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## TAI SANG LAND DEVELOPMENT LIMITED

### 大生地產發展有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 89)

#### 2011 INTERIM RESULTS

The board of directors of Tai Sang Land Development Limited (the “Company”) is pleased to announce the unaudited Condensed Consolidated Interim Financial Information of the Company and its subsidiary companies (collectively the “Group”) for the six months ended 30th June 2011 is as follows:

#### 1. CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30TH JUNE 2011 – UNAUDITED

	<i>Note</i>	<b>For the six months ended 30th June</b>	
		<b>2011</b>	2010
		<b>HK\$'000</b>	HK\$'000
			(Restated)
Revenues	2	<b>88,419</b>	78,357
Cost of sales	3	<b>(30,616)</b>	(24,516)
Gross profit		<b>57,803</b>	53,841
Fair value gains on investment properties		<b>489,453</b>	213,072
Other (losses)/gains, net	4	<b>(1,268)</b>	653
Administrative expenses	3	<b>(35,886)</b>	(34,884)
Other operating expenses	3	<b>(7,464)</b>	(6,324)
Operating profit		<b>502,638</b>	226,358
Finance income	5	<b>6</b>	21
Finance costs	5	<b>(3,341)</b>	(3,123)
Finance costs, net		<b>(3,335)</b>	(3,102)
Profit before income tax		<b>499,303</b>	223,256
Income tax expense	6	<b>(16,493)</b>	(5,638)
Profit for the period		<b>482,810</b>	217,618
Attributable to:			
Equity holders of the Company		<b>461,949</b>	207,153
Non-controlling interests		<b>20,861</b>	10,465
		<b>482,810</b>	217,618
Dividend	7	<b>8,630</b>	8,630
Interim dividend per share	7	<b>HK3 cents</b>	HK3 cents
Earnings per share (basic and diluted)	8	<b>HK161 cents</b>	HK72 cents

**2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30TH JUNE 2011 – UNAUDITED**

	<b>For the six months ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b> (Restated)
Profit for the period	<b>482,810</b>	217,618
Other comprehensive income		
Net fair value loss on available-for-sale financial assets	<b>(2,211)</b>	(1,265)
Impairment loss on available-for-sale financial assets transferred to income statement	<b>2,001</b>	1,144
Exchange translation difference	<b>14</b>	–
Other comprehensive income for the period	<b>(196)</b>	(121)
Total comprehensive income for the period	<b>482,614</b>	217,497
Total comprehensive income attributable to:		
Equity holders of the Company	<b>460,447</b>	206,614
Non-controlling interests	<b>22,167</b>	10,883
	<b>482,614</b>	217,497

**3. CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 30TH JUNE 2011 – UNAUDITED**

	<i>Note</i>	As at <b>30th June</b> <b>2011</b> <i>HK\$'000</i>	As at 31st December 2010 <i>HK\$'000</i> (Restated)
Non-current assets			
Property, plant and equipment		<b>199,150</b>	165,363
Investment properties		<b>4,316,495</b>	3,808,829
Available-for-sale financial assets		<b>69,323</b>	71,451
		<u><b>4,584,968</b></u>	<u>4,045,643</u>
Current assets			
Properties for sale		<b>101,102</b>	111,337
Available-for-sale financial assets		<b>3,332</b>	3,332
Debtors and prepayments	9	<b>31,216</b>	25,199
Current income tax recoverable		<b>877</b>	1,324
Bank balances and cash		<b>24,605</b>	24,047
		<u><b>161,132</b></u>	<u>165,239</u>
Current liabilities			
Rental and other deposits		<b>33,619</b>	31,631
Creditors and accruals	10	<b>26,453</b>	32,444
Current income tax liabilities		<b>28,643</b>	27,656
Short term bank loans – secured		<b>304,000</b>	241,000
Bank overdrafts – secured		<b>1,842</b>	2
Current portion of long term bank loans – secured		<b>1,859</b>	1,859
		<u><b>396,416</b></u>	<u>334,592</u>
Net current liabilities		<u><b>(235,284)</b></u>	<u>(169,353)</u>
Total assets less current liabilities		<u><b>4,349,684</b></u>	<u>3,876,290</u>

