ZHONG HUA INTERNATIONAL HOLDINGS LIMITED
中華國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1064)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

The board of directors (the "Directors") of Zhong Hua International Holdings Limited (the "Company") would like to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012 (the "Annual Results"), together with the comparative figures and the relevant explanatory notes, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	Notes	**2012** *HK$'000*	2011 *HK$'000*
REVENUE	2	**35,055**	34,200
Other income		**403**	9,835
Changes in fair value of investment properties		**80,342**	91,440
Administrative expenses		**(19,906)**	(20,067)
Finance costs	3	**(10,865)**	(11,022)
PROFIT BEFORE TAX	4	**85,029**	104,386
Income tax expense	5	**(23,890)**	(13,767)
PROFIT FOR THE YEAR		**61,139**	90,619
Attributable to:			
Ordinary equity holders of the Company		**13,729**	32,640
Non-controlling interests		**47,410**	57,979
		61,139	90,619
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK$0.09**	HK$0.22
Diluted		**HK$0.09**	HK$0.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012	2011
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**61,139**	90,619
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	**39,525**	99,457
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**100,664**	190,076
Attributable to:		
Ordinary equity holders of the Company	**25,220**	64,905
Non-controlling interests	**75,444**	125,171
	100,664	190,076

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**7,515**	8,024
Investment properties		**3,700,000**	3,545,844
Investments in jointly-controlled entities		**–**	–
Total non-current assets		**3,707,515**	3,553,868
CURRENT ASSETS			
Properties held for sales		**41,364**	40,702
Trade receivables	8	**12,482**	11,544
Prepayments, deposits and other receivables		**18,218**	13,794
Cash and bank balances		**24,782**	59,148
Total current assets		**96,846**	125,188
CURRENT LIABILITIES			
Trade payables	9	**(3,429)**	(246)
Tax payable		**(33,335)**	(28,998)
Other payables and accruals		**(41,590)**	(85,191)
Interest-bearing bank and other borrowings		**(7,698)**	(6,915)
Total current liabilities		**(86,052)**	(121,350)
NET CURRENT ASSETS		**10,794**	3,838
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,718,309**	3,557,706
NON-CURRENT LIABILITIES			
Loan from a director		**(79,975)**	(78,695)
Due to a director		**(147,959)**	(115,599)
Long term other payables		**(123,607)**	(122,814)
Interest-bearing bank and other borrowings		**(50,569)**	(57,466)
Deferred tax liabilities		**(769,833)**	(737,430)
Total non-current liabilities		**(1,171,943)**	(1,112,004)
Net assets		**2,546,366**	2,445,702
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**15,140**	15,140
Reserves		**780,214**	754,994
		795,354	770,134
Non-controlling interests		**1,751,012**	1,675,568
Total equity		**2,546,366**	2,445,702

Notes:

1.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the investment properties, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of amendments to HKAS 12, the adoption of the revised HKFRSs has had no significant effect on these financial statements.

The HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. Prior to the adoption of the amendments, deferred tax with respect to the Group's investment properties was provided on the basis that the carrying amount will be recovered through use, and accordingly the profits tax rate had been applied to the calculation of deferred tax arising on the revaluation of the Group's investment properties.

The presumption that deferred tax on investment property measured at fair value should be determined on basis that its carrying amount will be recovered through sale has been rebutted by the Group as the Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly, deferred tax has been determined on the basis of recovery through use. The adoption of the amendments did not have any impact on the financial position or performance of the Group.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *– Transition Guidance*[2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) *– Investment Entities*[3]
HKFRS 13	*Fair Value Measurement*[2]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[1]
HKAS 19 (2011)	*Employee Benefits*[2]
HKAS 27 (2011)	*Separate Financial Statements*[2]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[3]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

2. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents gross rental income, after elimination of all significant intra-group transactions less any applicable turnover taxes.

