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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

INTERIM RESULTS

The board of directors (the “Board”) of Century Legend (Holdings) Limited (the “Company”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2012. The unaudited consolidated results have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	<i>Notes</i>	Six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
			(Restated)
Revenue		14,039	13,293
Cost of sales		(4,335)	(4,232)
Gross profit		9,704	9,061
Other income		914	662
Fair value gain/(loss) on financial assets at fair value through profit or loss		40	(211)
Administrative expenses		(12,641)	(12,319)
Finance costs		(648)	(695)
Fair value gain on investment properties		15,830	11,632
Profit before income tax	4	13,199	8,130
Income tax expense	5	(156)	–
Profit for the period		13,043	8,130

* For identification purposes only

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Other comprehensive income		
Revaluation of available-for-sale financial assets	<u>210</u>	<u>(761)</u>
Other comprehensive income for the period	<u>210</u>	<u>(761)</u>
Total comprehensive income for the period	<u><u>13,253</u></u>	<u><u>7,369</u></u>
Profit for the period attributable to:		
Owners of the Company	<u>12,736</u>	7,801
Non-controlling interests	<u>307</u>	<u>329</u>
	<u><u>13,043</u></u>	<u><u>8,130</u></u>
Total comprehensive income for the period attributable to:		
Owners of the Company	<u>12,946</u>	7,040
Non-controlling interests	<u>307</u>	<u>329</u>
	<u><u>13,253</u></u>	<u><u>7,369</u></u>
Earnings per share attributable to the owners of the Company		
– Basic	<u><u>HK 4.28 cents</u></u>	<u><u>HK 2.62 cents</u></u>
– Diluted	<u><u>HK 3.73 cents</u></u>	<u><u>HK 2.56 cents</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

		As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Restated) HK\$'000
	<i>Notes</i>		
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		5,212	4,888
Investment properties		247,500	231,670
Prepaid land lease payments		6,042	6,132
Available-for-sale financial assets		16,474	16,261
Loan receivables		1,650	31,741
		<u>276,878</u>	<u>290,692</u>
CURRENT ASSETS			
Inventories		69	70
Prepaid land lease payments		180	180
Financial assets at fair value through profit or loss		3,962	3,938
Trade and other receivables and prepayments	7	13,680	16,637
Loan receivables		40,202	10,211
Trust bank balances held on behalf of customers		657	1,134
Cash and cash equivalents		96,277	106,612
		<u>155,027</u>	<u>138,782</u>
CURRENT LIABILITIES			
Trade payables	8	4,034	7,745
Other payables and accruals		5,128	10,529
Obligations under finance leases		121	46
Bank borrowings (secured)		53,344	55,395
Provision for taxation		2,203	2,203
		<u>64,830</u>	<u>75,918</u>
NET CURRENT ASSETS		<u><u>90,197</u></u>	<u><u>62,864</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

As at 30 June 2012

	As at 30 June 2012 (Unaudited) <i>HK\$'000</i>	As at 31 December 2011 (Restated) <i>HK\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	367,075	353,556
NON-CURRENT LIABILITIES		
Bank borrowings (secured)	5,578	5,861
Obligation under finance leases	393	–
Deferred tax liabilities	1,247	1,091
	<u>7,218</u>	<u>6,952</u>
NET ASSETS	<u>359,857</u>	<u>346,604</u>
EQUITY		
Equity attributable to the owners of the Company		
Share capital	59,534	59,534
Reserves	298,632	285,686
	<u>358,166</u>	345,220
Non-controlling interests	1,691	1,384
Total equity	<u>359,857</u>	<u>346,604</u>

NOTES TO THE INTERIM FINANCIAL REPORT

1. Principal Accounting Policies and Basis of Preparation

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

The unaudited condensed consolidated interim financial statements has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2011, except as described in note 2. The Group has not early adopted any new standards and amendments to standards that have been issued but are not yet effective. The Group is in the process of making an assessment of the potential impact of the new or revised standards.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2011.