	<i>Note</i>	<b>As at 30th June 2011 HK\$'000</b>	As at 31st December 2010 HK\$'000 (Restated)
<b>Non-current liabilities</b>			
Long term bank loans – secured		(132,480)	(133,323)
Deferred income tax liabilities		(59,127)	(46,193)
		<u>(191,607)</u>	<u>(179,516)</u>
<b>Net assets</b>		<b><u>4,158,077</u></b>	<b><u>3,696,774</u></b>
<b>Equity</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		287,670	287,670
Reserves		3,715,317	3,263,500
2010 final dividend proposed		–	20,137
2011 interim dividend declared		8,630	–
		<u>4,011,617</u>	<u>3,571,307</u>
<b>Non-controlling interests</b>		<b><u>146,460</u></b>	<b><u>125,467</u></b>
<b>Total equity</b>		<b><u>4,158,077</u></b>	<b><u>3,696,774</u></b>

## (1) Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30th June 2011 (the “Condensed Consolidated Interim Financial Information”) has been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets at fair value, and in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Group had net current liabilities of HK\$235,284,000 as at 30th June 2011. The current liability mainly consisted of short term bank loans of HK\$304,000,000, of which a loan of HK\$200,000,000 was renewed in December 2010 and was subject to future annual renewal. Based on the Group’s history of refinancing, its available banking facilities and its assets backing, the Directors consider that the Group will be able to obtain sufficient financial resources so as to enable it to operate and meet its liabilities as and when they fall due.

Except as described below, the accounting policies and methods of computation used in the preparation of the Condensed Consolidated Interim Financial Information are consistent with those used in the annual report for the year ended 31st December 2010 (the “2010 Annual Report”). The Condensed Consolidated Interim Financial Information should be read in conjunction with the 2010 Annual Report, which has been prepared in accordance with the Hong Kong Financial Reporting Standards.

In 2011, the Group adopted the following new/revised standards and amendments of Hong Kong Financial Reporting Standards (“HKFRSs”), which include all Hong Kong Accounting Standards (“HKASs”) and applicable Interpretations, which are effective for the accounting periods beginning on 1st January 2011:

HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issue
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

### Improvements to existing standards

HKAS 1 (Revised) (Amendment)	Presentation of Financial Statements
HKAS 27 (Revised) (Amendment)	Consolidated and Separate Financial Statements
HKAS 34 (Amendment)	Interim Financial Reporting
HKFRS 3 (Revised) (Amendment)	Business Combinations
HKFRS 7 (Amendment)	Financial Instruments: Disclosures
HK(IFRIC)-Int 13 (Amendment)	Customer Loyalty Programmes

In addition, the Group early adopted HKAS 12 (Amendment) “Deferred Tax: Recovery of Underlying Assets” which is effective for the financial year beginning on 1st January 2012.

Except for the adoption of HKAS 12 (Amendment) has resulted in a change in accounting policies as described below which has been applied retrospectively, the adoption of the other new HKFRSs in the current period did not have any significant effect on the Condensed Consolidated Interim Financial Information or result in any substantial changes in the Group’s significant accounting policies except for certain revised presentation and disclosures in the Condensed Consolidated Interim Financial Information.

HKAS 12 (Amendment) introduces a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Prior to the amendment, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use.

The Group has reassessed the measurement of deferred taxation by applying the rebuttable presumption that the carrying amount of investment property will be recovered through sale.

