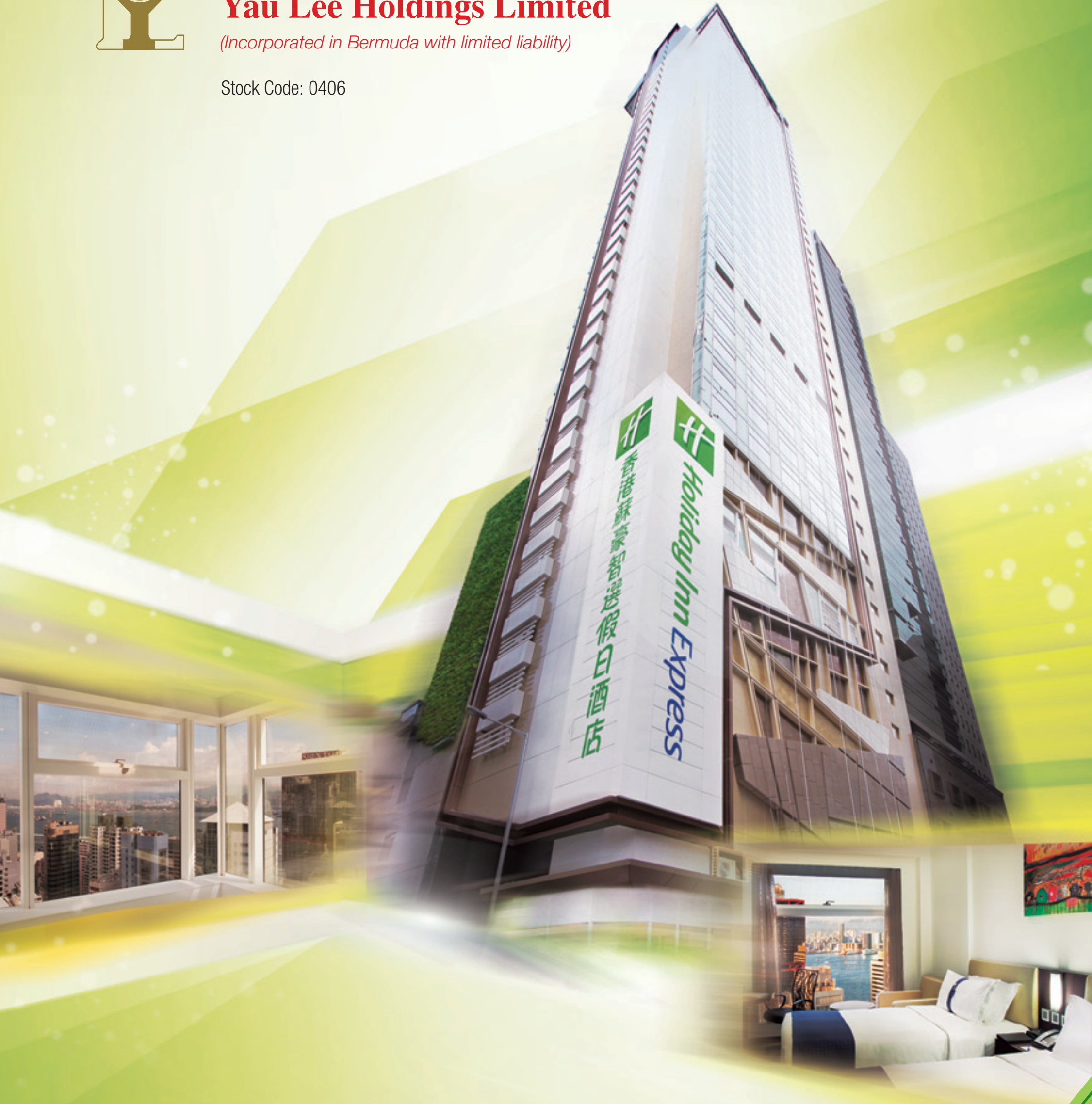
有利集團有限公司

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 0406



INTERIM REPORT 2012

CORPORATE INFORMATION

Directors

Executive directors

Wong Ip Kuen *(Chairman)*
Wong Tin Cheung *(Vice Chairman)*
Wong Wai Man
Sun Chun Wai
Tsang Chiu Kwan
(retired on 1 July 2012)