For management purposes, the Group is organised into business units based on their services and two reportable operating segments as follows:

(a) the property investment segment, which invests in properties located in Mainland China for rental income potential; and

(b) the corporate and others segment, which provides management services to group companies.

The management of the Group (the "Management") monitors the results of its operating segments separately for the purpose of making decision about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax from operations. The adjusted profit/(loss) before tax from operations is measured consistently with the Group's profit/(loss) before tax from operations except that other income and finance costs are excluded from such measurement. Segment assets exclude cash and bank balances as it is managed on a group basis. Segment liabilities exclude certain other payables, tax payable, deferred tax liabilities, interest-bearing bank and other borrowings and a loan from a director as these liabilities are managed on a group basis.

	Property investment		Corporate and others		Total	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**35,055**	34,200	**–**	–	**35,055**	34,200
Segment results	**105,989**	114,332	**(10,498)**	(8,759)	**95,491**	105,573
Other income					**403**	9,835
Finance costs					**(10,865)**	(11,022)
Profit before tax					**85,029**	104,386
Income tax expense					**(23,890)**	(13,767)
Profit for the year					**61,139**	90,619
Segment assets	**3,778,266**	3,618,371	**1,313**	1,537	**3,779,579**	3,619,908
Unallocated assets					**24,782**	59,148
Total assets					**3,804,361**	3,679,056
Segment liabilities	**281,512**	246,918	**35,073**	34,932	**316,585**	281,850
Unallocated liabilities					**941,410**	951,504
Total liabilities					**1,257,995**	1,233,354
Other segment information:						
Capital expenditure	**14,614**	–	**–**	886	**14,614**	886
Depreciation	**398**	396	**221**	523	**619**	919
Impairment of other receivables	**–**	1,901	**–**	–	**–**	1,901

Geographical information

Revenues are attributed to the segments based on the locations of the customers, and assets are attributed to the segments based on the locations of the assets. No geographical information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the Group's assets are located in Mainland China.

Information about major customers

Revenues from four (2011: four) customers, each of whom accounted for revenue exceeding 10% of the Group's total revenues, amounted to approximately HK$35,055,000 (2011: HK$34,200,000).

3. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on:		
Bank loans wholly repayable within five years	**903**	–
Bank loans wholly repayable over five years	**3,771**	4,981
Finance lease	**36**	36
Loan from a director	**6,155**	6,005
	10,865	11,022

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2012	2011
	HK$'000	*HK$'000*
Depreciation	**619**	919
Bank interest income	**(66)**	(32)
Rental income on investment properties, net	**(35,055)**	(34,200)
Changes in fair value of investment properties	**(80,342)**	(91,440)
Write-off of aged liabilities*	**–**	(9,216)

* This item is included in "Other income" on the face of the consolidated income statement.

5. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Group:		
Current – elsewhere		
Charge for the year	**3,804**	2,368
Overprovision in prior years	**–**	(11,461)
Deferred	**20,086**	22,860
Total tax charge for the year	**23,890**	13,767

No provision for Hong Kong profits tax has been made as the Group did not generate any taxable profits in Hong Kong during the year (2011: Nil).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates. The subsidiaries established in Mainland China are subject to income taxes at tax rate of 25% (2011: 25%) after the effective date of the Corporate Income Tax Law of the People's Republic of China on 1 January 2008.

6. FINAL DIVIDEND

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2012 (2011: Nil).

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of HK$13,729,000 (2011: HK$32,640,000), and the number of ordinary shares of 151,404,130 (2011: 151,404,130) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during those years.

8. TRADE RECEIVABLES

An aged analysis of the trade receivables at the end of the reporting period is as follows:

	2012		2011	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within 6 months	**12,482**	**100**	6,004	52
More than 6 months but within 1 year	**–**	**–**	3,690	32
More than 1 year but within 2 years	**–**	**–**	1,850	16
	12,482	**100**	11,544	100

The Group generally grants a credit term of 3 months to 12 months to its customers.

