of properties which generate rental income as presented below, and hence no analysis of this single operating segment is presented. Other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective locations. The Executive Directors review the overall results of the Group as a whole to make decisions about resources allocation.

Turnover represents the rental income received from operating leases.

An analysis of the Group's turnover by geographical locations of the investment properties and relevant types of properties which generate rental income are as follows:

	Turnover from external customers Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
Hong Kong		
Hong Kong Island:		
Commercial	**8,675**	7,271
Residential	**150**	295
Kowloon:		
Commercial	**1,722**	1,472
Residential	**816**	952
Industrial	**1,464**	1,080
The People's Republic of China (the "PRC")		
Shenzhen:		
Commercial	**188**	176
	13,015	11,246

4. FINANCE COSTS

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable		
– within five years	**664**	692
– over five years	**244**	292
	908	984

5. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**95**	95
Expenses in relation to the Listing (included in other expenses)	**3,994**	3,576
and after crediting:		
Interest income (included in other income)	**149**	371

6. TAXATION

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
– Current period	**1,043**	713
– Overprovision in prior period	**(20)**	–
	1,023	713
PRC Enterprise Income Tax	**18**	18
Deferred taxation charge	**152**	140
	1,193	871

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

According to Article 3 of the Enterprise Income Tax Law (中華人民共和國企業所得稅) and Article 91 of the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例), a non-resident enterprise without any establishment in China deriving income sourced in China is liable to Enterprise Income Tax on such income, at 10% of the gross amount. A group entity earns rental income derived from a property located in the PRC and is subject to PRC Enterprise Income Tax calculated at 10% of the gross rental income received in the PRC.

7. DIVIDEND

No dividend was paid, declared or proposed for the six months ended 30 June 2013. The directors do not recommend the payment of an interim dividend.

8. EARNINGS PER SHARE

On the assumption that the Group Reorganization has been effective on 1 January 2012 and adjusted for retrospectively the sub-division of shares in the Company, the Capitalization Issue (as defined in the Listing Document) and the bonus effect arising from the Capitalization Issue, the basic earnings per share is based on the following data:

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
Earnings		
Profit for period attributable to owners of the Company for the purpose of basic earnings per share	**31,540**	135,710
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**376,462,098**	359,600,705

No dilutive earnings per share is presented as there were no dilutive potential ordinary shares during both periods.

9. INVESTMENT PROPERTIES

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
FAIR VALUE		
At beginning of the period	**956,054**	638,064
Additions	**440**	27,306
Net increase in fair value	**30,957**	307,834
Transfer to asset classified as held for sale	**(5,200)**	–
Disposals	**–**	(17,150)
At end of the period	**982,251**	956,054

The carrying value of investment properties shown above situated on:

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
Land in Hong Kong:		
– long leases	**851,800**	832,000
– medium-term leases	**122,701**	116,400
Land in PRC:		
– medium-term leases	**7,750**	7,654
	982,251	956,054

The fair value of the Group's investment properties at 30 June 2013 and 31 December 2012 have been arrived at on the basis of a valuation carried out on those dates by RHL Appraisal Limited ("RHL"), an independent firm of professional valuers not related to the Group whose address is Room 1010, Star House, Tsimshatsui, Kowloon, Hong Kong. The valuation has been arrived at by using direct comparison method by making reference to comparable market transactions as available.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

10. RENTAL AND OTHER RECEIVABLES

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
Rental receivables	**75**	302
Other receivables, deposits and prepayments	**482**	470
	557	772

The following is an aged analysis of rental receivables (presented based on rental demand notices issued on the first calendar day of each month) at the end of the reporting period:

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
Age		
0 – 90 days	**75**	302

No credit period was granted to tenants of rental of premises.

11. ASSET CLASSIFIED AS HELD FOR SALE

On 26 June 2013, a formal sale and purchase agreement was signed between the buyer (being an independent third party to the Group) and a wholly-owned subsidiary of the Company to dispose of an investment property ("Property 1") for a cash consideration of HK$5,200,000. The disposal was completed in July 2013. At 30 June 2013, Property 1 is re-classified from investment properties to asset classified as held for sale.