Independent non-executive directors

Chan, Bernard Charnwut
Wu King Cheong
Yeung Tsun Man, Eric

Registered office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business

10th Floor, Tower 1
Enterprise Square
9 Sheung Yuet Road
Kowloon Bay
Kowloon
Hong Kong

Websites: http://www.yaulee.com
http://www.irasia.com

Company secretary

Lam Kwok Fan

Principal bankers

Nanyang Commercial Bank, Limited
BNP Paribas Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of Tokyo-Mitsubishi UFJ, Ltd. Hong Kong Branch

Auditor

PricewaterhouseCoopers

Solicitors

Gallant Y.T. Ho & Co.
T. H. Koo & Associates

Hong Kong share registrar and transfer office

Computershare Hong Kong Investor Services Ltd.
Room No. 1712-1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

HIGHLIGHTS

The Group reported a decrease in revenue from HK$1,816,681,000 to HK$1,776,593,000.

The Group reported gross profit of HK$152,243,000 (2011: HK$123,961,000) in current period.

Profit for the period increased from HK$16,627,000 to HK$36,595,000.

Basic and diluted earnings per share was approximately HK8.34 cents (2011: HK3.80 cents).

The net asset value attributable to equity holders of the Company as at 30 September 2012 was HK$1,474,986,000 (31 March 2012: HK$1,447,043,000), equivalent to HK$3.37 (31 March 2012: HK$3.30) per share based on the 438,053,600 (31 March 2012: 438,053,600) ordinary shares in issue.

INTERIM RESULTS

The Board of Directors (the "Directors") of Yau Lee Holdings Limited (the "Company") is pleased to announce that the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2012 were as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2012

	Note	Six months ended 30 September **2012** HK$'000	2011 (Restated) HK$'000
Revenue	4	**1,776,593**	1,816,681
Cost of sales	6	**(1,624,350)**	(1,692,720)
Gross profit		**152,243**	123,961
Other income and gains	5	**39,107**	25,263
Distribution costs	6	**(16,064)**	(6,995)
Administrative expenses	6	**(139,222)**	(104,854)
Other operating expenses	6	**(2,474)**	(2,674)
Operating profit		**33,590**	34,701
Finance costs	7	**(19,644)**	(21,978)
Share of profit of jointly controlled entities		**23,426**	6,461
Share of profit of an associate		**17**	237
Profit before income tax		**37,389**	19,421
Income tax expense	8	**(794)**	(2,794)
Profit for the period		**36,595**	16,627
Attributable to:			
Equity holders of the Company		**36,528**	16,627
Non-controlling interests		**67**	–
		36,595	16,627
Interim dividend	9	**4,381**	–
Earnings per share (basic and diluted)	10	**8.34 cents**	3.80 cents

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	Six months ended 30 September 2012 HK$'000	2011 (Restated) HK$'000
Profit for the period	**36,595**	16,627
Other comprehensive income:		
Currency translation differences	**1,403**	4,458
Total comprehensive income for the period	**37,998**	21,085
Attributable to:		
Equity holders of the Company	**37,931**	21,085
Non-controlling interests	**67**	–
Total comprehensive income for the period	**37,998**	21,085

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2012

	Note	30 September 2012 HK$'000	31 March 2012 (Restated) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**980,237**	923,271
Investment properties	11	**295,374**	265,557
Leasehold land and land use rights	11	**60,516**	60,897
Intangible assets		**17,262**	17,790
Goodwill		**15,905**	15,905
Associates		**1,496**	1,479
Jointly controlled entities		**28,502**	16,468
Deferred income tax assets		**9,727**	9,727
Other non-current assets		**78,556**	96,786
		1,487,575	1,407,880
Current assets			
Cash and bank balances	12	**393,951**	570,027
Trade debtors, net	13	**642,968**	636,042
Prepayments, deposits and other receivables		**350,014**	307,723
Inventories		**80,737**	73,696
Prepaid income tax		**634**	634
Due from customers on construction contracts		**565,654**	448,373
Financial assets at fair value through profit or loss		**42,032**	44,021
Property under development for sale		**354,212**	347,810
Due from associates		**23**	458
Due from jointly controlled entities		**2,411**	5,077
		2,432,636	2,433,861
Total assets		**3,920,211**	3,841,741