The effects of the change in the accounting policy following the adoption of HKAS 12 (Amendment) on the condensed consolidated income statement are as follows:

	<b>For the six months ended 30th June</b>	
	<b>2011</b>	2010
	<b>HK\$'000</b>	<b>HK\$'000</b>
Decrease in income tax expense and increase in profit for the period	<b>55,494</b>	29,194
Attributable to:		
Equity holders of the Company	<b>52,262</b>	27,719
Non-controlling interests	<b>3,232</b>	1,475
	<b>55,494</b>	29,194
Increase in earnings per share	<b>HK18 cents</b>	HK10 cents

The effects of the change in the accounting policy following the adoption of HKAS 12 (Amendment) on the condensed consolidated balance sheet are as follows:

	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2011</b>	2010
	<b>HK\$'000</b>	<b>HK\$'000</b>
Decrease in deferred income tax liabilities and increase in total equity	<b>474,930</b>	419,436
Attributable to:		
Equity holders of the Company	<b>453,431</b>	401,169
Non-controlling interests	<b>21,499</b>	18,267
	<b>474,930</b>	419,436

The HKICPA has issued certain new and revised standards, interpretations and amendments which are not yet effective for the year ending 31st December 2011. The Group has not early adopted these standards, interpretations and amendments in the Condensed Consolidated Interim Financial Information. The Group is not yet in a position to state whether any substantial changes to the Group's accounting policies and presentation of financial information will be resulted upon adoption of these standards, interpretations and amendments.

## (2) Segment information

The chief operating decision-maker has been identified as the Board of Directors of the Company. The Board of Directors reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Board of Directors considers the business from a geographic perspective and has identified the operating segments of the Group in Hong Kong and North America.

The Board of Directors assesses the performance of the operating segments based on their underlying profit/(loss), which is measured by profit after income tax excluding fair value gains on investment properties and deferred income tax on fair value gains on investment properties, and their segment assets and segment liabilities which is measured in a manner consistent with that in the Condensed Consolidated Interim Financial Information.

There are no sales between the operating segments.

	<b>Hong Kong</b>	<b>North</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>For the six months ended 30th June 2011</b>			
Segment revenues			
Property rental	67,172	16,995	84,167
Property related services	4,252	–	4,252
Total segment revenues	<u>71,424</u>	<u>16,995</u>	<u>88,419</u>
Segment results – underlying profit/(loss)	8,953	(1,969)	6,984
Fair value gains on investment properties	435,735	53,718	489,453
Deferred income tax expense on fair value gains on investment properties	–	(13,627)	(13,627)
Profit for the period	<u>444,688</u>	<u>38,122</u>	<u>482,810</u>
Included in segment results:			
Impairment loss on available-for-sale financial assets	(2,001)	–	(2,001)
Finance income	1	5	6
Finance costs	(1,966)	(1,375)	(3,341)
Income tax expense (note)	(2,853)	(13)	(2,866)
Depreciation	(4,856)	(762)	(5,618)
Capital expenditure	<u>22,699</u>	<u>2,707</u>	<u>25,406</u>
<b>As at 30th June 2011</b>			
Property, plant and equipment	184,444	14,706	199,150
Investment properties	3,921,550	394,945	4,316,495
Non-current assets (excluding available-for-sale financial assets)	<u>4,105,994</u>	<u>409,651</u>	<u>4,515,645</u>
Non-current available-for-sale financial assets	69,323	–	69,323
Current assets	142,757	18,375	161,132
Segment assets	<u>4,318,074</u>	<u>428,026</u>	<u>4,746,100</u>
Current liabilities	383,698	12,718	396,416
Non-current liabilities	35,423	156,184	191,607
Segment liabilities	<u>419,121</u>	<u>168,902</u>	<u>588,023</u>

