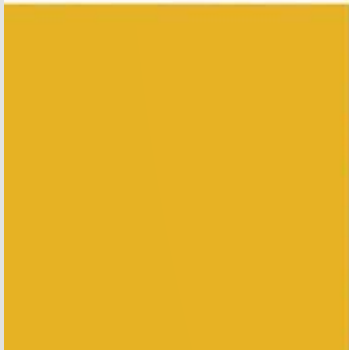


# First Quarterly Report 2011



## CL GROUP (HOLDINGS) LIMITED 昌利(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 8098

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “Directors”) of CL Group (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## FINANCIAL HIGHLIGHT

Recorded an unaudited turnover of approximately HK\$13.4 million for the three months ended 30 June 2011, representing a decrease of approximately 3.6% over the same period of the previous year;

Sustained an unaudited profit attributable to the owners of the Company of approximately HK\$4.9 million for the three months ended 30 June 2011;

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2011.



The board of directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2011 together with comparative unaudited figures for the corresponding period in 2010, as follows.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2011

	Notes	Three months ended 30 June	
		2011 (Unaudited) HK\$	2010 (Unaudited) HK\$
<b>Turnover</b>	2	<b>13,403,447</b>	13,904,769
Net other loss	3	<b>(1,288,101)</b>	(226,239)
Administrative expenses		<b>(5,979,406)</b>	(7,467,803)
Profit before taxation		<b>6,135,940</b>	6,210,727
Income tax expenses	4	<b>(1,196,507)</b>	(1,124,929)
Profit for the period attributable to the owners of the Company		<b>4,939,433</b>	5,085,798
Other comprehensive income			
Net change in fair value on available-for-sale financial assets		–	42,133
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>4,939,433</b>	5,127,931
<b>Dividend</b>	5	–	–
<b>Earnings per share</b>			
– Basic	6	<b>0.49 cents</b>	0.68 cents
– Diluted	6	<b>0.49 cents</b>	N/A

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2011

	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Share option reserve HK\$	Investments revaluation reserve HK\$	Retained profits HK\$	Total HK\$
At 1 April 2011	10,000,000	112,472,021	32,500,000	31,412	–	27,483,288	182,486,721
Total comprehensive income for the period	–	–	–	–	–	4,939,433	4,939,433
Recognition of equity-settled share-based payments	–	–	–	94,236	–	–	94,236
At 30 June 2011	<u>10,000,000</u>	<u>112,472,021</u>	<u>32,500,000</u>	<u>125,648</u>	<u>–</u>	<u>32,422,721</u>	<u>187,520,390</u>
At 1 April 2010	40,000,000	–	–	–	1,970,116	27,303,683	69,273,799
Profit for the period	–	–	–	–	–	5,085,798	5,085,798
Other comprehensive income for the period	–	–	–	–	42,133	–	42,133
Total comprehensive income for the period	–	–	–	–	42,133	5,085,798	5,127,931
At 30 June 2010	<u>40,000,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,012,249</u>	<u>32,389,481</u>	<u>74,401,730</u>



## NOTES TO THE FIRST QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 Basis of preparation and principal accounting policies

The unaudited condensed consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong, Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. They have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

The accounting policies and method of computation used in preparing the unaudited condensed consolidated results are consistent with those used in the audited financial statements for the year ended 31 March 2011. The condensed consolidated quarterly results have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

In the current review period, the Company has applied the following new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are or have become effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 7 and HKAS 1 <sup>1</sup>
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters <sup>2</sup>
HKFRS 3 (Amendments)	Business Combination (2008) – Improvements to HKFRSs (2010) <sup>2</sup>
HKAS 1 (Amendments)	Presentation of Financial Statements – Improvements to HKFRSs (2010) <sup>3</sup>
HKAS 24 (as revised in 2009)	Related Party Disclosures <sup>3</sup>
HK(IFRIC) – Int 13 (Amendments)	Customer Loyalty Programmes – Improvements to HKFRSs (2010) <sup>3</sup>
HK(IFRIC) – Int 14 (Amendments)	Prepayments of Minimum Funding Requirement <sup>3</sup>
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2011

**1 Basis of preparation and principal accounting policies** (continued)

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Directors of the Company anticipate that the application of these new standard, amendment or interpretations will have no material impact on the results and the financial position of the Group.

