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SHUN HO TECHNOLOGY HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 219)

2014 INTERIM RESULTS

RESULTS

The board of directors (the “Board”) of Shun Ho Technology Holdings Limited (the “Company”) announces that the unaudited consolidated profit of the Company and its subsidiaries (together the “Group”) for the six months ended 30th June, 2014 attributable to owners of the Company amounted to HK\$529,880,000 (six months ended 30th June, 2013: HK\$238,211,000). The unaudited consolidated results of the Group for the period, together with comparative figures for the previous period, are as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th June, 2014

| | | Six months ended | |
|---|-------|---|---|
| | NOTES | 30.6.2014 <i>HK\$'000</i> (unaudited) | 30.6.2013 <i>HK\$'000</i> (unaudited) |
| Revenue | 3 | 322,043 | 322,994 |
| Cost of sales | | (2,117) | (2,052) |
| Other service costs | | (117,644) | (111,966) |
| Depreciation of property, plant and equipment and release of prepaid lease payments for land | | <u>(33,868)</u> | <u>(35,379)</u> |
| Gross profit | | 168,414 | 173,597 |
| Increase in fair value of investment properties | | 1,900 | 207,600 |
| Other income and gains | | 12,708 | 9,379 |
| Gain on disposal of subsidiaries | | 620,478 | - |
| Administrative expenses | | | |
| - Depreciation | | (1,917) | (1,965) |
| - Others | | (15,010) | (13,994) |
| | | (16,927) | (15,959) |
| Other expenses | | (6,840) | (6,869) |
| Finance costs | 5 | <u>(4,501)</u> | <u>(9,901)</u> |
| Profit before taxation | | 775,232 | 357,847 |
| Income tax expense | 6 | <u>(29,347)</u> | <u>(22,407)</u> |
| Profit for the period | 7 | <u>745,885</u> | <u>335,440</u> |

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Continued)

For the six months ended 30th June, 2014

| | | Six months ended | |
|--|-------|--|---|
| | NOTES | 30.6.2014 <i>HK\$'000</i> (unaudited) | 30.6.2013 <i>HK\$'000</i> (unaudited) |
| Other comprehensive income (expense) | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Exchange differences arising on translation of foreign operations | | (2,431) | 1,055 |
| Fair value gain (loss) on available-for-sale investments | | <u>4,907</u> | <u>(1,877)</u> |
| Other comprehensive income (expense) for the period | | <u>2,476</u> | <u>(822)</u> |
| Total comprehensive income for the period | | <u>748,361</u> | <u>334,618</u> |
| Profit for the period attributable to: | | | |
| Owners of the Company | | 529,880 | 238,211 |
| Non-controlling interests | | <u>216,005</u> | <u>97,229</u> |
| | | <u>745,885</u> | <u>335,440</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 531,642 | 237,626 |
| Non-controlling interests | | <u>216,719</u> | <u>96,992</u> |
| | | <u>748,361</u> | <u>334,618</u> |
| | | <i>HK cents</i> | <i>HK cents</i> |
| Earnings per share | | | |
| Basic | 9 | <u>113.0</u> | <u>50.80</u> |

