THE CROSS-HARBOUR (HOLDINGS) LIMITED
港通控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 32)

2013 Interim Results Announcement

The board of directors of The Cross-Harbour (Holdings) Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013. The interim results have been reviewed by the audit committee and KPMG. KPMG's review report will be included in the interim report.

GROUP RESULTS

The Group's unaudited profit attributable to shareholders for the first half of 2013 amounted to HK$192.3 million as compared to HK$194.8 million for the first half of 2012. Earnings per share were HK$0.52, the same as for the last corresponding period.

DIVIDENDS

A first quarterly interim dividend of HK$0.06 per share, absorbing a total amount of HK$22.4 million, was paid on 12 July 2013. Your directors have today declared a second quarterly interim dividend of HK$0.06 per share payable on 19 September 2013 to shareholders registered on 12 September 2013.

CLOSURE OF BOOKS

The register of members and transfer books of the Company will be closed from Tuesday, 10 September 2013 to Thursday, 12 September 2013, both days inclusive, during which period no transfer of shares in the Company shall be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by 4:30 p.m., Monday, 9 September 2013.

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2013 - unaudited
(Expressed in Hong Kong dollars)

	Note	**Six months ended 30 June** **2013** ***$'000***	2012 *$'000*
Turnover	3	**121,490**	122,088
Other revenue		**372**	316
Other net loss	4	**(32,391)**	(8,240)
Direct costs and operating expenses		**(54,960)**	(53,117)
Selling and marketing expenses		**(7,116)**	(8,715)
Administrative and corporate expenses		**(29,800)**	(28,527)
(Loss)/profit from operations		**(2,405)**	23,805
Finance costs	5(a)	**(113)**	(1,352)
Share of profits less losses of associates		**203,405**	180,764
Share of profits of a joint venture		**10,599**	9,356
Profit before taxation	5	**211,486**	212,573
Income tax	6	**(6,272)**	(6,124)
Profit for the period		**205,214**	206,449
Attributable to:			
Equity shareholders of the Company		**192,303**	194,793
Non-controlling interests		**12,911**	11,656
Profit for the period		**205,214**	206,449
Earnings per share	7		
Basic and diluted		**52 cents**	52 cents

Details of dividends payable to equity shareholders of the Company are set out in note 8.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2013 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
Profit for the period	**205,214**	206,449
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that may be classified subsequently to profit or loss:		
Available-for-sale securities: net movement in the investment revaluation reserve	**(44,023)**	41,947
Share of other comprehensive income of an associate and a joint venture:		
- Cash flow hedge: net movement in the hedging reserve	**—**	1,874
- Exchange differences on translation of financial statements of overseas subsidiary and joint venture	**35**	6
	(43,988)	43,827
Total comprehensive income for the period	**161,226**	250,276
Attributable to:		
Equity shareholders of the Company	**148,305**	238,618
Non-controlling interests	**12,921**	11,658
Total comprehensive income for the period	**161,226**	250,276

Consolidated Statement of Financial Position

As at 30 June 2013 - unaudited
(Expressed in Hong Kong dollars)

	30 June 2013		31 December 2012	
	$'000	***$'000***	*$'000*	*$'000*
Non-current assets				
Fixed assets				
− Property, plant and equipment		**136,013**		143,525
− Interest in leasehold land held for own use		**24,797**		25,161
		160,810		168,686
Interest in associates		**2,217,401**		2,282,586
Interest in a joint venture		**57,331**		46,697
Available-for-sale securities		**431,702**		508,284
Deferred tax assets		**2,870**		2,830
		2,870,114		3,009,083
Current assets				
Trading securities	**171,919**		172,258	
Inventories	**1,100**		1,179	
Trade and other receivables	**21,459**		16,363	
Bank deposits and cash	**972,897**		707,067	
	1,167,375		896,867	
Current liabilities				
Trade and other payables	**30,568**		62,215	
Course fees received in advance	**156,465**		116,987	
Taxation payable	**23,818**		18,038	
Dividends payable	**22,588**		2,240	
	233,439		199,480	

Consolidated Statement of Financial Position

As at 30 June 2013 - unaudited
(Expressed in Hong Kong dollars)

	30 June 2013		31 December 2012	
	$'000	*$'000*	*$'000*	*$'000*
Net current assets		**933,936**		697,387
Total assets less current liabilities		**3,804,050**		3,706,470
Non-current liabilities				
Loan from an associate		**200,739**		184,228
Deferred tax liabilities		**331**		279
		201,070		184,507
NET ASSETS		**3,602,980**		3,521,963
CAPITAL AND RESERVES				
Share capital		**372,688**		372,688
Reserves		**3,130,210**		3,048,988
Total equity attributable to equity shareholders of the Company		**3,502,898**		3,421,676
Non-controlling interests		**100,082**		100,287
TOTAL EQUITY		**3,602,980**		3,521,963

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 26 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report is unaudited, but has been reviewed by KPMG 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.