**2 Turnover**

An analysis of the Group's revenue for the period from continuing operations is as follows:

	<b>Three months ended 30 June</b>	
	<b>2011</b>	<b>2010</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$</b>	<b>HK\$</b>
Commission and brokerage fees from securities dealing on The Stock Exchange of Hong Kong Limited	<b>3,579,701</b>	6,443,511
Commission and brokerage fees on dealing in futures contracts	<b>409,277</b>	401,240
Placing and underwriting commission	<b>6,642,343</b>	5,042,800
Clearing and settlement fee	<b>338,846</b>	1,449,341
Handling service and dividend collection fees	<b>239,709</b>	127,601
Interest income from		
– authorised financial institutions	<b>100,104</b>	52,975
– clients	<b>1,793,431</b>	387,250
– others	<b>300,036</b>	51
	<b>13,403,447</b>	13,904,769

**3 Net other loss**

	<b>Three months ended 30 June</b>	
	<b>2011</b>	<b>2010</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$</i>	<i>HK\$</i>
Gain on trading of financial assets at fair value through profit or loss	<b>67,403</b>	6,331
Loss on trading in futures contracts	–	(26)
Net change in fair value of financial assets at fair value through profit or loss	<b>(2,475,504)</b>	(262,676)
Other income	<b>1,120,000</b>	30,132
	<b>(1,288,101)</b>	(226,239)

**4 Income tax expenses**

	<b>Three months ended 30 June</b>	
	<b>2011</b>	<b>2010</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$</i>	<i>HK\$</i>
Hong Kong Profits Tax – current period	<b>1,220,925</b>	1,157,054
Deferred tax – current period	<b>(24,418)</b>	(32,125)
	<b>1,196,507</b>	1,124,929

Hong Kong Profits Tax is calculated at 16.5% of the estimate assessable profits arising in Hong Kong for the three months ended 30 June 2011 and 2010.



**5 Dividend**

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2011 (2010: Nil).

**6 Earnings per share**

The calculation of the basic earnings per share for the three months ended 30 June 2011 and 2010 is based on the profit for the period of HK\$4,939,433 and HK\$5,085,798 respectively, 1,000,000,000 ordinary shares in issue during the three months ended 30 June 2011; and 750,000,000 ordinary shares during the three months ended 30 June 2010, as if the share are in issue since 1 April 2009, comprising:

- i. 1 ordinary shares of the Company allotted and issued at HK\$0.01 paid on 27 August 2010 (note (i)); and
- ii. 749,999,999 ordinary shares of the Company issued as consideration for the acquisition of subsidiaries pursuant to the Reorganisation (note (ii)).

Note:

- (i) On 27 August 2010, the Company was incorporated in Cayman Islands with an authorised share capital of HK\$390,000 divided into 39,000,000 ordinary shares of HK\$0.01 each. 1 ordinary share was issued and paid up by Ms. Au Suet Ming Clarea ("Ms. Au").
- (ii) Pursuant to the agreement for sale and purchase of the entire issued share capital of Cheong Lee on 22 February 2011, the Company acquired 400,000 ordinary shares of HK\$100 each in Cheong Lee, being its entire issued share capital, from Ms. Au. In consideration thereof, an aggregate of 749,999,999 new ordinary shares of HK\$0.01 each of the Company, credited as fully paid, were evenly allotted and issued to Zillion Profit Limited which is wholly owned by Ms. Au.