Condensed Consolidated Statement of Financial Position
At 30th June, 2014

| | NOTES | As at 30.6.2014 <i>HK\$'000</i> (unaudited) | As at 31.12.2013 <i>HK\$'000</i> (audited) |
|--|-------|--|---|
| Non-current assets | | | |
| Property, plant and equipment | | 2,528,096 | 2,562,374 |
| Prepaid lease payments for land | | 33,775 | 35,014 |
| Investment properties | | 3,066,000 | 3,064,000 |
| Properties under development | | 327,495 | 263,276 |
| Available-for-sale investments | | <u>114,610</u> | <u>104,074</u> |
| | | <u>6,069,976</u> | <u>6,028,738</u> |
| Current assets | | | |
| Inventories | | 859 | 826 |
| Prepaid lease payments for land | | 898 | 922 |
| Trade and other receivables | 10 | 13,458 | 23,856 |
| Other deposits and prepayments | | 8,366 | 12,360 |
| Bank balances and cash | | <u>1,132,105</u> | <u>314,565</u> |
| | | 1,155,686 | 352,529 |
| Assets classified as held for sale | | <u>-</u> | <u>290,560</u> |
| | | <u>1,155,686</u> | <u>643,089</u> |
| Current liabilities | | | |
| Trade and other payables and accruals | 11 | 73,674 | 32,023 |
| Rental and other deposits received | | 8,625 | 18,804 |
| Advance from an intermediate holding company | | 6,310 | 18,975 |
| Advance from ultimate holding company | | 414 | 405 |
| Tax liabilities | | 36,599 | 18,486 |
| Bank loans | | <u>650,449</u> | <u>676,325</u> |
| | | 776,071 | 765,018 |
| Liabilities associated with assets classified as held for sale | | <u>-</u> | <u>202,030</u> |
| | | <u>776,071</u> | <u>967,048</u> |
| Net current assets (liabilities) | | <u>379,615</u> | <u>(323,959)</u> |
| Total assets less current liabilities | | <u>6,449,591</u> | <u>5,704,779</u> |
| Capital and reserves | | | |
| Share capital | | 387,308 | 268,538 |
| Reserves | | <u>4,120,900</u> | <u>3,708,028</u> |
| Equity attributable to owners of the Company | | 4,508,208 | 3,976,566 |
| Non-controlling interests | | <u>1,760,410</u> | <u>1,558,564</u> |
| | | <u>6,268,618</u> | <u>5,535,130</u> |
| Non-current liabilities | | | |
| Rental deposits received | | 30,575 | 25,762 |
| Deferred tax liabilities | | <u>150,398</u> | <u>143,887</u> |
| | | <u>180,973</u> | <u>169,649</u> |
| | | <u>6,449,591</u> | <u>5,704,779</u> |

Notes:

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2013.

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

| | |
|---|---|
| Amendments to HKFRS 10, HKFRS 12 and HKAS 27 | Investment Entities |
| Amendments to HKAS 32 | Offsetting Financial Assets and Financial Liabilities |
| Amendments to HKAS 36 | Recoverable Amount Disclosures for Non- Financial Assets |
| Amendments to HKAS 39 | Novation of Derivatives and Continuation of Hedge Accounting |
| HK(IFRIC) - Int 21 | Levies |

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

3. REVENUE

Revenue represents the aggregate of income from operation of hotels and property rental, and is analysed as follows:

| | Six months ended | |
|---------------------------------|------------------------------|-----------------------|
| | 30.6.2014 | 30.6.2013 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (unaudited) | (unaudited) |
| Income from operation of hotels | 264,322 | 271,308 |
| Income from property rental | <u>57,721</u> | <u>51,686</u> |
| | <u><u>322,043</u></u> | <u><u>322,994</u></u> |

4. SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to the chief operating decision maker, Chairman of the Company, for the purpose of resources allocation and performance assessment are as follows:

1. Hospitality services - Ramada Hotel Kowloon
2. Hospitality services - Ramada Hong Kong Hotel
3. Hospitality services - Best Western Hotel Taipa, Macau (Note a)
4. Hospitality services - Magnificent International Hotel, Shanghai
5. Hospitality services - Best Western Hotel Causeway Bay
6. Hospitality services - Best Western Hotel Harbour View
7. Hospitality services - Best Western Grand Hotel
8. Property investment - 633 King's Road
9. Property investment - Shun Ho Tower
10. Property investment - Shops
11. Securities investment and trading
12. Property development for hotel - 338 Queen's Road West

Note:

- (a) The Group has disposed of the holding companies that hold Best Western Hotel Taipa, Macau during the six months ended 30th June, 2014.

Information regarding the above segments is reported below.

4. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segment for the periods under review:

| | Segment revenue | | Segment profit (loss) | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Six months ended | | Six months ended | |
| | 30.6.2014 | 30.6.2013 | 30.6.2014 | 30.6.2013 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Hospitality services | 264,322 | 271,308 | 111,019 | 122,142 |
| - Ramada Hotel Kowloon | 37,658 | 36,764 | 14,805 | 13,865 |
| - Ramada Hong Kong Hotel | 45,906 | 45,337 | 22,072 | 23,333 |
| - Best Western Hotel Taipa, Macau | 14,258 | 29,731 | 7,038 | 14,925 |
| - Magnificent International Hotel, Shanghai | 9,715 | 8,429 | 879 | 178 |
| - Best Western Hotel Causeway Bay | 40,543 | 38,722 | 16,848 | 16,132 |
| - Best Western Hotel Harbour View | 52,888 | 52,635 | 25,482 | 28,971 |
| - Best Western Grand Hotel | 63,354 | 59,690 | 23,895 | 24,738 |
| Property investment | 57,721 | 51,686 | 59,295 | 259,055 |
| - 633 King's Road | 42,715 | 35,882 | 52,508 | 195,724 |
| - Shun Ho Tower | 10,032 | 9,701 | 9,813 | 9,629 |
| - Shops | 4,974 | 6,103 | (3,026) | 53,702 |
| Securities investment and trading | - | - | - | - |
| Property development for hotel | | | | |
| - 338 Queen's Road West | - | - | - | - |
| | <u>322,043</u> | <u>322,994</u> | <u>170,314</u> | <u>381,197</u> |
| Other income and gains | | | 12,708 | 9,379 |
| Gain on disposal of subsidiaries | | | 620,478 | - |
| Central administration costs and directors' emoluments | | | (16,927) | (15,959) |
| Other expenses | | | (6,840) | (6,869) |
| Finance costs | | | (4,501) | (9,901) |
| Profit before taxation | | | <u>775,232</u> | <u>357,847</u> |