The financial information relating to the financial year ended 31 December 2012 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2012 are available from the Company's registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 26 March 2013.

2 Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements - Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(a) Amendments to HKAS 1, Presentation of financial statements - Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

(b) HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation - Special purpose entities.* It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of these returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

(c) HKFRS 11, Joint arrangements

HKFRS 11, which replaces HKAS 31, *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operations. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

(d) HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in this interim financial report as a result of adopting HKFRS 12.

(e) HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim financial reports.

3 Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Motoring school operations: this segment invests in subsidiaries which operate three driver training centres.
- Tunnel operations: this segment invests in associates which operate the Western Harbour Tunnel and Tate's Cairn Tunnel franchises.
- Electronic toll operations: this segment invests in a joint venture which operates an electronic toll collection system and provision of telematics service.
- Treasury: this segment operates investing and financing activities and receives dividend income and interest income.
- Others: this segment mainly operates leasing of fixed assets.

(a) Segment results and assets

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current and non-current assets with the exception of other corporate assets.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Motoring School Operations		Tunnel Operations		Electronic Toll Operations		Treasury		Others		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**104,312**	101,667	**1,250**	1,250	**2,400**	2,400	**1,936**	1,913	**1,002**	438	**110,900**	107,668
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**–**	–	**6,433**	5,456	**6,433**	5,456
Interest revenue	**1,351**	1,673	**–**	–	**–**	–	**9,239**	12,747	**–**	–	**10,590**	14,420
Reportable segment revenue	**105,663**	103,340	**1,250**	1,250	**2,400**	2,400	**11,175**	14,660	**7,435**	5,894	**127,923**	127,544
Reportable segment profit / (loss) before tax	**37,027**	33,934	**204,655**	182,014	**12,890**	11,646	**(21,629)**	1,531	**(8,799)**	(5,109)	**224,144**	224,016
Depreciation	**1,733**	2,537	**–**	–	**–**	–	**–**	–	**8,521**	5,459	**10,254**	7,996
Share of profits less losses of associates	**–**	–	**203,405**	180,764	**–**	–	**–**	–	**–**	–	**203,405**	180,764
Share of profits of a joint venture	**–**	–	**–**	–	**10,599**	9,356	**–**	–	**–**	–	**10,599**	9,356
Income tax	**6,002**	5,845	**–**	–	**279**	279	**(8)**	–	**(1)**	–	**6,272**	6,124
Reportable segment assets at 30 June 2013 / 31 December 2012	**474,434**	419,471	**2,217,401**	2,282,586	**58,476**	72,044	**1,163,634**	1,004,041	**120,455**	127,404	**4,034,400**	3,905,546

(b) Reconciliations of reportable segment revenues, profit or loss and assets

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
Revenue		
Reportable segment revenue	**127,923**	127,544
Elimination of inter-segment revenue	**(6,433)**	(5,456)
Consolidated turnover	**121,490**	122,088
	======	======

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
Profit		
Reportable segment profit derived from Group's external customers	**224,144**	224,016
Other revenue	**372**	316
Unallocated head office and corporate income and expenses	**(13,030)**	(11,759)
Consolidated profit before taxation	**211,486**	212,573
	======	======

	At 30 June	At 31 December
	2013	2012
	$'000	*$'000*
Assets		
Reportable segment assets	**4,034,400**	3,905,546
Unallocated head office and corporate assets	**3,089**	404
Consolidated total assets	**4,037,489**	3,905,950
	=======	=========

4 Other net loss

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
Net realised and unrealised losses on trading securities	**(339)**	(10,312)
Available-for-sale securities: reclassified from equity on impairment	**(32,559)**	–
Net gains on sale of fixed assets	**507**	2,072
	(32,391)	(8,240)

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
(a) Finance costs		
Interest on bank borrowings	–	959
Other borrowing costs	**113**	393
	113	1,352
(b) Other items		
Depreciation	**10,254**	7,996
Cost of inventories consumed	**3,386**	3,390
Contributions to defined contribution retirement schemes	**2,270**	2,153
Dividend income from listed investments	**(1,809)**	(1,493)
Interest income	**(10,590)**	(14,420)

6 Income tax

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
Current tax – Hong Kong Profits Tax	**6,260**	6,062
Deferred taxation	**12**	62
	6,272	6,124

The provision for Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for the six months ended 30 June 2013.