12. OTHER PAYABLES AND RENTAL DEPOSITS RECEIVED

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
Accrued expenses	**1,999**	4,835
Rental deposits received	**6,776**	6,636
Deposit received for disposal of an investment property	**520**	–
Other payables	**30**	78
	9,325	11,549

13. AMOUNT DUE TO MSC

The amount represented amount due to MSC, a former intermediate holding company of Extra Rich, Fast Silver and Good Ocean. The amount was unsecured, interest-free and repayable on demand. Pursuant to the Capitalization Issue as defined in the Listing Document, the amount has been capitalized prior to the Listing.

14. AMOUNT DUE TO WING LEE HOLDINGS

The amount was unsecured, interest-free and repayable on demand. Pursuant to the Capitalization Issue as defined in the Listing Document, the amount has been capitalized prior to the Listing.

15. SHARE CAPITAL

	Number of shares	Amount in HK$	Shown in the condensed consolidated financial statements HK$'000
Ordinary shares			
Authorized:			
At 23 March 2012 (date of incorporation) and 31 December 2012 (HK$0.10 each)	1,000,000	100,000	
Share sub-division and increase in authorized share capital (note (c))	999,000,000	9,900,000	
At 30 June 2013 (HK$0.01 each)	1,000,000,000	10,000,000	
Issued and fully paid:			
Issue of share on 23 March 2012 (date of incorporation) (note (a))	1	–	–
Issue of shares pursuant to the Group Reorganization (note (b))	300,000	30,000	30
At 31 December 2012	300,001	30,000	30
Share sub-division (note (c))	2,700,009	–	–
Issue of shares pursuant to Capitalization Issue (note (d))	383,175,748	3,831,757	3,832
At 30 June 2013	386,175,758	3,861,757	3,862

Notes:

(a) The Company was incorporated on 23 March 2012 with an authorized share capital of HK$100,000 divided into 1,000,000 shares of HK$0.10 each and on the same date, one subscriber share of HK$0.10 each was issued at nil paid to Wing Lee Holdings.

(b) On 28 June 2012, pursuant to the Group Reorganization, the Company allotted and issued, credited as fully paid, 300,000 ordinary shares at HK$0.10 each to Wing Lee Holdings (details of which are set out in note 1).

(c) On 18 March 2013, upon satisfaction of the Spin-off Condition (as defined in the Listing Document) and pursuant to the written resolutions passed by the then sole shareholder of the Company on 6 February 2013 (as more fully detailed in paragraphs headed "Written resolutions of the sole shareholder dated 6 February 2013" in Appendix VI to the Listing Document), each of the existing issued and unissued share of the Company was sub-divided into ten shares of HK$0.01 each and the authorized share capital of the Company was increased from HK$100,000 to HK$10,000,000, so thereafter, the authorized share capital of the Company comprised of 1,000,000,000 shares of HK$0.01 each, of which, immediately after the share sub-division, 3,000,010 shares were in issue and 996,999,990 shares were unissued.

(d) On 18 March 2013, upon satisfaction of the Spin-off Condition (as defined in the Listing Document) and pursuant to the written resolutions passed by the then sole shareholder of the Company on 6 February 2013 (as more fully detailed in paragraphs headed "Written resolutions of the sole shareholder dated 6 February 2013" in Appendix VI to the Listing Document and the Capitalization Issue (also defined in the Listing Document), the Company has capitalized the amounts due to MSC and Wing Lee Holdings in aggregate of HK$326,183,000 and allotted and issued 383,175,748 ordinary shares of the Company, credited as fully paid, to Wing Lee Holdings.

All ordinary shares of the Company issued during the current interim period rank pari passu with the then existing ordinary shares in all respects.

16. RELATED PARTIES TRANSACTIONS

Other than the transactions and balances with related parties disclosed in respective notes, the Group had the following related party transactions/balances:

(a) During the six months ended 30 June 2013, the Group has leased certain of its properties to Morning Star Industrial Company Limited ("MSI"), a wholly-owned subsidiary of Wing Lee Holdings and a rental income of approximately HK$1,464,000 (six months ended 30 June 2012: HK$1,236,000) has been received. At 30 June 2013, the Group has rental deposit of HK$488,000 (31 December 2012: HK$488,000) and the amount is included in rental deposits received.

(b) During the six months ended 30 June 2013, the Group has leased a property at prevailing market rent to Mr. Lui Siu Fung, the director of the Company and a rental income of HK$78,000 has been received. At 30 June 2013, the Group has rental deposit of HK$26,000 (31 December 2012: HK$26,000) received from Mr. Lui Siu Fung and the amount is included in rental deposits received.

