合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2320

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2013

FINANCIAL HIGHLIGHTS

	Six months ended		
	30.6.2013	30.6.2012	Change
	HK$ million	*HK$ million*	
Revenue	**458.0**	504.9	-9.3%
EBITDA*	**54.6**	55.2	-1.1%
Profit from operation*	**2.45**	3.59	-31.8%
	30.6.2013	31.12.2012	Change
Net gearing ratio	**38.6%**	33.5%	+5.1pp

* *Excluding other changes in fair value of derivative financial instruments*

The board of directors (the "Board" or "Directors") of Hop Fung Group Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30th June, 2013 together with the comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2013

		Six months ended	
		30.6.2013	30.6.2012
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	3	**458,023**	504,937
Cost of sales		**(380,902)**	(423,824)
Gross profit		**77,121**	81,113
Other income		**5,059**	6,355
Selling and distribution costs		**(26,812)**	(27,499)
Administrative expenses		**(32,140)**	(32,605)
Other expenses		**(10,187)**	(13,807)
Finance costs		**(12,185)**	(12,791)
Changes in fair value of derivative financial instruments	4	**879**	4,017
Profit before taxation	5	**1,735**	4,783
Income tax expense	6	**(498)**	(24)
Profit for the period, attributable to owners of the Company		**1,237**	4,759
Other comprehensive income (expense) for the period:			
Exchange differences arising from translation of foreign operations		**17,624**	(30)
Total comprehensive income for the period, attributable to owners of the Company		**18,861**	4,729
		HK cent	*HK cent*
			(Restated)
Earnings per share	8		
– basic		0.17	0.93
– diluted		0.17	0.93

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30th June, 2013

	Notes	**30.6.2013** **HK$'000** **(Unaudited)**	31.12.2012 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**1,432,811**	1,398,415
Prepaid lease payments on land use rights		**23,101**	23,216
		1,455,912	1,421,631
Current assets			
Inventories		**177,559**	143,637
Trade and other receivables	9	**163,496**	175,216
Deposits and prepayments		**11,675**	12,642
Prepaid lease payments on land use rights		**625**	621
Derivative financial instruments		**2,379**	1,489
Bank balances and cash		**183,639**	289,159
		539,373	622,764
Current liabilities			
Trade, bills and other payables	10	**192,987**	221,339
Taxation payable		**10,179**	10,501
Derivative financial instruments		**3,289**	1,186
Unsecured bank borrowings		**328,399**	313,049
		534,854	546,075
Net current assets		**4,519**	76,689
Total assets less current liabilities		**1,460,431**	1,498,320
Capital and reserves			
Share capital		**72,439**	72,439
Share premium and reserves		**1,060,829**	1,041,968
Total equity, attributable to owners of the Company		**1,133,268**	1,114,407
Non-current liabilities			
Unsecured bank borrowings		**292,794**	349,554
Deferred taxation		**34,369**	34,359
		327,163	383,913
		1,460,431	1,498,320

Notes:

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31st December, 2012, except as described below. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31st December, 2012.

In the current interim period, the Group has applied the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

IFRIC represents the International Financial Reporting Interpretations Committee.

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

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

Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
HKFRS 9	Financial Instruments[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]

[1] Effective for annual periods beginning on or after 1st January, 2014

[2] Effective for annual periods beginning on or after 1st January, 2015

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to change in financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2015, with earlier application permitted.

The Directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st January, 2015 and that the application of this new Standard will not have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

The Directors of the Company anticipate that the application of the other new or revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group's reportable and operating segments are categorised into the manufacture and sale of:

- Containerboard – corrugating medium and linerboard
- Corrugated packaging – corrugated paper boards and carton boxes

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

Segment revenues and results

For the six months ended 30th June, 2013
(Unaudited)

	Containerboard	Corrugated packaging	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE					
External sales	**64,169**	**393,854**	**458,023**	**–**	**458,023**
Inter-segment sales	**326,985**	**246**	**327,231**	**(327,231)**	**–**
Total	**391,154**	**394,100**	**785,254**	**(327,231)**	**458,023**
RESULT					
Segment profit	**6,974**	**6,067**	**13,041**	**–**	**13,041**
Finance costs					**(12,185)**
Changes in fair value of derivative financial instruments					**879**
Profit before taxation					**1,735**

For the six months ended 30th June, 2012
(Unaudited)

	Containerboard	Corrugated packaging	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE					
External sales	76,926	428,011	504,937	–	504,937
Inter-segment sales	353,971	1,446	355,417	(355,417)	–
Total	430,897	429,457	860,354	(355,417)	504,937
RESULT					
Segment profit	7,391	6,166	13,557	–	13,557
Finance costs					(12,791)
Changes in fair value of derivative financial instruments					4,017
Profit before taxation					4,783

Inter-segment sales are charged at prevailing market rates.