Share of taxation of associates for the six months ended 30 June 2013 amounted to $45.4 million (2012: $41.4 million) was included in share of profits less losses of associates in the consolidated statement of profit or loss.

Share of taxation of a joint venture for the six months ended 30 June 2013 amounted to $1.6 million (2012: $1.9 million) was included in share of profits of a joint venture in the consolidated statement of profit or loss.

7 Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $192,303,000 (2012: $194,793,000) and the weighted average of 372,688,206 ordinary shares (2012: 372,688,206 ordinary shares) in issue during the period.

8 Dividends

(a) Dividends payable to equity shareholders attributable to the interim period

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
First interim dividend declared during the interim period of 6 cents per share (2012: 6 cents per share)	**22,361**	22,361
Second interim dividend declared after the interim period of 6 cents per share (2012: 6 cents per share)	**22,361**	22,361
	44,722	44,722

The second interim dividend declared after the interim period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2013	2012
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the interim period of 12 cents per share (2012: 12 cents per share)	**44,722**	44,722

BUSINESS REVIEW AND PROSPECTS

Despite the uncertainty surrounding the withdrawal of monetary stimulus in the US and the ongoing fiscal difficulties in the Eurozone, the Hong Kong economy kicked off in 2013 with a moderate positive GDP growth of 2.8% in the first quarter. Private consumption grew briskly on the back of supportive labour market conditions and vibrant inbound tourism. Looking ahead, fundamentals in the US economy are more robust because of the recovery in the housing market whereas economic activity in the Eurozone remains soft. The tepid pace of the Mainland's economic growth may also persist after the recent crackdown on exaggerated trade reporting activities. The pace of RMB appreciation is anticipated to slow as the Mainland's trade surplus expects to narrow further. The local recovery will take its own course for the coming months of the year. The domestic-led growth may persist, though will likely be capped by sluggish export sector. Inflation shall remain tame at about 4% whereas the local property market will continue to show visible signs of cooling after the Government's introduction of demand-management and macro-prudential measures in late February to curb exuberance.

Electronic Toll Operation

Autotoll Limited ("Autotoll"), 50% owned by The Autopass Company Limited (a 70% owned subsidiary), provides electronic toll clearing facilities in Hong Kong covering eleven different toll roads and tunnels. There are fifty-three auto-toll lanes in operation at present. The total number of tags in circulation as at 30 June 2013 was about 274,400. The overall usage of auto-toll facilities in all eleven toll roads and tunnels maintained at around 50%, with the highest usage at the Tai Lam Tunnel at around 60%. The daily transactions handled by Autotoll were about 366,000 with toll amount of approximately HK$8.4 million. The number of subscribers for the Global Positioning System at the end of June was around 10,000.

Motoring School Operation

Alpha Hero Group (70% owned) which operates driving training schools, recorded a 6% decrease in the number of driving lessons demanded for the period under review as compared with the previous corresponding period. Tuition fees income, however, increased slightly as a result of increase in both lesson income unit rate and demand for motorcycle training courses.

Tunnel Operations

(I) Western Harbour Tunnel Company Limited ("WHTCL") – *50% owned*

Fuelled by improved economic sentiment, the average daily throughput of the Western Harbour Tunnel ("WHT") for the first half year under review has increased to close to 60,000 vehicle journeys, representing an increase of 2.5% as compared with the last corresponding period, despite the implementation of its sixth toll increase effective from 1 January 2013. The average toll per vehicle increased from HK$54.4 in the last corresponding period to HK$59.6 in the first half year under review. WHT's market share was maintained at 24% for the period. The revenue growth of WHTCL is expected to remain solid for the remaining period of the year under the new tolls along with anticipated increase in total cross harbour traffic induced by improving commercial activities.

(II) Tate's Cairn Tunnel Company Limited ("TCTCL") – *39.5% owned*

The average daily throughput of the Tate's Cairn Tunnel increased slightly from 55,400 vehicle journeys in the last corresponding period to 56,100 vehicle journeys during the first half year under review. The average toll per vehicle however decreased from HK$19.6 in the last corresponding period to HK$19.3 in the current period under review, due to a change in traffic mix caused by a drop in tunnel usage by goods vehicles. As a measure to enhance cashflow for the remaining period of the franchise, TCTCL has implemented its seventh toll increase effective from 1 August 2013. Toll increase for motorcycles is HK$1 whereas toll charges for all other categories of vehicles are raised by HK$2.