The age of the Group's trade receivables is based on the date of recognition of turnover and the due date of instalments as stipulated in the sale contracts. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

9. TRADE PAYABLES

An aged analysis of the trade payables at the end of the reporting period is as follows:

	2012		2011	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within 1 year	**3,187**	**93**	7	3
More than 1 year	**242**	**7**	239	97
	3,429	**100**	246	100

The age of the Group's trade payables is based on the dates of the goods received or services rendered. The trade payables are non-interest-bearing.

FINANCIAL REVIEW

The Group recorded a turnover of HK$35,055,000 (2011: HK$34,200,000) for the year ended 31 December 2012. Net profit for the year attributable to ordinary equity holders of the Company was HK$13,729,000 (2011: HK$32,640,000).

The Group generally financed its operations with internally generated cash flows and banking facilities during the year.

Cash and bank balances of the Group as at 31 December 2012 amounted to HK$24,782,000 (2011: HK$59,148,000).

As at 31 December 2012, the Group had outstanding borrowings of approximately HK$138,242,000 (2011: HK$185,076,000) comprising interest-bearing bank loans amounted to HK$57,740,000 (2011: HK$63,688,000), finance lease payable amounted to HK$527,000 (2011: HK$693,000) and a loan from a director amounted to HK$79,975,000 (2011: HK$78,695,000). The outstanding borrowings as at 31 December 2011 also included certain other payables amounted to HK$42,000,000. Of the Group's interest-bearing bank loans, 13%, 14%, 47% and 26% respectively were repayable within one year or on demand, in the second year, in the third to fifth years, inclusive, and over five years.

As at 31 December 2012, the secured bank loans of HK$57,740,000 (2011: HK$63,688,000) and the finance lease payables of HK$527,000 (2011: HK$693,000) of the Group bore interest at floating interest rate and fixed interest rate, respectively. The secured bank loan of HK$13,865,000 (2011: HK$16,095,000) and finance lease payables of the Group are denominated in Hong Kong dollars. HK$43,875,000 (2011: HK$47,593,000) of the secured bank loans are denominated in Renminbi ("RMB").

The Group's gearing ratio as at 31 December 2012 was 0.04 (2011: 0.04), calculated based on the Group's interest-bearing bank and other borrowings and loan from a director of HK$138,242,000 (2011: HK$143,076,000) over total assets of HK$3,804,361,000 (2011: HK$3,679,056,000). The Group's gearing was maintained at a relatively low level during the year.

BUSINESS REVIEW

The Company is an investment holding company. Its subsidiaries are principally engaged in property investment and development in Mainland China and have two property interests, one in Chongqing (重慶市) and the other in Guangzhou (廣州市).

Guang Yu Square (港渝廣場), a 16-storey plus a basement commercial building, is situated at the most prime commercial area at Chaotianmen (朝天門), Yuzhong District (渝中區), Chongqing (重慶市). Chaotianmen is one of the major clothing wholesale points in Chongqing while Guang Yu Square is the most popular clothing and footwear wholesale centre in the region. The Group has 100% interest in 7 floors of and 60% interest in the basement of Guang Yu Square with a total gross floor area of approximately 26,500 sq.m. and all of them are almost fully let. The Group has been contemplating plan for repurchases of two additional floors which were sold to individual occupiers a couple of years ago.

The property interest in Guangzhou (廣州市) is situated at the most prime commercial area in Yuexiu District (越秀區), Guangzhou with a total site area of approximately 22,800 sq.m. It is planned that the development site will be developed into a versatile grade A commercial building complex with wholesale and exhibition hall facilities having a total gross floor area of approximately 234,000 sq.m. and with an objective to be the landmark of the Yuexiu District. The development site is comprised of three contiguous land parcels located at the east of Jiefang Road South (解放南路), to the south of Daxin Road (大新路), to the north of Yede Road (一德路) and to the west of Xieen Road (謝恩里), Yuexiu District and is wholly owned by Guangzhou Zheng Da Real Estate Development Company Limited (廣州市正大房地產開發有限公司) ("Guangzhou Zheng Da") which in turn Zheng Da Real Estate Development Co. Ltd. ("Zheng Da") has 100% interest.