The majority of the Group's revenue and contribution to operating profit is attributable to customers who have their manufacturing base in the People's Republic of China (the "PRC"). Accordingly, no analysis of geographical location is presented.

4. CHANGES IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash inflow from settlement of derivative financial instruments	**2,091**	2,848
Other changes in fair value of derivative financial instruments	**(1,212)**	1,169
	879	4,017

5. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Cost of inventories recognised as expenses	**380,902**	423,824
Depreciation of property, plant and equipment	**39,161**	38,449
Release of prepaid lease payments on land use rights	**311**	308
Interest income	**(930)**	(1,851)

6. INCOME TAX EXPENSE

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	**2**	2
PRC Enterprise Income Tax	**486**	8
	488	10
Deferred tax	**10**	14
	498	24

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

The Macau subsidiaries of the Group incorporated under Decree-Law no.58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

One PRC subsidiary which is exempted from PRC EIT for two years starting from the first profit-making year, followed by a 50% reduction for the next three years pursuant to the relevant laws and regulations in the PRC, was subject to PRC EIT rate of 12.5% for the six months ended 30th June, 2012.

7. DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2013 and six months ended 30th June, 2012.

8. EARNINGS PER SHARE

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

	Six months ended	
	30.6.2013	30.6.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**1,237**	4,759
	30.6.2013	30.6.2012
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**724,386,000**	510,652,329
Effect of dilutive potential ordinary shares in respect of share options	**–**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**724,386,000**	510,652,329

All outstanding share options of the Company at 1st January, 2013 were not exercised and were lapsed on 30th April, 2013. The Company had no dilutive potential ordinary shares outstanding at 30th June, 2013.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30th June, 2012 had been adjusted retrospectively for the bonus element of the rights issue completed on 10th July, 2012.

The computation of diluted earnings per share for the six months ended 30th June, 2012 did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for the year.

9. TRADE AND OTHER RECEIVABLES

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**148,491**	160,456
Less: allowance for doubtful debts	**(1,290)**	(1,276)
	147,201	159,180
Other receivables *(Note)*	**16,295**	16,036
Total trade and other receivables	**163,496**	175,216

Note: During the year ended 31st December, 2011, the Group received a notification from the PRC local government for the return of a piece of land for its redevelopment purposes. The Group paid RMB12,000,000 in prior years to acquire that piece of land and the amount was previously included in the "prepaid lease payments on land use rights". The Group did not receive the formal legal title of that piece of land and the carrying amount of that piece of land as at 31st December, 2011 amounted to HK$14,670,000. Upon receipt of the notification, the Group reclassified the amount of HK$14,670,000 from "prepaid lease payments on land use rights" to "other receivables". As at 31st December, 2011, the Group is still in the process of negotiating with the PRC local government for an amount of compensation.

During the year ended 31st December, 2012, the Higher People's Court of Guangdong Province ordered the PRC local government to compensate the Group for an amount of RMB12,000,000 (equivalent to HK$l5,000,000) and the related interests.

The Group allows credit periods ranging from 5 to 150 days to its trade customers which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**138,798**	147,878
31 - 60 days	**7,119**	6,411
61 - 90 days	**875**	1,991
Over 90 days	**409**	2,900
	147,201	159,180

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK$45,641,000 (2012: HK$40,764,000) which were past due at the reporting date for which the Group has not provided for impairment loss. Such amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 61 days (2012: 57 days) based on invoice dates.

10. TRADE, BILLS AND OTHER PAYABLES

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

	30.6.2013	31.12.2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current	**99,659**	129,371
Overdue 1 to 30 days	**6,917**	12,705
Overdue 31 to 60 days	**229**	1,312
Overdue for more than 60 days	**1,954**	2,269
	108,759	145,657
Payables for the acquisition of property, plant and equipment	**9,126**	7,148
Other payables and accrued charges	**75,102**	68,534
	192,987	221,339

The average credit period on purchases of goods is 56 days (2012: 60 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30th June, 2013 (six months ended 30th June, 2012: nil).