(c) At 31 December 2012, the Group has received corporate guarantee given to banks by Wing Lee Holdings for bank loans drawn down by the Group of an amount HK$162,350,000. The corporate guarantee has been released during the current interim period.

(d) During the six months ended 30 June 2012, the Group sold two investment properties to a related company which is owned by certain directors of Wing Lee Holdings and a former fellow subsidiary of the Company at a cash consideration of HK$850,000 and HK$2,700,000, respectively. The consideration was determined based on a valuation carried out by RHL with reference to market evidence of transaction prices for similar properties in similar location.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

On 19 March 2013, the Company became listed on the Main Board of the Stock Exchange by way of introduction.

The spin-off of the Company from Wing Lee Holdings and the restructuring and separation of the management enabled the Group to focus on the property investment business and further enabled investors and financiers to appraise the strategies, functional exposure, risks and returns of the Group separate from its pre-spin-off parent company.

As at 30 June 2013, the aggregate market value of investment properties held, as appraised by RHL Appraisal Limited, an independent property valuer, amounted to approximately HK$982.3 million (31 December 2012: approximately HK$956.1 million).

For the six months ended 30 June 2013 (the "Period"), the Group's turnover amounted to approximately HK$13.0 million (2012: HK$11.2 million), representing an increase of 15.7% as compared with the corresponding period last year. The Group's turnover consists of gross rental income from the Group's investment properties.

Our rent renewals recorded an upward adjustment in rental rates and our properties located at Shop No. C2D on Ground Floor, No.141 Des Voeux Road Central and Ground Floor and Cockloft, No.61 Wellington Street recorded the highest increases in fair value during the Period.

PROSPECTS

The Hong Kong government has introduced measures with a view to quenching speculative activities in the property market. Such measures included proposals for the upward adjustments to the rates of special stamp duty and an additional "buyer's stamp duty" on top of the existing stamp duty and special stamp duty (where applicable) in respect of acquisitions of residential properties in Hong Kong and proposals regarding increases in the rates of ad valorem stamp duty applicable to the sale and purchase of residential and non-residential properties. The Hong Kong Monetary Authority has also adjusted the availability of mortgages for new applicants. These measures have dampened transaction volume for properties in Hong Kong.

Notwithstanding the introduction of the regulatory measures outlined above, the price of properties and rental rates of the Group's investment properties remain stable with high occupancy rates and are expected to continue to provide the Group with stable rental income.

The Group manages its capital structure to ensure optimal shareholder returns and to promote further business development and diversification to increase the Group's revenue and margin. The Group continues its focus on the holding of commercial and residential properties with an increasing focus on opportunities for commercial retail properties and whole blocks of flats or buildings for long-term investment. Despite a decrease in the activity in the Hong Kong property market resulting from the Hong Kong Government's cooling measures, the Group will continue to explore various suitable opportunities in Hong Kong to further expand its investment portfolio and increase its profits.

OPERATIONS

The Group is engaged in the business of property investment, principally the leasing of commercial and residential properties in Hong Kong. As at 30 June 2013, the Group had a property portfolio of 34 properties located in Hong Kong and one property located in the PRC.

During the Period, a preliminary sale and purchase agreement was entered into on 14 June 2013 and a formal sale and purchase agreement was entered into on 26 June 2013 for the disposal of our residential property located at Flat 315 on 3rd Floor of Block P, Telford Gardens, No. 33 Wai Yip Street, Kowloon (the "Disposed Telford Property") at a consideration of HK$5.2 million. As at 30 June 2013 the Group received HK$520,000 as deposit for the aforesaid disposal thereof. Subsequently, the Group completed the disposal of this property and the remaining balance was received on 31 July 2013. A fair value gain of HK$850,000 was recognized during the Period with respect to the disposed property.

The Group did not introduce or announce any new business or services for the six months ended 30 June 2013.

RESULTS

Our profit and total comprehensive income for the Period attributable to owners of the Company amounted to approximately HK$31.5 million (2012: HK$135.7 million), representing an decrease of 76.8% as compared with the same period last year. The substantial decline in profit for the first half of 2013 as compared with the corresponding period last year is principally affected by relatively less increase in changes in fair value of the Group's investment properties of approximately HK$31.0 million (2012: approximately HK$134.6 million) which reflect the general market conditions of the commercial retail and residential investment property market in Hong Kong during the Period.