	Hong Kong <i>HK\$'000</i>	North America <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30th June 2010 (Restated)			
Segment revenues			
Property rental	58,519	16,193	74,712
Property related services	3,645	–	3,645
Total segment revenues	<u>62,164</u>	<u>16,193</u>	<u>78,357</u>
Segment results – underlying profit/(loss)	8,797	(2,221)	6,576
Fair value gains on investment properties	195,226	17,846	213,072
Deferred income tax expense on fair value gains on investment properties	–	(2,030)	(2,030)
Profit for the period	<u>204,023</u>	<u>13,595</u>	<u>217,618</u>
Included in segment results:			
Impairment loss on available-for-sale financial assets	(1,144)	–	(1,144)
Finance income	2	19	21
Finance costs	(1,709)	(1,414)	(3,123)
Income tax expense ( <i>note</i> )	(3,595)	(13)	(3,608)
Depreciation	(5,189)	(752)	(5,941)
Capital expenditure	<u>19,178</u>	<u>1,128</u>	<u>20,306</u>
As at 31st December 2010 (Restated)			
Property, plant and equipment	149,955	15,408	165,363
Investment properties	3,470,250	338,579	3,808,829
Non-current assets (excluding available-for-sale financial assets)	3,620,205	353,987	3,974,192
Non-current available-for-sale financial assets	71,451	–	71,451
Current assets	148,868	16,371	165,239
Segment assets	<u>3,840,524</u>	<u>370,358</u>	<u>4,210,882</u>
Current liabilities	322,603	11,989	334,592
Non-current liabilities	36,116	143,400	179,516
Segment liabilities	<u>358,719</u>	<u>155,389</u>	<u>514,108</u>

*Note:* Balance excludes deferred income tax expense on fair value gains on investment properties.



**(3) Cost and expenses**

	<b>For the six months ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation	5,618	5,941
Outgoings in respect of		
– investment properties	21,423	16,913
– properties for sale	6,013	4,593
– property related services	2,851	2,680
– property, plant and equipment	329	330
Operating lease rental for office premises to a related company	739	1,364
Staff costs	21,354	19,832
Others	15,639	14,071
	<hr/>	<hr/>
Total cost of sales, administrative and other operating expenses	<b>73,966</b>	<b>65,724</b>

**(4) Other (losses)/gains, net**

	<b>For the six months ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Dividend income from available-for-sale financial assets		
– listed	683	631
– unlisted	–	1,200
Profit/(loss) on disposal of plant and equipment, net	50	(34)
Impairment loss on available-for-sale financial assets	(2,001)	(1,144)
	<hr/>	<hr/>
	<b>(1,268)</b>	<b>653</b>

**(5) Finance income and costs**

	<b>For the six months ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Finance income		
Interest income from banks	6	21
Finance costs		
Interest expense of bank loans and overdrafts wholly repayable within five years	(3,341)	(3,123)
	<hr/>	<hr/>
Finance costs, net	<b>(3,335)</b>	<b>(3,102)</b>

**(6) Income tax expense**

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the period. No overseas taxation (2010: HK\$Nil) has been provided as there is no estimated taxable profit of the overseas subsidiary companies for the period, except for the minimum United States state tax.

The amount of income tax charged to the condensed consolidated income statement represents:

	<b>For the six months ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Restated)</b>
Current income tax		
– Hong Kong profits tax	<b>3,546</b>	3,571
– overseas taxation	<b>13</b>	13
	<hr/>	<hr/>
	<b>3,559</b>	3,584
Deferred income tax	<b>12,934</b>	2,054
	<hr/>	<hr/>
	<b>16,493</b>	5,638
	<hr/> <hr/>	<hr/> <hr/>

**(7) Dividend**

	<b>For the six months ended 30th June</b>	
	<b>2011</b>	<b>2010</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interim, declared, of HK3 cents (2010: HK3 cents) per ordinary share	<b>8,630</b>	8,630
	<hr/> <hr/>	<hr/> <hr/>

At a meeting held on 24th August 2011, the directors declared an interim dividend of HK3 cents per ordinary share for the year ending 31st December 2011. This declared dividend is not reflected as a dividend payable in this Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 31st December 2011.

**(8) Earnings per share**

The calculation of basic earnings per share is based on profit attributable to equity holders of the Company of HK\$461,949,000 (2010 Restated: HK\$207,153,000) and on 287,669,676 (2010: 287,669,676) ordinary shares in issue during the period.

As there are no dilutive potential ordinary shares for the six months ended 30th June 2011 and 2010, the diluted earnings per share is equal to the basic earnings per share.