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 September 2012

	Note	30 September 2012 HK$'000	31 March 2012 (Restated) HK$'000
EQUITY			
Share capital	15	**87,611**	87,611
Other reserves		**448,513**	447,110
Retained profits			
Proposed dividends		**4,381**	9,988
Others		**934,481**	902,334
Attributable to equity holders of the Company		**1,474,986**	1,447,043
Non-controlling interests		**1,139**	1,072
Total equity		**1,476,125**	1,448,115
LIABILITIES			
Non-current liabilities			
Long-term borrowings	16	**727,024**	755,715
Deferred income tax liabilities		**5,520**	5,565
		732,544	761,280
Current liabilities			
Bank overdrafts	16	**105**	–
Short-term bank loans	16	**746,272**	578,734
Current portion of long-term borrowings	16	**49,743**	35,099
Derivative financial liabilities	14	**32,087**	21,785
Payables to suppliers and subcontractors	17	**192,079**	335,850
Accruals, retention payables and other liabilities		**306,826**	275,829
Income tax payable		**2,891**	3,778
Obligation in respect of jointly controlled entities		**1,260**	1,252
Due to customers on construction contracts		**337,529**	373,019
Due to jointly controlled entities		**42,750**	7,000
		1,711,542	1,632,346
Total liabilities		**2,444,086**	2,393,626
Total equity and liabilities		**3,920,211**	3,841,741
Net current assets		**721,094**	801,515
Total assets less current liabilities		**2,208,669**	2,209,395

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	Attributable to equity holders of the Company							
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Currency translation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
As at 1 April 2012, as previously reported	**87,611**	**413,776**	**359**	**32,975**	**887,108**	**1,421,829**	**1,072**	**1,422,901**
Adjustment of change in accounting policy for								
– adopting amendments to HKAS12	**–**	**–**	**–**	**–**	**21,320**	**21,320**	**–**	**21,320**
– retention reclassification	**–**	**–**	**–**	**–**	**3,894**	**3,894**	**–**	**3,894**
As at 1 April 2012, as restated	**87,611**	**413,776**	**359**	**32,975**	**912,322**	**1,447,043**	**1,072**	**1,448,115**
Comprehensive income:								
Profit for the period	**–**	**–**	**–**	**–**	**36,528**	**36,528**	**67**	**36,595**
Other comprehensive income:								
Currency translation differences	**–**	**–**	**–**	**1,403**	**–**	**1,403**	**–**	**1,403**
2012 final dividend (Note 9)	**–**	**–**	**–**	**–**	**(9,988)**	**(9,988)**	**–**	**(9,988)**
As at 30 September 2012	**87,611**	**413,776**	**359**	**34,378**	**938,862**	**1,474,986**	**1,139**	**1,476,125**
As at 1 April 2011, as previously reported	87,611	413,776	359	24,202	861,542	1,387,490	–	1,387,490
Adjustment of change in accounting policy for								
– adopting amendments to HKAS12	–	–	–	–	15,563	15,563	–	15,563
– retention reclassification	–	–	–	–	3,714	3,714	–	3,714
As at 1 April 2011, as restated	87,611	413,776	359	24,202	880,819	1,406,767	–	1,406,767
Comprehensive income:								
Profit for the period	–	–	–	–	16,627	16,627	–	16,627
Other comprehensive income:								
Currency translation differences	–	–	–	4,458	–	4,458	–	4,458
2011 final dividend (Note 9)	–	–	–	–	(9,988)	(9,988)	–	(9,988)
As at 30 September 2011, as restated	87,611	413,776	359	28,660	887,458	1,417,864	–	1,417,864

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2012

	Note	2012 HK$'000	2011 HK$'000
Net cash used in operating activities		**(232,656)**	(104,115)
Net cash used in investing activities		**(82,129)**	(206,435)
Net cash from financing activities		**133,575**	141,460
Decrease in cash and cash equivalents		**(181,210)**	(169,090)
Cash and cash equivalents at beginning of period		**450,434**	319,522
Cash and cash equivalents at end of period		**269,224**	150,432
Analysis of cash and cash equivalents	12(b)		
Cash and bank balances		**224,542**	137,379
Time deposits		**44,787**	16,762
Bank overdrafts		**(105)**	(3,709)
		269,224	150,432

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Yau Lee Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development, and hotel operations. The Group is also engaged in other activities which mainly include computer software development and architectural and engineering services.