Certain income derived and expenses incurred for the six months ended 30 June 2011 have been restated as follows:

- (i) During the period the directors have reviewed the principal activities of the Group. Having considered that income from travel related business arises incidentally during the period and in the foreseeable future, the directors have classified income from the sale of hotel vouchers and ferry tickets amounting to HK\$7,000 as other income instead of revenue. Income generated from the sale of travelling and entertainment packages during last interim period amounting to HK\$1,000 is thereby reclassified from revenue to other income to conform with the current period’s presentation. The corresponding purchase costs incurred in last interim period for those travelling and entertainment packages amounting to HK\$31,000 has been reclassified from cost of sales to administrative expenses.
- (ii) Interest income arising from margin accounts and settlement handling fee income derived in last interim period amounting to HK\$186,000 and HK\$108,000 respectively have been reclassified from other income to interest income under revenue and revenue of brokerage and commission income respectively, to conform with the current period’s presentation as the directors consider that such classification better reflect the nature of those income. For internal reporting purpose, those income have been included under the segment revenue of “Stock broking”.

The above reclassifications have no financial impact to the Group’s condensed consolidated statement of financial position, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity.

2. Adoption of New or Amended HKFRSs

Amendments to HKAS 12 – Deferred Tax – Recovery of Underlying Assets

In December 2010, the HKICPA amended HKAS 12 ‘Income taxes’, to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely through sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

The Group has adopted this amendment retrospectively for the financial period ended 30 June 2012 and the effects of adoption are disclosed as follows.

The Group has investment properties measured at their fair values totalling HK\$231,670,000 as of 1 January 2012. As required by the amendment, the Group has re-measured the deferred tax relating to certain investment properties amounting to HK\$188,370,000 according to the tax consequence on the presumption that they are recovered entirely through sale retrospectively. The comparative figures for 2011 have been restated to reflect the change in accounting policy, as summarised below.

Effect on condensed consolidated statements of financial position:

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Unaudited) HK\$'000	As at 1 January 2011 (Unaudited) HK\$'000
Decrease in deferred tax liabilities	11,195	8,798	7,093
Decrease in accumulated losses	11,195	8,798	7,093

2. Adoption of New or Amended HKFRSs (Continued)

Effect on condensed consolidated statements of comprehensive income:

	Six months ended 30 June 2012 (Unaudited) HK\$'000	Six months ended 30 June 2011 (Unaudited) HK\$'000
Decrease in income tax expense	2,397	595
Increase in net profit attributable to the owners of the Company	2,397	595
Increase in basic earnings per share	HK 0.8 cent	HK 0.2 cent
Increase in diluted earnings per share	HK 0.7 cent	HK 0.2 cent

For other investment properties amounting to HK\$43,300,000 as at 1 January 2012, the presumption is not rebutted and the related deferred tax is not remeasured.

Except as described above, there are no amendments or interpretations that are effective for this interim period that could be expected to have a material impact to the Group.

3. Segment Information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors, the chief operating decision-makers, are determined following the Group's major product and service lines. The Group is currently organised into the following four operating segments.

Health and beauty services	–	Provision of health and beauty services in Hong Kong
Money lending	–	Provision of commercial and personal loans in Hong Kong
Stock broking	–	Provision of stock brokering services in Hong Kong
Property investments	–	Investing in commercial and residential properties for its rental income potential and for capital appreciation in both Macau and Hong Kong

3. Segment Information (Continued)

As mentioned in note 1, interest income arising from margin accounts and settlement handling fee income have been classified as revenue rather than other income and have been reported as segment revenue under “Stock broking” segment. Certain comparative figures in the segment information for the six months ended 30 June 2011 has been restated accordingly.

Segment revenues and results

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

	Segment revenue		Segment profit	
	Six months ended 30 June			
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
		(Restated)		
Health and beauty services	7,344	7,322	826	918
Money lending	905	906	738	797
Stock broking	1,917	1,664	473	416
Property investments	3,873	3,401	14,086	9,504
	<u>14,039</u>	<u>13,293</u>	16,123	11,635
Unallocated other income			840	482
Fair value gain/(loss) on financial assets at fair value through profit or loss			40	(211)
Employee share option benefits cost			–	(633)
Corporate and unallocated expenses			(3,804)	(3,143)
Profit before income tax			<u>13,199</u>	<u>8,130</u>

Revenue reported above represented revenue generated from external customers.