BUSINESS REVIEW

The global economy saw no substantial improvements in the first half of 2013 compared to the second half of 2012, with economic recovery still at a slow pace. Changes to the leadership in China and the United States ("US") did not result in effective measures to boost the economy, with the US sticking to its policies of low interest rates and quantitative easing. China has relaxed credit to some extent and has raised infrastructure spending, but has imposed austerity measures on conspicuous spending, and some companies have gone out of business. Excess supply remains prevalent in many industries, and lower overall demand resulted in significant pressure on selling prices and a difficult business environment overall.

Given the substantial use of corrugated packaging in manufactured goods, the Group inevitably felt the impact of a weak global economy, which resulted in lower prices for our corrugated packaging products and lower demand from some customers. Fortunately, the strenuous efforts of the management team in developing new domestic customers were fruitful and the Group's sales volume was maintained in the first half of 2013.

Given such uncertainty, the Group maintained its sales strategy of focusing on products with a shorter turnaround time, to ensure satisfactory cash flow for the Group. The Group's sales volume was stable but selling prices fell, resulting in a 9% decline in revenue ("total sales") for the Group. Domestic sales came to over 80% of total sales and exports came to over 10% of total sales in the period.

Sales of the Group's upstream containerboard (corrugating medium and linerboard) fell 17% with volumes showing a slight decline, while sales of downstream corrugated packaging (corrugated paper boards and carton boxes) also fell 8% but with sales volume rising slightly. Upstream and downstream sales accounted for 14% and 86% of total sales, respectively, similar to the levels of the first half of 2012.

In the first half of the year, the Group's main raw material, waste paper, saw prices fall year on year. As around 50% of our waste paper was acquired overseas but domestic sales accounted for over 80% of total sales, the appreciation of the Renminbi resulted in a slightly higher gross margin for the Group. At the same time, operating costs were under pressure as labour and shipping costs were also trending upwards despite the current environment.

The Group still managed to break even as a result of lower wastage, reduced energy use and improved production efficiency. With the May to September period a traditional peak season for the company, the Group saw rising inventories which resulted in slightly higher but still very low net gearing levels. A reduction in trade receivables and the continued lack of bad debts demonstrated our prudent and healthy financial situation.

FINANCIAL REVIEW

Operating results

The Group recorded a fall in revenue by 9.3%, from HK$504.9 million in the first half of 2012 to HK$458.0 million in the first half of 2013, resulting from the drop in average selling price. Cost of sales fell in line with the fall in revenue. Gross profit margin slightly increased from 16.1% to 16.8%.

The drop in other income by 20.3% from HK$6.4 million to HK$5.1 million was mainly attributable to less bank interest income earned from reduced bank balances and cash.

Selling and distribution costs only fell 2.5% from HK$27.5 million to HK$26.8 million. Though sales commission fell in line with revenue, higher transportation cost was incurred.

A slight decline in administrative expenses by 1.5% from HK$32.6 million to HK$32.1 million was recorded.

Other expenses dropped 26.1% from HK$13.8 million to HK$10.2 million. The decline was mainly due to less china duty charged for falling revenue.

EBITDA (earnings before interest, tax, depreciation and amortization and other changes in fair value of derivative financial instruments) fell 1.1%, from HK$55.2 million to HK$54.6 million.

The fall in finance costs by 4.7%, from HK$12.8 million to HK$12.2 million was the result of lower average borrowing level in the first half of 2013.

Same as previous years, other changes in fair value of derivative financial instruments were recognized only for accounting purpose. They were non-cash in nature and would be reversed to zero at maturity date.

Profit from operation (profit for the period before other changes in fair value of derivative financial instruments) slid to HK$2.45 million from HK$3.59 million. The fall by 31.8% was mainly due to fall in average selling price. The profit margin from operation fell from 0.7% to 0.5%.

Profit for the period fell 73.9% from HK$4.76 million to HK$1.24 million. Basic earnings per share dropped from 0.93 HK cent to 0.17 HK cent.