COMMENTARY ON INTERIM RESULTS

(I) Review of 2013 Interim Results

The Group's unaudited profit attributable to shareholders for the six months ended 30 June 2013 amounted to HK$192.3 million, a decrease of 1.3% as compared to HK$194.8 million for the last corresponding period. Earnings per share were HK$0.52. The decrease in 2013 interim result was primarily attributable to the impairment loss on fair value changes in securities investment. As a result, the negative performance of the treasury segment has overwhelmed the increase in profit contribution from tunnel operations during the period under review.

The Group's turnover for the period under review was HK$121.5 million, a decrease of HK$0.6 million or 0.5% as compared to the HK$122.1 million recorded in the same period last year.

The motoring school operations recorded an increase in turnover of 2.6% to HK$104.3 million as an aggregate result of improvement in tuition fees income due to higher lesson income unit rate despite a decrease in demand for driving lessons, and a welcomed increase in income from motorcycle courses as compared with the last corresponding period.

The Group's share of profits less losses of associates has increased by 12.5% to HK$203.4 million as compared to HK$180.8 million in the last corresponding period due to improved performance of WHTCL. An increase in contribution from WHTCL during the period under review was attributable to an almost 12% increase in toll revenue after the implementation of toll increase in January 2013, and a decrease in finance costs after the full repayment of outstanding bank loan in December 2012. TCTCL, however, recorded a decrease in net profits for the current period as an aggregate result of a decrease in average toll per vehicle and an increase in operating costs. After accounting for the amortization of fair value in excess of net book value of WHTCL and TCTCL as at the completion dates of the acquisitions in 2008, profit contributions from WHTCL and TCTCL for the first half year under review was HK$181.6 million and HK$21.8 million respectively as compared to HK$154.1 million and HK$26.6 million recorded in the last corresponding period.

The Group's share of profit from a joint venture, Autotoll Limited, which operates an electronic toll collection system, was HK$10.6 million for the first half year under review against HK$9.4 million recorded in the last corresponding period, representing an increase of HK$1.2 million or 12.8% as a result of an increase in administration fee income.

Revaluation deficits arising on certain available-for-sale securities totalling HK$32.6 million were transferred from the investment revaluation reserve to the consolidated statement of profit or loss as a result of an impairment loss on those securities at 30 June 2013.

(II) Investments

As at 30 June 2013, the Group maintained a portfolio of investments, composed of listed securities and unlisted investments with an aggregate market value of HK$603.6 million (31 December 2012: HK$680.5 million). The decrease in portfolio balance was primarily due to negative fair value changes of certain available-for-sale securities as at balance sheet date. Certain securities were pledged to the financial institution to secure margin and securities facilities granted to the Group in respect of securities and derivatives transactions. As at 30 June 2013, these facilities were not utilized by the Group. Dividend and interest income received therefrom in the first six months amounted to HK$12.4 million.

(III) Liquidity and Financial Resources

As at 30 June 2013, the Group had bank balances and deposits in the amount of HK$972.9 million. The Group did not have any borrowings outstanding as at 30 June 2013 and 31 December 2012. Except for the Group's investment in available-for-sale and trading securities and bank deposits denominated in foreign currencies other than the United States dollars, the Group's major sources of income and major assets are denominated in Hong Kong dollars.

(IV) Employees

The Group has 475 employees. Employees are remunerated according to job nature and market trends, with a built-in merit component incorporated in the annual increment to reward and motivate individual performance. Apart from provident fund schemes and medical insurance, discretionary bonuses and employee share options are awarded to employees of the Group at the discretion of the directors, depending upon the financial performance of the Group. Total staff costs for the first six months amounted to HK$53.8 million.

CORPORATE GOVERNANCE CODE

Throughout the accounting period covered by the interim report, the Company complied with the relevant code provisions of the Corporate Governance Code (the "CG Code") set out within Appendix 14 to the Main Board Listing Rules (the "Listing Rules") save that the Company has no formal letters of appointment for directors except the managing director setting out the key terms and conditions of their appointment, and has therefore deviated from D.1.4 of the CG Code. This notwithstanding, every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted codes of conduct regarding securities transactions by directors and by relevant employees (within the meaning of the CG Code) at least as exacting as the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out within Appendix 10 to the Listing Rules.

All directors confirmed that they had complied with the required standard set out within the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the period.

On behalf of the board
Yeung Hin Chung, John
Managing Director

Hong Kong, 26 August 2013

As at the date hereof, the board of directors of the Company comprises Cheung Chung Kiu, Yeung Hin Chung, John, Yuen Wing Shing, Wong Chi Keung, Leung Wai Fai and Tung Wai Lan, Iris who are executive directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive directors.