3. Segment Information (Continued)

Segment profit represents the profit earned by each segment without allocation of central administration costs, other income, fair value gain/(loss) on financial assets at fair value through profit or loss, employee share option benefits cost and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Restated) HK\$'000
Segment assets		
Health and beauty services	1,952	2,265
Money lending	42,636	42,445
Stock broking	23,128	26,538
Property investments	<u>275,632</u>	<u>250,648</u>
Total segment assets	343,348	321,896
Available-for-sale financial assets	16,474	16,261
Financial assets at fair value through profit or loss	3,962	3,938
Corporate and unallocated assets	<u>68,121</u>	<u>87,379</u>
Consolidated total assets	<u><u>431,905</u></u>	<u><u>429,474</u></u>
 Segment liabilities		
Health and beauty services	1,143	1,360
Money lending	44	82
Stock broking	4,075	7,914
Property investments	<u>62,647</u>	<u>68,845</u>
Total segment liabilities	67,909	78,201
Provision for taxation	2,203	2,203
Deferred tax liabilities	1,247	1,091
Corporate and unallocated liabilities	<u>689</u>	<u>1,375</u>
Consolidated total liabilities	<u><u>72,048</u></u>	<u><u>82,870</u></u>

3. Segment Information (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than available-for-sale financial assets, financial assets at fair value through profit or loss and corporate assets; and
- all liabilities are allocated to reportable segments other than provision for taxation, deferred tax liabilities and corporate liabilities.

Other segment information

	Interest income		Fair value gain on investment properties		Finance cost		Addition to specified non-current assets		Depreciation and amortisation	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Health and beauty services	-	-	-	-	-	-	1	1	63	61
Money lending	905	906	-	-	-	-	-	-	-	-
Stock broking	268	186	-	-	-	-	-	50	29	12
Property investments	-	-	15,830	11,632	647	690	686	8,753	355	399
	1,173	1,092	15,830	11,632	647	690	687	8,804	447	472
Unallocated	665	169	-	-	1	5	2	8	8	30
Total	1,838	1,261	15,830	11,632	648	695	689	8,812	455	502

Geographical information

The geographical location of the specified non-current assets (i.e. non-current assets excluding financial assets) is based on the physical location of the asset. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

The following is an analysis of the carrying amount of specified non-current assets and revenue from external customers, analysed by the geographical location.

	Specified non-current assets		Revenue from external customers	
	As at 30 June 2012	As at 31 December 2011	Six months ended 30 June 2012	Six months ended 30 June 2011
	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)
Hong Kong (domicile)	205,075	190,129	12,946	12,498
Macau	53,679	52,561	1,093	795
	258,754	242,690	14,039	13,293

4. Profit before Income Tax

Profit before income tax is arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(a) Finance costs		
Interest on borrowings	636	690
Other finance costs	12	5
	<hr/>	<hr/>
Total finance costs recognized in profit or loss	<u>648</u>	<u>695</u>
(b) Other items		
Fair value (gain)/loss on financial assets at fair value through profit or loss	(40)	211
Depreciation and amortisation	455	502
	<hr/>	<hr/>

5. Income Tax Expense

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit for the six months ended 30 June 2012 and 2011. The tax charge for the current period represent deferred tax recognised for change in fair value of certain investment properties for the period.

The Group has available tax losses as at 31 December 2011 for offsetting against future profits. No deferred tax assets have been recognised as the directors consider that it is uncertain that they will crystallize in the foreseeable future.

6. Earnings per Share Attributable to the Owners of the Company

The calculation of basic earnings per share attributable to the owners of the Company for the period is based on the profit attributable to the Company's owner of HK\$12,736,000 (six months ended 30 June 2011 (restated): HK\$7,801,000) and the weighted average of 297,669,597 (six months ended 30 June 2011: 297,669,597) shares in issue during the six-month period.

The calculation of diluted earnings per share is based on the profit attributable to the equity shareholders of HK\$12,736,000 (six months ended 30 June 2011 (restated): HK\$7,801,000) and the weighted average number of 341,467,063 (six months ended 30 June 2011: 304,401,584) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

7. Trade and Other Receivables and Prepayments

	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
Trade receivables (<i>Note</i>)	11,362	14,019
<i>Less:</i> provision for impairment	<u>(281)</u>	<u>(281)</u>
Trade receivables, net	11,081	13,738
Other receivables and deposits	<u>2,599</u>	<u>2,899</u>
	<u>13,680</u>	<u>16,637</u>

Note:

The Group's trade receivables as at 30 June 2012 mainly represented the receivable balances in respect of the Group's stock broking business. The Group allows a credit period up to the settlement dates of their respective transactions (normally two business days after the respective trade dates) except for margin client receivables which are repayable on demand.