5. FINANCE COSTS

| | Six months ended | |
|---|--|--|
| | 30.6.2014 <i>HK\$ '000</i> (unaudited) | 30.6.2013 <i>HK\$ '000</i> (unaudited) |
| Interests on : | | |
| Bank loans wholly repayable within five years | 5,344 | 10,717 |
| Advance from ultimate holding company wholly repayable within five years | 9 | 685 |
| Advance from an intermediate holding company wholly repayable within five years | <u>252</u> | <u>287</u> |
| | 5,605 | 11,689 |
| Less: amounts capitalised in properties under development | <u>(1,104)</u> | <u>(1,788)</u> |
| | <u>4,501</u> | <u>9,901</u> |

6. INCOME TAX EXPENSE

| | Six months ended | |
|--|--|--|
| | 30.6.2014 <i>HK\$ '000</i> (unaudited) | 30.6.2013 <i>HK\$ '000</i> (unaudited) |
| The taxation charge comprises: | | |
| Current tax | | |
| Hong Kong | 22,088 | 19,451 |
| The People's Republic of China ("PRC") | 126 | - |
| Other jurisdiction | <u>715</u> | <u>1,519</u> |
| | 22,929 | 20,970 |
| Overprovision in prior years | | |
| Hong Kong | - | (3,160) |
| Deferred tax | | |
| Current period | <u>6,418</u> | <u>4,597</u> |
| | <u>29,347</u> | <u>22,407</u> |

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The annual tax rate used is 16.5% for the six months ended 30th June, 2014 (six months ended 30th June, 2013: 16.5%).

Taxation arising in the PRC and other jurisdiction is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions.

7. PROFIT FOR THE PERIOD

| | Six months ended | |
|--|-------------------------|----------------|
| | 30.6.2014 | 30.6.2013 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Profit for the period has been arrived at after charging (crediting): | | |
| Release of prepaid lease payments for land | 449 | 800 |
| Depreciation of property, plant and equipment | 35,336 | 36,544 |
| Interest on bank deposits (included in other income and gains) | (5,153) | (619) |
| Loss (gain) on disposal of property, plant and equipment | <u>23</u> | <u>(1,050)</u> |

8. DIVIDEND

No dividends were paid, declared or proposed during the reported period. The directors have resolved not to declare an interim dividend for the six months ended 30th June, 2014 (six months ended 30th June, 2013: nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the period attributable to the owners of the Company of HK\$529,880,000 (six months ended 30th June, 2013: HK\$238,211,000) and on 468,937,000 shares (six months ended 30th June, 2013: 468,937,000 shares) in issue during the period. The number of shares adopted in the calculation of the earnings per share has been arrived at after eliminating the shares in the Company held by a subsidiary.

Diluted earnings per share for both periods are not presented as there are no potential ordinary shares exist during both of the periods presented.

10. TRADE AND OTHER RECEIVABLES

Except for a credit period of 30 to 60 days granted to travel agencies and certain customers of the hotels, the Group does not allow any credit period to its customers. The following is an aged analysis of the Group's trade receivables presented based on the invoice date at the end of the reporting period:

| | As at 30.6.2014 <i>HK\$ '000</i> (unaudited) | As at 31.12.2013 <i>HK\$ '000</i> (audited) |
|----------------------------|--|--|
| Not yet due | 8,695 | 20,210 |
| Overdue: | | |
| 0 - 30 days | 754 | 2,338 |
| 31 - 60 days | 87 | 164 |
| 61 - 90 days | <u>-</u> | <u>13</u> |
| | <u>9,536</u> | <u>22,725</u> |
| Analysed for reporting as: | | |
| Trade receivables | 9,536 | 22,725 |
| Other receivables | <u>3,922</u> | <u>1,131</u> |
| | <u>13,458</u> | <u>23,856</u> |