The calculation of the diluted earnings per share for the three months ended 30 June 2011 is based on the profit for the period of HK\$4,939,433 and the weighted average number of 1,000,414,447 ordinary shares in issue respectively during the period.

Diluted earnings per share for the three months ended 30 June 2011 assumed the conversion of all outstanding pre-IPO share options of the Company, amounted to a maximum of 6,300,000 shares.

No diluted earnings per share for the three months ended 30 June 2010 was presented as there was no potential dilutive ordinary share in issue.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

#### *Securities and Futures Brokerage*

The commission and brokerage fee from securities dealings decreased by approximately 44.4% from approximately HK\$6.4 million for the three months ended 30 June 2010 to approximately HK\$3.6 million for the three months ended 30 June 2011. The total value of transaction decreased by approximately 77.1% from approximately HK\$69,804.8 million for the three months ended 30 June 2010 to approximately HK\$15,981.6 million for the three months ended 30 June 2011.

The total value of transactions for securities dealings carried out by the Group for the three months ended 30 June 2011 decreased as compared with 2010. As a result, income relating to clearing and settlement fee also decreased by approximately 76.6% from approximately HK\$1.4 million for the three months ended 30 June 2010 to approximately HK\$0.3 million for the three months ended 30 June 2011.

The interest income, excluding the interest from authorised financial institutions for the three months ended 30 June 2011, were approximately HK\$2.1 million (2010: approximately HK\$0.4 million). This income represents an increase of approximately 440.5% for the corresponding period in 2010. The increase was mainly due to the fact that the Group has commenced its margin financing business on April 2011.

#### *Placing and Underwriting Business*

Under normal circumstances, the Group acts as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent on best effort basis for fund-raising activities. It would take the role on underwritten basis only if it received special requests from the issuers and/or their respective placing and underwriting agents.

During the three months period ended 30 June 2011, the placing and underwriting commission increased by approximately 31.7% from approximately HK\$5.0 million for the three months ended 30 June 2010 to approximately HK\$6.6 million for the three months ended 30 June 2011.



### **Financial review**

The Group's revenue for the three months ended 30 June 2011 was approximately HK\$13.4 million (2010: approximately HK\$13.9 million), representing a decrease of approximately 3.6% from that of 2010.

Administrative expenses for the three months ended 30 June 2011 were approximately HK\$6.0 million (2010: approximately HK\$7.5 million), representing a decrease of approximately 19.9% for the corresponding period in 2010.

Due to the total value of transaction decreased by approximately 77.1% from approximately HK\$69,804.8 million for the three months ended 30 June 2010 to approximately HK\$15,981.6 million for the three months ended 30 June 2011. Those related expenses such as CCASS charges, commission paid and subscription and membership fee, in aggregate, was decreased by approximately 52.6% from approximately HK\$3.8 million for the three months ended 30 June 2010 to approximately HK\$1.8 million for the three months ended 30 June 2011.

Staff cost excluding the effects of fair value provision for pre-IPO share options for the three months ended 30 June 2011 were approximately HK\$1.6 million (2010: approximately HK\$0.8 million), representing an increase of approximately 89.6% for the corresponding period in 2010 because increase in the total number of staff.

Profit attributable to the owners of the Company amounted to approximately HK\$4.9 million for the three months ended 30 June 2011 (2010: approximately HK\$5.1 million). Earning per share was approximately HK0.49 cents for the three months ended 30 June 2011 (2010: approximately HK0.68 cents).



**Outlook**

The Group has benefited from the listing which has strengthened its capital base and enhanced its profile. The Group has commenced its margin financing business in April 2011 and will continue to put efforts on expanding the brokerage business and loan and financing business and on satisfying the needs of clients.

The Group will also actively review future business opportunities to develop into various financial services in Hong Kong, which include the assets management and wealth management areas, in anticipating to bring in new sources of income and to further increase the profitability of the Group.