Guangzhou Zheng Da was set up as a Sino-foreign joint venture by Zheng Da as the foreign partner and 越秀房地產開發經營公司 ("越秀國企"), a state-owned enterprise and a third party, as the Sino partner in Guangzhou in December 1993. Since its formation 越秀國企 has not provided any capital or management support to Guangzhou Zheng Da to a material extent. Pursuant to the terms of the Enforcement Rules of the Joint Venture Agreement (合作合同實施細則) (the "Enforcement Rules") executed in 1994, 越秀國企 agreed to surrender its entire interest in Guangzhou Zheng Da except those benefits specified in the Enforcement Rules and therefore Zheng Da assumed 100% interest in Guangzhou Zheng Da.

The Group acquired a 25% indirect interest in Zheng Da in December 2007 while the remaining 75% interest to be completed by the Group not later than 30 June 2013 at an aggregate consideration of RMB1,361,100,000 (approximately HK$1,701,375,000). Details of the intended acquisition, including terms and conditions, consideration and settlement mechanism, and their amendments thereafter were disclosed in the Company's circular dated 26 November 2007 and the Company's announcements dated 31 March 2009, 29 June 2009, 17 December 2009, 22 June 2010, 24 June 2011 and 28 June 2012 (primarily refers to the deferment of the long stop date for completion of the acquisition from 31 March 2009 to 30 June 2013).

Pending for re-developing into a commercial complex, the development site is presently comprised of a 2-storey non-permanent commercial podium and a car park for loading and offloading inventory. With a history of over one century for footwear wholesale business in the area surrounding the development site, the commercial podium is regarded as the most popular footwear wholesale centre in Guangzhou.

The development project was initially planned to be completed within a period of 15 years but its progress was interrupted by the modifications of municipal planning in the region from time to time in the past years. Pursuant to the terms of the relevant joint venture agreement, the joint venture period of Guangzhou Zheng Da is from 31 December 1993 to 31 December 2008 and can be further extended at the request of either foreign or Sino partner upon maturity. In December 2008, both Guangzhou Zheng Da and its foreign partner, Zheng Da, agreed to extend the joint venture period by 15 years with effect from 1 January 2009 in accordance with the provisions of the articles of Guangzhou Zheng Da but 越秀國企, its Sino partner, had become dormant a couple of years ago and therefore its consent could not be obtained. On the other hand, it appeared that another enterprise named 越秀房地產開發經營有限公司 ("越房有限公司"), a privately owned enterprise which acquired certain assets (but not included any interest in Zheng Da (if any)) from 越秀國企 some years ago, claimed that it had taken up the interest in Zheng Da (if any) from 越秀國企, but that was not the case. As such, Guangzhou Zheng Da served a writ against 越房有限公司 at the Yuexiu District People's Court (越秀區人民法院) in late December 2008 demanding for confirmation of disqualification of 越房有限公司 from the Sino partnership (if any) of the subject joint venture. The relevant judgment has been issued in July 2009 with rulings endorsing the forfeiture of the partnership qualification and legal entitlements of 越房有限公司 in the joint venture. 越房有限公司 then filed an appeal petition (the "Appeal") at the Guangzhou Municipal Middle People's Court (廣州市中級人民法院) (the "Guangzhou Court") in August 2009. An hearing was made in October 2009 and no further hearings had been made since then. Both Guangzhou Zheng Da and Zheng Da have not yet received a valid judgement in writing issued by the Guangzhou Court in accordance with the relevant PRC laws and due judicial procedures. Further details about the developments of, and events incidental to the Appeal were disclosed in the Company's announcement dated 25 March 2013. Both Guangzhou Zheng Da and Zheng Da are looking forward to receiving a formal and legally valid verdict, notice or directive in relation to the Appeal to be granted by the Guangzhou Court or its higher court in accordance with the relevant PRC laws and due judicial procedures. Taking into account the latest rulings granted by the Yuexiu District People's Court in July 2009, the facts and legal grounds substantiated at the first hearing of the Appeal, and the opinion given by the PRC legal counsels and advisors, the Group remains optimistic in obtaining a favourable judgment in the Appeal.