On the assumption that the Reorganization, as defined in the listing document dated 28 February 2013 ("Listing Document"), had been effective on 1 January 2012 and adjusted retrospectively for the sub-division of shares in the Company, the Capitalization Issue as defined in the Listing Document and the bonus effect arising from the Capitalization Issue, earnings per share for the six months ended 30 June 2013 was HK$0.084 (2012: HK$0.377), representing a decrease of HK$0.293 from the corresponding period last year.

EVENT AFTER THE REPORTING PERIOD

The following events took place subsequent to 30 June 2013:

Disposal

Extra Rich Development Limited, a wholly-owned subsidiary of the Company, completed the disposal of the Disposed Telford Property at a consideration of HK$5.2 million on 31 July 2013.

On 15 August 2013, Extra Rich Development Limited, a wholly-owned subsidiary of the Company, entered into a formal sale and purchase agreement for the disposal of a property located at Unit 206 on 2/F, Sunbeam Centre, No. 27 Shing Yip Street, Kowloon at a consideration of approximately HK$19.3 million. An initial deposit of approximately HK$579,000 in cash was paid by the purchaser, an independent third party, upon signing of the preliminary sale and purchase agreement on 29 July 2013. A further deposit of approximately HK$1.3 million in cash was paid by the purchaser upon signing of the formal sale and purchase agreement on 15 August 2013. The balance of consideration, being approximately HK$17.4 million, will be paid in cash upon completion, which is scheduled to take place on or before 18 September 2013.

Acquisition

On 24 July 2013, Habitat One Development Limited ("Habitat"), a wholly-owned subsidiary of the Company, entered into a formal sale and purchase agreement for the acquisition of a property located at Office J on 11th Floor, King Palace Plaza, No. 55 King Yip Street, Kowloon at a consideration of approximately HK$15.8 million. The property will be used by the Group as its Hong Kong office. An initial deposit of HK$750,000 in cash was paid by Habitat upon signing of the provisional sale and purchase agreement on 13 July 2013. A further deposit of approximately HK$827,000 in cash was paid by Habitat upon signing of the formal sale and purchase agreement on 24 July 2013. The balance of the consideration, being approximately HK$14.2 million, will be paid in cash upon completion, which is scheduled to take place on or before 30 October 2013. The acquisition will be financed by internal resources and bank financing.

FINANCIAL REVIEW

Liquidity and Capital Resources

As at 30 June 2013, the net current assets of the Group amounted to approximately HK$16.5 million. As at 31 December 2012, the net current liabilities of the Group amounted to approximately HK$308.1 million. The current ratio, expressed as current assets over current liabilities, was approximately 1.40 (31 December 2012: approximately 0.17). Total equity of the Group rose to approximately HK$907.7 million (31 December 2012: approximately HK$550.0 million) was primarily due to the capitalization of the amounts due to MSC and Wing Lee Holdings of approximately HK$326.2 million and recognized as equity as at 19 March 2013. As at 30 June 2013, there were no outstanding amounts due to MSC and Wing Lee Holdings.

Moreover, as at 30 June 2013, the bank deposits and cash of the Group were approximately HK$52.2 million (31 December 2012: approximately HK$61.3 million), which included fixed deposits of approximately HK$39.9 million (31 December 2012: approximately HK$30.1 million).

As at 30 June 2013, the carrying amount of our bank loans were approximately HK$117.9 million (31 December 2012: approximately HK$126.2 million). As at 30 June 2013, all of the bank loans were secured by mortgages over certain investment properties of the Group with carrying amounts of approximately HK$476.6 million (31 December 2012: approximately HK$466.8 million) and carry interest at HIBOR plus 0.70% to 2.75% per annum (31 December 2012: HIBOR plus 0.70% to 2.75% per annum). Our Group had no available unutilised bank loan facilities as at 30 June 2013.

Of the total bank loans at 30 June 2013 approximately HK$30.9 million (or approximately 26.2%) was repayable within one year or on demand. Approximately HK$14.7 million (or approximately 12.4%) was repayable after one year but within two years. Approximately HK$45.1 million (or approximately 38.3%) was repayable after two years but within five years. Approximately HK$27.2 million (or approximately 23.1%) was repayable after five years.