**(9) Debtors and prepayments**

Included in debtors and prepayments are trade debtors of HK\$1,431,000 (at 31st December 2010: HK\$1,325,000) and their ageing analysis is as follows:

	<b>As at 30th June 2011 HK\$'000</b>	<b>As at 31st December 2010 HK\$'000</b>
Current	727	434
31 – 60 days	316	275
61 – 90 days	7	218
Over 90 days	381	398
	<u>1,431</u>	<u>1,325</u>

The trade debtors represent rental and management fee receivables. Sales are made on open account terms and the Group normally does not grant credit period to rental receivables, and grants 30 days credit period to management fees receivables.

**(10) Creditors and accruals**

Included in creditors and accruals are trade creditors of HK\$7,300,000 (at 31st December 2010: HK\$11,328,000) and their ageing analysis is as follows:

	<b>As at 30th June 2011 HK\$'000</b>	<b>As at 31st December 2010 HK\$'000</b>
Current	6,774	10,637
31 – 60 days	61	184
61 – 90 days	–	30
Over 90 days	465	477
	<u>7,300</u>	<u>11,328</u>

## **CHAIRMAN'S STATEMENT**

### **Result**

I am pleased to report that the Group's consolidated profit for the first half of 2011 was HK\$482.8 million, an increase of 121.9% as compared to consolidated profit for the same period last year of HK\$217.6 million (restated). The consolidated profit for the first half of 2011 included fair value gains on investment properties (net of deferred tax) of HK\$475.8 million, as compared to fair value gains on investment properties (net of deferred tax) of HK\$211.0 million (restated) for the same period last year.

Excluding the effect on fair value changes on investment properties, the Group's underlying profit was approximately HK\$7.0 million and the corresponding figure for the first half of 2010 was approximately HK\$6.6 million (restated). The slight increase in the underlying profit for the current period attributed to the increase in rental income, but was set off by the increase in renovation works on properties.

As at 30th June 2011, the investment properties of the Group were revalued at HK\$4,316.5 million (31st December 2010: HK\$3,808.8 million). Total equity amounted to HK\$4,158.1 million (31st December 2010: HK\$3,696.8 million (restated)).

### **New business**

On 17th June 2011, a subsidiary company of the Company was granted a licence for operating a hotel at 2nd to 4th Floors and 18th to 21st Floors of Hollywood Centre, 77-91 Queen's Road West, Sheung Wan, Hong Kong. The hotel consists of 46 rooms and will put into full operation in the last quarter of 2011.

### **Dividend**

The directors have declared an interim dividend of HK3 cents (2010: HK3 cents) per ordinary share.

### **Outlook**

The weakened economic prospects of the U.S. coupled with the sovereign debt problems in Europe caused the recent market turmoil. Amid the volatility, the Company will closely monitor the market situation and stay vigilant. It is however believed that Asian market and the Greater China region are unlikely deeply affected by the current tumultuous global markets.

**William Ma Ching Wai**

*Chairman*

Hong Kong, 24th August 2011

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review and prospects

In Hong Kong, the gross rental income increased 14.8% or HK\$8.7 million to HK\$67.2 million as compared to the same period last year. Following the completion of the additional lifts and structural enhancement works at Tai Sang Container and Godown Centre, the rental contribution resumed and increased by HK\$3.3 million. The rental demand for the luxury residential units and shops remains strong in the mid-2011, the rental contribution from these sectors increased by HK\$5.4 million.

In the USA, the rental income from Montgomery Plaza increased slightly by 5% or HK\$0.8 million to HK\$17.0 million as compared to the same period last year. The office spaces occupancy rate of Montgomery Plaza increased to 89% at mid-year 2011 and the average office rent per square feet per annum maintained at about US\$34.7. The rental will stabilize for the second half of 2011.