BUSINESS PROSPECTS

Despite the State Council has been taking stricter measures to cool down the booming property market in most cities, the Group remains optimistic in the development potential and prospects of the property market in Mainland China in the medium to long term spectrum. The Group also considers that the location spread of its investment property projects in Chongqing, the capital city of the western China, and Guangzhou, the capital city of the southern China, may, to a better extent, diversify the business risks of different economic magnitude of the two regions. As such, the investment properties in Chongqing and Guangzhou generated about 40% and 60% of the Group's total revenue respectively during the year under review.

The Group expects that the investment potential of the Guang Yu Square (港渝廣場) will be further improved in the medium term, as the Chongqing Municipal Government has been undergoing a major urban re-development (城市改造工程) at Chaotinanmen (朝天門) so that most old and poorly managed buildings surrounding the Guang Yu Square will be demolished in coming years. To couple with this major urban re-development, the Group is refurbishing the Guang Yu Square to upgrade its facilities and exterior design.

The development project in the Yuexiu District (越秀區), Guangzhou (廣州市) was intended to be completed in 2013 but the construction schedule has been deferred pending the outcome of rulings of the Appeal. Meantime, the non-permanent commercial podium at the development site continues to operate as a footwear wholesale centre and to contribute 60% of the Group's total revenue.

As stated in the Company's announcement dated 28 June 2012, the Group and its counter parties executed a supplemental agreement to explore opportunity to arrive any revised terms for the settlement of and the consideration for, and completion timetable in relation to the acquisition of the remaining 75% interest in the Zheng Da project not later than the revised long stop date which was deferred to 30 June 2013. If a revised agreement is concluded, it is anticipated that the acquisition will be financed by debt financing, equity financing, bank borrowings or a combination of the three kinds. If in case the acquisition lapses on 30 June 2013, no party shall be liable to each other. If this happens, the Group will no longer assume an effective control over the Zheng Da group and there will be a major accounting adjustment to the consolidated accounts of the Company for the year ending 31 December 2012 to the effect that the Zheng Da group will be regarded as an associated company with a 25% equity interest but not a 25% owned subsidiary of the Company. Further announcement will be made once a concrete decision is made by the Group.

CODE ON CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company complied with the Code on Corporate Governance Practice (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year, except for the following deviation:

Code Provision A.4.2

The second part of Code A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Pursuant to the bye-laws of the Company, the Managing Director of the Company shall not be subject to retirement by rotation. However, the Managing Director of the Company had voluntarily retired by rotation every three years and offered himself for re-election at the Company's general meetings in the past years. The Directors consider that this practice is in line with the spirit of the relevant practice of the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by its directors. Having made specific enquiry to the Directors, the Company confirmed that the Directors had complied with required standard set out in the Model Code throughout the accounting period covered by the annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

AUDIT COMMITTEE

The Annual Results had been reviewed by the Audit Committee of the Company.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The annual report of the Group for the year ended 31 December 2012 containing all information required by Appendix 16 of the Listing Rules will be sent to the shareholders of the Company as well as released on the web site of the Stock Exchange as soon as practicable.

By Order of the Board
Ho Kam Hung
Executive Director

Hong Kong, 28 March 2013

As at the date of this announcement, the board of directors of the Company comprises: (i) Ho Kam Hung as executive director; (ii) Young Kwok Sui as non-executive director; and (iii) Tam Kong, Lawrence, Wong Miu Ting, Ivy and Wong Kui Fai as independent non-executive directors.