The majority of the Group's revenue is on cash basis. The remaining balances of revenue are on credit terms of thirty-sixty days. At 30 June 2012, the ageing analysis of the trade receivables, net of provision for impairment, is as follows:

	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
Repayable on demand – margin receivables	5,791	4,372
0-30 days	4,399	8,226
31-60 days	134	225
61-90 days	56	92
Over 90 days	<u>701</u>	<u>823</u>
	<u>11,081</u>	<u>13,738</u>

8. Trade Payables

As at 30 June 2012, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2012 (Unaudited) <i>HK\$'000</i>	31 December 2011 (Audited) <i>HK\$'000</i>
Repayable on demand – Trust bank balances for funds placed by customers	936	1,122
0-30 days	3,044	6,570
31-60 days	54	53
	<u>4,034</u>	<u>7,745</u>

BUSINESS REVIEW AND PROSPECTS

Overall Performance

For the six months ended 30 June 2012, the Group recorded a turnover of HK\$14,039,000, representing a 5.6% increase from the corresponding period of last year (1H2011 (restated): HK\$13,293,000). Gross profit for the period under review was HK\$9,704,000, representing a 7.1% increase from the corresponding period of last year. (1H2011 (restated): HK\$9,061,000).

The Group delivered a net profit of HK\$13,043,000 compared to a net profit of HK\$8,130,000 (restated) from the corresponding period of last year. The increase in net profit was mainly attributed to increase in gain of HK\$4,198,000 compared to the same period last year in revaluation of investment properties. Before the gain from revaluation the Group incurred loss of HK\$2,787,000.

Property Investment Business

In the period under review, the Group made no purchase or sale of investment properties while trading transactions declined and property prices slightly increased in both Macau and Hong Kong real estate market. The Group's existing properties portfolio comprising of offices, a retail shop, residential properties and an en-bloc commercial property currently operating as a boutique hotel all of which are high quality assets to provide capital appreciation potential and serve as a stable stream of income to the Group.

During the first half of 2012, our properties portfolio in Macau and Hong Kong contributed desirable rental income of HK\$3,873,000 to the Group while fair value of our investment properties increased by HK\$15,830,000 as of 30 June 2012.

Health and Beauty Business

Health and beauty business remains a stable and strong contributor to the revenue of the Group. For the first half of 2012, the Health and Beauty business segment reported a turnover of HK\$7,344,000 representing a minimal 0.3% increase to the corresponding period last year while segment profit dropped 10% to HK\$826,000 when compared to that of the same period in 2011.

Increase in material cost and labour cost are major causes for the decrease in segment profit. To keep our competitive edge, management team will further step up its effort in enhancing operational efficiency and cost structure as well as exploring new services and marketing strategies.

Other Business Segments

During the first half of 2012, the stock brokerage business segment recorded a turnover and segment profit in the respective amounts of HK\$1,917,000 and HK\$473,000, representing 15.2% and 13.7% increment respectively compared to the same period last year. New account executives were recruited in the second half of last year which strengthened our sales force and thus increased the stock brokerage business profit.

Money lending business remained stable during the first half of 2012 generating a turnover of HK\$905,000 approximately the same level as that of the corresponding period last year. The segment recorded a profit of HK\$738,000, compared to a profit of HK\$797,000 same period in 2011. Interest income derived from this business segment increased our return on surplus cash in the low interest environment.

Prospects

Looking forward to the second half of 2012, the economic situation in both Hong Kong and Macau are not optimistic. First and foremost, the European debt crisis remains unsolved. Despite government officials of different countries in Eurozone and respective people from European Union and European Central Bank have reiterated that they will adopt decisive and effective measures to solve the current crisis, as a matter of fact in reality, the governments of different countries and the relevant organizations failed to reach a consensus so far. Therefore, specific measures are still hanging in the air. In United States, the economic recovery is far from satisfactory and despite some rumors about the third round of quantitative easing monetary policies to be launched by the US government to stimulate the economy, the introduction of relevant measures are yet to be seen and no concrete actions are being taken. In Mainland China, the first half of 2012 witnessed a slowdown economic growth with a GDP growth rate of less than 8%, responding to the new economic development trend proposed by Premier Wen Jiabao at the Fifth Session of the 11th National People's Congress. The foregoing external economic landscape will bring perplexities and uncertainties to the economic conditions of Hong Kong and Macau in the second half of the year.