**SHARE OPTIONS SCHEMES**

The Company has two share option schemes namely, the Pre-IPO Share Option Scheme and the IPO Share Option Scheme which were adopted on 22 February 2011.

**Pre-IPO Share Option Scheme**

The Company has adopted a Pre-IPO Share Option Scheme (the “Pre-IPO Share Option Scheme”) on 22 February 2011 under which the Company has conditionally granted options to certain Directors, senior management and employees of the Group to purchase shares of the Company with an exercise price equal to the offer price as defined in the Prospectus.

The total number of shares in respect of which share options granted under the Pre-IPO Share Option Scheme as at 30 June 2011 was 6,300,000 which represented approximately 0.63% of the issued share capital of the Company as at 30 June 2011.



As at 30 June 2011, details of the share option granted under the Pre-IPO Share Option Scheme are as follows:

	Grantees	Date of Grant (Note 1) (dd/mm/yyyy)	Exercise price per share HK\$	Exercisable period (Note 2) (dd/mm/yyyy)	Number of underlying shares	Approximate percentage of shareholding (%)
(i)	Lau Ka Lung Ali, Executive Director	25/02/2011	0.485	08/03/2012 – 07/03/2013	500,000	0.05%
				08/03/2013 – 07/03/2014	1,000,000	0.10%
					1,500,000	0.15%
(ii)	Yu Linda, Executive Director	25/02/2011	0.485	08/03/2012 – 07/03/2013	500,000	0.05%
				08/03/2013 – 07/03/2014	1,000,000	0.10%
					1,500,000	0.15%
(iii)	Lau Kin Hon, Executive Director	25/02/2011	0.485	08/03/2012 – 07/03/2013	500,000	0.05%
				08/03/2013 – 07/03/2014	500,000	0.05%
					1,000,000	0.10%
(iv)	Kwok Kin Chung, Executive Director	25/02/2011	0.485	08/03/2012 – 07/03/2013	500,000	0.05%
				<b>Sub-total</b>	<b>4,500,000</b>	<b>0.45%</b>
(v)	Employees	25/02/2011	0.485	08/03/2012 – 07/03/2013	1,600,000	0.16%
				08/03/2013 – 07/03/2014	200,000	0.02%
					1,800,000	0.18%
				<b>Total</b>	<b>6,300,000</b>	<b>0.63%</b>



Notes:

- (1) It was the date when the Company offered to the grantees the options under the Pre-IPO Share Option Scheme.
- (2) Each of the grantees to whom options have been conditionally granted under the Pre-IPO Share Option Scheme will be entitled to exercise:
  - (i) up to 500,000 of the total number options granted at any time during the period commencing from the date of the first anniversary of the Listing Date to the date of the second anniversary of the Listing Date (both days inclusive); and
  - (ii) remaining options granted at any time during the period commencing from the date immediately following the date of the second anniversary of the Listing Date to the date of the third anniversary of the Listing Date (both days inclusive).

### **Share Option Scheme**

The Company adopted the Share Option Scheme (the “Share Option Scheme”) on 22 February 2011, which was approved by the shareholders’ written resolutions, is valid and effective for a period of 10 years. It is a share incentive scheme and is established to recognize and acknowledge the contribution that the eligible participants have or may have made to the Group. Pursuant to the Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

The total number of shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 100,000,000 shares, representing 10% of the total number of issued shares of the Company as at 30 June 2011.



The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

As at 30 June 2011 and up to the date of approval of these financial statements, no share options have been granted under the Share Option Scheme.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2011, save for the interest of the Directors in share options as below, neither of the Directors nor the chief executive of the Company had interests and or short positions in the shares of the Company ("Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.