11. TRADE AND OTHER PAYABLES AND ACCRUALS

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

| | As at 30.6.2014 <i>HK\$ '000</i> (unaudited) | As at 31.12.2013 <i>HK\$ '000</i> (audited) |
|------------------------------------|--|--|
| 0 - 30 days | 2,931 | 2,349 |
| 31 - 60 days | 173 | 190 |
| 61 - 90 days | <u>19</u> | <u>54</u> |
| | <u>3,123</u> | <u>2,593</u> |
| Analysed for reporting as: | | |
| Trade payables | 3,123 | 2,593 |
| Other payables and accruals (Note) | <u>70,551</u> | <u>29,430</u> |
| | <u>73,674</u> | <u>32,023</u> |

Note: Other payables and accruals include construction costs payable of HK\$25,872,000 (31st December, 2013: HK\$7,193,000).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30th June, 2014 (six months ended 30th June, 2013: Nil).

The Company has enjoyed a substantial growth through its investment in Magnificent Estates Limited (“Magnificent Estates”) although its cash income from Magnificent Estates is limited. The Company is seeking other local property investments in order to increase additional incomes. Because the small existing income, the Board does not recommend the payment of an interim dividend for the six months ended 30th June, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group through its major subsidiary, Magnificent Estates Limited (“Magnificent Estates”), continued with its operations of properties investment, properties development and operation of hotels.

The unaudited consolidated profit of the Group for the six months ended 30th June, 2014 attributable to owners of the Company amounted to HK\$529,880,000 (six months ended 30th June, 2013: HK\$238,211,000), increased by 122%.

- For the six months ended 30th June, 2014, the Group’s income increased by 0.7% to HK\$335 million which was mostly derived from the operation of hotels and the properties rental income.

The income from operation of hotels, Ramada Hotel Kowloon, Ramada Hong Kong Hotel, Best Western Hotel Causeway Bay, Best Western Hotel Harbour View, Best Western Grand Hotel, Magnificent International Hotel, Shanghai and Best Western Hotel Taipa, Macau (up to 20th March, 2014) decreased by 3% to HK\$264 million (six months ended 30th June, 2013: HK\$271 million). The decrease was due to the disposal of Macau hotel since March 2014. Revenue of other hotels increased by 4% for the period

The properties rental income was derived from office buildings of Shun Ho Tower, 633 King’s Road and shops from Ramada Hotel Kowloon, Ramada Hong Kong Hotel and Best Western Hotel Taipa, Macau (up to 20th March, 2014) amounted to HK\$58 million (six months ended 30th June, 2013: HK\$52 million). At the date of this announcement, 633 King’s Road is providing an annual rental income of HK\$90 million (excluding rates and management fee incomes).

On 20th December, 2013, the Group entered into an agreement with an independent third party to dispose of subsidiaries holding interest in Best Western Hotel Taipa, Macau at the consideration of HK\$900 million, the disposal of which was completed on 20th March, 2014. The disposal incurred in a reportable earning of approximately HK\$620 million for the first half of 2014.

Other income amounted to HK\$12.7 million (six months ended 30th June, 2013: HK\$9.4 million) which was mostly property management fee income of HK\$7.7 million (six months ended 30th June, 2013: HK\$7.7 million) with related expenses of HK\$6.8 million (six months ended 30th June, 2013: HK\$6.9 million) and interest income HK\$5 million (six months ended 30th June, 2013: HK\$0.6 million) from cash deposits.

- Overall service costs for the Group for the period was HK\$119.8 million (six months ended 30th June, 2013: HK\$114.0 million), of which HK\$119.5 million (six months ended 30th June, 2013: HK\$113.7 million) was for the hotel operations including food and beverage and costs of sales and HK\$0.3 million (six months ended 30th June, 2013: HK\$0.3 million) was mainly for rates and leasing commission paid for investment properties. The leasing commissions paid for the leased premises represent total commissions payable for the three years of rental period. The increase of hotel operation costs for the newly opened Best Western Hotel Harbour View and Best Western Grand Hotel were mostly due to normalised salary, bonus, government rate, sales commission compared with unstable first year.

During the period, the administrative expenses excluding depreciation was HK\$15.0 million (six months ended 30th June, 2013: HK\$14.0 million) for corporate management office including directors' fees, salaries for executive staff and employees, rental, marketing expenses and office expenses.

Other expenses were property management expenses amounted to HK\$6.9 million (six months ended 30th June, 2013: HK\$6.9 million).