Liquidity, financial and capital resources

At 30th June 2013, the Group's total cash and cash equivalents were HK$183.6 million (31st December 2012: HK$289.2 million), mostly denominated in Renminbi and Hong Kong Dollars.

Net current assets and current ratio of the Group were HK$4.5 million (31st December 2012: HK$76.7 million) and 1.01 (31st December 2012: 1.14) respectively.

The Group spent HK$54.8 million on capital expenditures for maintenance and technical upgrades to production lines and facilities.

The average inventory turnover was 76 days. Two-month shipment is basically required for delivering waste paper from Europe or the US to China.

The current bank borrowings were up by HK$15.4 million and non-current bank borrowings were down by HK$56.8 million. The balance of total bank borrowings net of bank balances and cash was increased by HK$64.1 million, owing to additional funds raised for acquiring waste paper during peak season. Net gearing ratio rose from 33.5% to 38.6%.

Contingent liabilities

The tax audits conducted by the Inland Revenue Department ("IRD") on the Company and its subsidiaries are still ongoing for the years of assessment 2004/2005 to 2010/2011. The IRD had issued protective assessments for the years of assessment 2004/2005 to 2006/2007 to certain subsidiaries of the Group. Objections were lodged against certain assessments. In the opinion of the Directors, the outcome and impact of this matter could not be determined with reasonable certainty at this stage.

OUTLOOK

Market sentiment remains poor, given the uncertainty surrounding the global economy, weak demand from both exports and domestic sales, and rising raw materials and labour costs. That said, the Group sees this as an opportunity for a shakeout in the industry. Closures of weaker players and the resulting consolidation should provide relief to the over-supply situation in China. Since the second quarter we have won many new customers especially those in western and northern Guangdong Province, pointing to the exiting of smaller suppliers in the corrugated packaging industry. We look forward to continued improvements in the market in the second half and growth for our business in the second half.

China is still the main growth engine of the world economy. With per person income far below the standards in Europe and the US, China's untapped potential remains vast. The Group is brimming with optimism towards China and we will continue to focus on domestic sales, expand market share and solidify our market position. At the same time, we will also improve production efficiency, keep our balance sheet and operations stable and maximize returns for our shareholders.

HUMAN RESOURCES

As at 30th June, 2013, the Group and the processing factory employed a total workforce of around 1,250 full time staff (31st December, 2012: 1,300). Competitive remuneration packages were offered to employees. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors namely, Messrs Chee Man Sang, Eric, Yip Kwok Kwan and Wong Chu Leung. The audit committee has reviewed with the management this results announcement and the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June, 2013 and has discussed auditing, internal control, and financial reporting matters including the review of accounting practices and principles adopted by the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30th June, 2013.

CORPORATE GOVERNANCE

The Directors strive to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The corporate governance principles of the Company emphasize the importance of a quality Board, effective internal controls and accountability to shareholders. The Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the period ended 30th June, 2013, except with the following deviations:

Code Provision A.2.1

- Code Provision A.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

- There are no written terms on division of responsibilities between the chairman and the chief executive officer. The Directors consider that the responsibilities of the chairman and chief executive officer respectively are clear and distinctive and hence written terms thereof are not necessary.

Code Provision B.1.2

- A deviation from the code provision B.1.2 is that the remuneration committee of the Company reviews and makes recommendations to the Directors on the remuneration packages of the executive Directors only but not senior management.

- Currently, the remuneration of senior management is attended by the chairman and/or chief executive officer of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Company's website (www.hopfunggroup.com) and the website of Hong Kong Exchanges and Clearing Limited (the "HKEX") (www.hkexnews.hk).

The interim report of the Company for the six months ended 30th June, 2013 will be dispatched to the Company's shareholders in September 2013 and it will be available at the Company's website and HKEX's website.

APPRECIATION

The Directors would like to take this opportunity to express our sincere thanks to our shareholders and all other associates for their supports and to our staff for their commitment and diligence during the period.

On behalf of the Board
HUI Sum Kwok
Chairman

Hong Kong, 29th August, 2013

As at the date of this announcement, the executive directors of the Company are Messrs Hui Sum Kwok, Hui Sum Ping, Hui Sum Tai and Miss Hui Yuen Li and the independent non-executive directors of the Company are Messrs Chee Man Sang, Eric, Yip Kwok Kwan and Wong Chu Leung.