Prospects (Continued)

In the property market, Hong Kong and Macau both saw declines in trading volume in the first half of 2012, but real prices were going up slightly. Despite the measures introduced by the governments of Hong Kong and Macau to suppress property prices last year, there was no significant falling back in property prices except a slight shrink in trading volume. It had truly reflected in general the investors attitude in property market that both purchasers and vendors are observing the imminent change of market trend. At the same time, it is also evident that investors are not fully confident about the future property market conditions. In light of the uncertainties in the market trend, the Group will adhere to its stable and prudent investing approach and continues to monitor closely the investment opportunities in the property market. It will leverage on its healthy financial position and strive to purchase high-quality properties to enhance its property investment portfolio. In addition, as mentioned in last year's interim report of the Group, the leases for certain core investment properties of the Group expired one after another in 2012. Currently, the properties leases renewals in Macau have been renewed at the date of this announcement. The lease renewals of the Hong Kong the properties are still in progress. The management will actively procure the completion of the lease renewal in the latter half year upon which will improve the contributions of rental income to the profits of the Group in the short run.

The Group will operate our other businesses in line with the planning and budget set by the management at the beginning of the year. Based on the business performance in the first half year, we are fully confident that all targets set at the beginning of the year can be achieved as scheduled by the end of 2012. Nevertheless, the management will cautiously review our businesses development at regular intervals and make necessary adjustments as and when it is appropriate.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2012, the Group had a cash and bank balance of HK\$96,277,000 and net current assets of HK\$90,197,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2012 was approximately 2.39 (31 December 2011: 1.83). The Group maintained a strong working capital position during the reviewing period.

The sales and purchase of the Group are mainly denominated in Hong Kong dollars. The Directors consider that the Group's exposure to fluctuations in exchange rates was minimal.

During the period under review, the Group's certain investment properties were pledged to banks to secure the bank borrowing of approximately HK\$58,922,000 as at 30 June 2012, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 30 June 2012 (31 December 2011: Nil). The Group had no significant capital commitments as at 30 June 2012 (31 December 2011: HK\$531,000).

Capital Structure of the Group

During the period under review, the Group had total equity HK\$359,857,000, HK\$514,000 fixed rate liability, HK\$58,922,000 floating rate liability and HK\$12,612,000 interest-free liabilities, representing 0.14%, 16.4% and 3.5% of the Group's total equity respectively. The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 30 June 2012 was approximately 1.66% (31 December 2011 (revised): 1.69%).

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2012.

EMPLOYEE AND REMUNERATION POLICY

For the period ended, the Group employed approximately a total of 44 employees (30 June 2011: 44) with staff costs excluding directors' emoluments amounted to HK\$4,062,000 (30 June 2011: HK\$4,159,000).

The Group's emoluments policies are formulated on the performance of individuals and are competitive to the market. Employee remuneration is reviewed and determined by management annually based on both employees' individual and Group's overall performance.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CORPORATE GOVERNANCE

Compliance with the Code of Best Practice of the Listing rules

None of the Directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2012, in compliance with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules, save for the deviations set out below.

Code A.2.1

As at 30 June 2012, Mr. TSANG Chiu Mo Samuel is the Executive Chairman of the Company and no Chief Executive Officer has been appointed. The responsibilities of Chief Executive Officer have been carried out by Mr. TSANG Chiu Mo Samuel. The Board believes that it is in the best interest of the Company and the shareholders as a whole for Mr. TSANG Chiu Mo Samuel, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board in an effective manner, to continue to carry out the responsibilities of Chief Executive Officer, which ensures on the effectiveness and efficiency of the decision making process of the Board.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30 June 2012 with the directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2012.

By Order of the Board
TSANG CHIU MO SAMUEL
Executive Chairman

Hong Kong, 22 August 2012

As at the date of this announcement, the Board comprises seven Directors, of which four are executive Directors, namely Mr. Tsang Chiu Mo Samuel, Mr. Tsang Chiu Ching, Ms. Tsang Chiu Yuen Sylvia and Ms. Chu Ming Tak Evans Tania; and three are independent non-executive Directors, namely Mr. Hui Yan Kit, Mr. Wong Tak Ming Gary and Mr. Au Chi Wai Edward.