- As at 30th June, 2014, the overall debts of the Group were HK\$657 million (31st December, 2013: HK\$695 million). Most of the debts were borrowed by Magnificent Estates Group. The gearing ratio of the Group (including Magnificent Estates Group) was approximately 10% (31st December, 2013: 13%) in terms of bank borrowings of HK\$650 million (31st December, 2013: HK\$676 million) and HK\$7 million (31st December, 2013: HK\$19 million) was advance from shareholders against funds employed of HK\$6,269 million (31st December, 2013: HK\$5,535 million).

The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong dollar. Accordingly, the exchange risk of the Group is minimal. During the period under review, the Group's staffing level was about 15% less than that of 31st December, 2013 due to the disposal of Best Western Hotel Taipa, Macau. Remuneration and benefit were set with reference to the market.

- For the period under review, the investment properties such as Shun Ho Tower, 633 King's Road and shops in Ramada Hotel Kowloon, Ramada Hong Kong Hotel and Best Western Hotel Taipa, Macau (up to 20th March, 2014) were remained fully letted.

As at the date of this announcement, the leasing of the grade A office building at 633 King's Road achieved HK\$90 million (excluding rates and management fee incomes) per annum. The management envisages the office building will have modest rental increase in 2014 as most leases are due for renewal.

- The management will try the best endeavour to complete the construction of the new hotel to increase future earnings base and value for the Group.

No. 338 Queen's Road West Hotel Development

The 214 rooms hotel development is named the Grand City Hotel and is expected to have occupation permit in December 2014. The connection of the Western MTR Line will improve future value and business of this property significantly.

LOOKING AHEAD

The Group has a magnificent portfolio of well performing recurring income portfolio of commercial and hotel properties with cash deposit in excess of HK\$1 billion.

The management is most excited with the connection of the MTR Western line near end of 2014 which will significantly benefit our three hotels with about 1,000 rooms in terms of occupancies, room rates and hotel values.

However, both commercial and hotel segments are showing strong signs of difficulties with more supplies and lesser demand. The disposed Macau hotel has the effect of reducing operating profit by HK\$37 million per year. Stable operating profit growth is therefore at risk from market conditions and Macau hotel disposal. The new Grand City Hotel will contribute about the same operating profit per year to replenish the profit reduced by the disposed Macau hotel

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the period.

CORPORATE GOVERNANCE

(a) Compliance with the Corporate Governance Code

During the period ended 30th June, 2014, the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited with the exception of the following deviations:

Code Provision A.2.1: chairman and chief executive should not be performed by the same individual

The Company does not have separate appointments for Chairman and Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates the planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders.

Code Provision A.4.1: non-executive directors should be appointed for a specific term

All directors of the Company (including executive or non-executive directors) are not appointed for a fixed term. The Articles of Association of the Company stipulate that every director (including executive or non-executive directors) shall retire and be re-elected at least once every three years. Therefore, the Company has adopted adequate measures to ensure the corporate governance of the Company complies with the same level to that required under the Corporate Governance Code.

Code Provision A.5.2: the nomination committee should perform the duties set out in paragraphs (a) to (d)

The terms of reference of the nomination committee adopted by the Company are in compliance with the code provision A.5.2 except that it is not the duty of the nomination committee to select individuals nominated for directorships. The nomination committee comprises a majority of independent non-executive directors who are not involved in the daily operation of the Company and may not have sufficient knowledge of industry practice. Such duty should be performed by the board.

Code Provision B.1.2: the remuneration committee's terms of reference should include, as a minimum, paragraphs (a) to (h)

The terms of reference of the remuneration committee adopted by the Company are in compliance with the code provision B.1.2 except that it is not the duties of the remuneration committee to approve the management's remuneration proposals, compensation payable to executive directors and senior management for any loss or termination of office or appointment and compensation arrangements relating to dismissal or removal of directors for misconduct. The remuneration committee comprises a majority of independent non-executive directors who are not involved in the daily operation of the Company and may not have sufficient knowledge of industry practice. Such duties should be performed by the board.

(b) Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the period.

REVIEW BY THE AUDIT COMMITTEE

The audit committee has reviewed the unaudited financial results of the Group for the six months ended 30th June, 2014.

By Order of the Board

William CHENG Kai Man
Chairman

Hong Kong, 14th August, 2014

As at the date hereof, the Board comprises six Directors, of which two are Executive Directors, namely Mr. William Cheng Kai Man and, Mr. Albert Hui Wing Ho; one is Non-executive Director, Madam Mabel Lui Fung Mei Yee; and three are Independent Non-executive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.