### The Group's liquidity and financial resources

During the relevant period, the Group's total bank borrowings increased HK\$64.0 million to HK\$440.2 million. The total equity increased HK\$461.3 million to HK\$4,158.1 million (at 31st December 2010: HK\$3,696.8 million (restated)) and long term bank loans outstanding as at 30th June 2011 amounted to HK\$134.3 million (at 31st December 2010: HK\$135.2 million). The debt to equity ratio was 10.6% (at 31st December 2010: 10.2% (restated)). The banking facilities available are sufficient for the Group's working capital. The Group's financial flexibility remains healthy.

### Capital structure of the Group

The capital structure of the Group has not changed materially from the last annual report. The Group's borrowings are primarily denominated in Hong Kong and United States dollars. The Group therefore has no significant exposure to foreign exchange fluctuation.

The maturity of the Group's long term bank loans is as follows:

	<b>As at 30th June 2011 HK\$'000</b>	<b>As at 31st December 2010 HK\$'000</b>
–within one year	1,859	1,859
–in the second year	132,480	1,859
–in the third to fifth years inclusive	–	131,464
	<u>134,339</u>	<u>135,182</u>

The Group's total bank borrowings of HK\$440.2 million (at 31st December 2010: HK\$376.2 million) are secured by certain properties with an aggregate carrying amount of HK\$2,137.7 million (at 31st December 2010: HK\$1,921.7 million).

### **Significant investment held and their performance and future prospects**

The Group held certain listed investments with fair value as at 30th June 2011 of HK\$51.3 million (at 31st December 2010: HK\$58.4 million). An impairment loss on a listed security of HK\$2.0 million has been reflected in the Group's condensed consolidated income statement.

The Group held 12% equity interest in The Yangtze Ventures Limited and The Yangtze Ventures II Limited (collectively "Yangtze"). The fair value of the Group's equity interest in Yangtze as at 30th June 2011 was HK\$21.3 million (at 31st December 2010: HK\$16.3 million).

### **Details of number and remuneration of employees**

Including the directors of the Group as at 30th June 2011, the Group employed a total of 151 full-time employees. In addition to salary payment, other benefits include discretionary bonus, insurance, medical schemes and mandatory provident fund schemes.

### **INTERIM DIVIDEND AND RECORD DATE**

The Board of Directors has resolved to declare an interim dividend of HK3 cents (2010: HK3 cents) per ordinary share, payable on 28th September 2011 to shareholders whose names standing on the register of members at the close of business on 14th September 2011 (the "Record Date"). In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 14th September 2011.

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

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

## **CORPORATE GOVERNANCE**

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the accounting period covered by the interim report.

The Company has adopted codes of conduct regarding securities transactions by Directors (as defined in the CG Code) on terms no less exacting than the required standard set out in the Model Codes for Securities Transactions by Directors of Listed Issuers (the “Model Codes”) contained in Appendix 10 of the Listing Rules.

On specific enquires made, all Directors have confirmed that, in respect of the accounting period covered by the interim report, they have complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions.

## **INDEPENDENT REVIEW**

The interim results have been reviewed by the Audit Committee of the Company. The interim results for the six months ended 30th June 2011 are unaudited, but have also been reviewed by PricewaterhouseCoopers, the Company’s independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A Report on Review of Interim Financial Information is included in the interim report to be sent to shareholders.

By Order of the Board  
**William Ma Ching Wai**  
*Chairman*

Hong Kong, 24th August 2011

### **Registrar and Transfer office**

Computershare Hong Kong Investor Services Limited  
17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong

*As at the date of this announcement, the Board comprised of eleven Directors, of which Mr. Ma Ching Wai, William, Mr. Ma Ching Hang, Patrick, Mr. Ma Ching Kuen, Alfred, Ms. Ma Ching Sau, Amy, Ms. Ma Ching Man, Katy, Ms. Ma Ching Keung, Ruth and Mr. Ma Ching Yeung, Philip are Executive Directors, Mr. Cheung Wing Yui, Edward is Non-executive Director, and Mr. Chau Kwok Fun, Kevin, Mr. Tan Soo Kiu and Mr. Wong Hing Kwok, William are Independent Non-executive Directors.*