## Long Position in the shares and underlying shares of the Company

### Share Option

As at 30 June 2011, there were a total of 4,500,000 outstanding share options of the Company granted to the directors of the Company, details of which are summarised in the following table:

Director	Date of grant	Options to Subscribe for Shares of the Company					Outstanding as at 30 June 2011	Option exercise period	Exercise price per share	Approximate percentage of shareholding
		Outstanding as at 1 April 2011	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 June 2011				
Lau Ka Lung Ali	25/02/2011	500,000	-	-	-	500,000	08/03/2012 to 07/03/2013	HK\$0.4850	0.05%	
	25/02/2011	1,000,000	-	-	-	1,000,000	08/03/2013 to 07/03/2014		0.10%	
						1,500,000			0.15%	
Yu Linda	25/02/2011	500,000	-	-	-	500,000	08/03/2012 to 07/03/2013	HK\$0.4850	0.05%	
	25/02/2011	1,000,000	-	-	-	1,000,000	08/03/2013 to 07/03/2014		0.10%	
						1,500,000			0.15%	
Lau Kin Hon	25/02/2011	500,000	-	-	-	500,000	08/03/2012 to 07/03/2013	HK\$0.4850	0.05%	
	25/02/2011	500,000	-	-	-	500,000	08/03/2013 to 07/03/2014		0.05%	
						1,000,000			0.10%	
Kwok Kin Chung	25/02/2011	500,000	-	-	-	500,000	08/03/2012 to 07/03/2013	HK\$0.4850	0.05%	
Total		4,500,000	-	-	-	4,500,000			0.45%	

#### Note:

The above share options were granted pursuant to the Company's pre-IPO share option scheme adopted on 22 February 2011.



Each of the grantees to whom options have been conditionally granted under the Pre-IPO Share Option Scheme will be entitled to exercise:

- (i) up to 500,000 of the total number options granted at any time during the period commencing from the date of the first anniversary of the Listing Date to the date of the second anniversary of the Listing Date (both days inclusive); and
- (ii) remaining options granted at any time during the period commencing from the date immediately following the date of the second anniversary of the Listing Date to the date of the third anniversary of the Listing Date (both days inclusive).

Save as disclosed above, none of the Directors or the chief executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 30 June 2011.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 30 June 2011, according to the register of interests kept by the Company under Section 336 of the SFO, the following parties (in addition to those disclosed above in respect of the directors and chief executives) had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

### **Long position in shares of the Company**

<b>Name of shareholder</b>	<b>Number of shares</b>	<b>Approximate percentage holding</b>
Zillion Profit Limited	750,000,000	75%
Ms. Au Suet Ming Clarea (note i)	750,000,000	75%

Notes:

- (i) Ms. Au Suet Ming Clarea is deemed to be interested in 750,000,000 shares through her controlling interest (100%) in Zillion Profit Limited.



Save as disclosed above, as at 30 June 2011, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which were interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2011.

### **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by VC Capital Limited ("VC Capital"), the compliance adviser of the Company, neither VC Capital nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 June 2011.

Pursuant to the agreement dated 3 March 2011 entered into between VC Capital and the Company, VC Capital received and will receive fees for acting as the compliance adviser of the Company.

### **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

For the three months ended 30 June 2011, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.



## **AUDIT COMMITTEE**

The Company set up an audit committee (the “Committee”) with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors of the Company, namely Ms. Choy Wing Man, Mr. Chee Kwok Wing Waymond and Mr. Au-Yeung Tai Hong Rorce. The unaudited condensed consolidated quarterly results of the Group for the three months ended 30 June 2011 have been reviewed by the Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board  
**CL Group (Holdings) Limited**  
**Lau Ka Lung Ali**  
*Chairman*

Hong Kong, 11 August 2011

*As at the date of this report, the Company's executive directors are Mr. Lau Ka Lung Ali, Mr. Lau Kin Hon, Mr. Kwok Kin Chung and Ms. Yu Linda, and the Company's independent non-executive directors are Mr. Au-Yeung Tai Hong Rorce, Mr. Chee Kwok Wing Waymond and Ms. Choy Wing Man.*