Of the total bank loans at 31 December 2012, approximately HK$32.0 million (or approximately 25.3%) was repayable within one year or on demand. Approximately HK$14.6 million (or approximately 11.6%) was repayable after one year but within two years. Approximately HK$45.0 million (or approximately 35.7%) was repayable after two years but within five years. Approximately HK$34.6 million (or approximately 27.4%) was repayable after five years.

The Group's total debt to equity ratio, calculated as total borrowings (being the aggregate of total bank borrowings and amounts due to MSC and Wing Lee Holdings) of approximately HK$117.9 million (31 December 2012: approximately 452.4 million) divided by shareholder's equity of the Group of approximately HK$907.7 million (31 December 2012: approximately HK$550.0 million) was approximately 0.13 as at 30 June 2013 (31 December 2012: approximately 0.82).

The decrease was mainly due to the Capitalization Issue, the amounts due to MSC and Wing Lee Holdings of approximately HK$326.6 million have been capitalized and recognized as equity as at 19 March 2013.

Capital Expenditure

The Group had not incurred any capital expenditure for the period ended 30 June 2013 (first half of 2012: HK$27.3 million). The Group anticipates that the funding required for future capital expenditure will be principally financed by cash generated from operations and bank borrowings, although the Group may consider raising additional funds as and when appropriate.

Capital Commitments

The Group had no material capital commitments as at 30 June 2013 and 31 December 2012.

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2013 and 31 December 2012.

Pledge of assets

Certain of the Group's investment properties with a carrying value of approximately HK$476.6 million as at 30 June 2013 (31 December 2012: approximately HK$466.8 million) have been pledged to secure banking facilities of the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries and associated companies by the Company during the six months ended 30 June 2013 under review.

TREASURY POLICY

The Group principally operates in Hong Kong and the revenue, operating cost and borrowings were mainly denominated in Hong Kong dollars. As a result, the Group has minimal exposure to exchange rate fluctuation.

The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollars. Should the Board consider it appropriate, it may consider investing in debt securities and equity securities. The Group does not use any financial instruments for hedging purposes.

RISK MANAGEMENT

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organization and the external environment with active management participation and effective internal control procedures in the best interests of the Group and its shareholders.

HUMAN RESOURCES

As at 30 June 2013, the Group employed a total of eight employees (31 December 2012: 11 employees) in Hong Kong. The Group recorded staff costs of approximately HK$3.3 million for the six months ended 30 June 2013 as compared to approximately HK$3.6 million for the corresponding period in 2012.

The Group has entered into employment contracts with all our employees to cover matters such as wages, benefits and grounds for termination. The Group's remuneration policies and packages are reviewed by the management on a regular basis. The Group grants discretionary bonuses to qualified employees based on operation results and individual performance.

INTERIM DIVIDENDS

No dividend was paid, declared or proposed for the six months ended 30 June 2013 (2012: Nil). The directors do not recommend the payment of an interim dividend.

CORPORATE GOVERNANCE

Since the listing of the Company on 19 March 2013, the Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance. The Board considers that the Company was in compliance with all applicable code provisions set out in the CG Code from 19 March 2013, being the date of listing of the Company, up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its model code for securities transactions by the directors of the Company. Having made specific enquiry, all of the directors of the Company confirmed that they have complied with the Model Code from 19 March 2013 to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries redeemed, purchased or cancelled any redeemable securities during the six months ended 30 June 2013. As at 30 June 2013, there were no outstanding redeemable securities of the Company.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises of three independent non-executive directors of the Company.

The audit committee has reviewed the unaudited interim results for the six months ended 30 June 2013 with the management of the Company. The Group's unaudited interim results for the six months ended 30 June, 2013 have also been reviewed by the Company's auditor, 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 HKICPA.

APPRECIATION

On behalf of the Board, I would like to sincerely thank all of our shareholders, tenants, professional parties and employees for their support and hard work.

By Order of the Board
Chau Choi Fa
Chairperson

Hong Kong, 20 August 2013

As at the date of this announcement, the Board comprises four executive directors, namely Ms. Chau Choi Fa, Ms. Wong Siu Wah, Ms. Wong Vivien Man-Li and Mr. Lui Siu Fung and three independent non-executive directors, namely Mr. Lam John Cheung-Wah, Dr. Tse Kwok Sang and Mr. Chui Chi Yun Robert.