The Company is a limited liability company incorporated in Bermuda on 25 June 1991. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

Condensed consolidated interim financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated. Condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 27 November 2012.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2012 has been prepared in accordance with HKAS 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. ACCOUNTING POLICIES

(i) Adoption of amended standards

The following relevant amendments to existing standards have been published that are effective for the accounting period of the Group beginning on 1 April 2012:

- HKFRS 7 (amendment), *'Disclosures – Transfers of Financial Assets'*
- HKAS 12 (amendment), *'Deferred Tax: Recovery of Underlying Assets'*

The adoption of HKAS 12 (amendment) has resulted in a change in accounting policy and has been applied retrospectively. The adoption of the other amendment did not have any significant effect to the condensed interim financial statements or result in any substantial changes in the Group's significant accounting policies.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

(i) Adoption of amended standards (Continued)

In December 2010, the Hong Kong Institute of Certified Public Accountants ("HKICPA") amended HKAS 12, 'Income taxes', to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The presumption of recovery entirely by sale is rebutted if the investment property 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.

The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted. The Group has adopted this amendment retrospectively for the financial year ending 31 March 2013.

As at 30 September 2012, the Group had investment properties amounting to HK$295,374,000 (31 March 2012: HK$265,557,000). The investment properties held by the Group are located in Hong Kong and Singapore. As required by the amendment, the Group re-measured the deferred tax relating to investment properties located in Hong Kong and Singapore according to the tax consequence on the presumption that they are recovered entirely by sale.

As a result of the adoption of amendments to HKAS 12, certain comparative figures have been restated to reflect the change in accounting policy, as summarised below.

Effect on condensed consolidated income statement

	Six months ended 30 September	
	2012	2011
	HK$'000	HK$'000
Decrease in income tax expense	**(4,574)**	(317)
Increase in basic and diluted earnings per share	**HK1.04 cents**	HK0.07 cents

Effect on condensed consolidated balance sheet

	30 September 2012	31 March 2012
	HK$'000	HK$'000
Decrease in deferred income tax liabilities	**(25,894)**	(21,320)
Increase in retained profits	**25,894**	21,320

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

(ii) Retention receivables and payables

Previously, the Group classified retention receivables and payables as current assets and liabilities if these balances were expected to be settled within twelve months from the balance sheet date. Otherwise these balances were classified as non-current and discounted to present value, with the resulting gain or loss on discounting going through the profit or loss account.

With effect from 1 April 2012, the Group revised its accounting policy in respect of classification of retention receivables and payables, under which these balances are classified as current assets and liabilities as the Group expects to realise the assets or settle the liabilities within its normal operating cycle. This change aligns the Group's accounting policy with industry practice and hence providing more relevant information to the users of the financial statements by enhancing the comparability of the Group's financial statements with those of its peers.

The change in accounting policy has been accounted for retrospectively, and certain comparative figures have been restated. The effect of the adoption of this change in accounting policy is summarised below:

Effect on condensed consolidated income statement

	Six months ended 30 September	
	2012	2011
	HK$'000	HK$'000
Decrease in other income and gains	**(1,397)**	–
Decrease in other operating expenses	**–**	(212)
(Decrease)/increase in basic and diluted earnings per share	**(HK0.32 cents)**	HK0.05 cents

Effect on condensed consolidated balance sheet

	30 September 2012	31 March 2012
	HK$'000	HK$'000
Decrease in other non-current assets	**(51,675)**	(85,880)
Increase in trade debtors, net	**54,975**	91,641
Increase in accruals, retention payables and other liabilities	**14,094**	31,608
Decrease in non-current retention payable	**(13,291)**	(29,741)
Increase in retained profits	**2,497**	3,894

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

(iii) Relevant new or revised standards, and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following relevant new or revised standards, and amendments to existing standards have been published but are not effective for the financial year beginning 1 April 2012 and the Group has not been early adopted:

–	Amendments to HKAS 1 (revised),	'Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income'
–	HKFRS 7 (amendment),	'Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities'
–	HKFRS 7 (amendment),	'Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transitional Disclosures'
–	HKAS 19 (2011),	'Employee Benefits'
–	HKAS 27 (2011),	'Separate Financial Statements'
–	HKAS 28 (2011),	'Investments in Associates and Joint Ventures'
–	HKAS 32 (amendment),	'Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities'
–	HKFRS 9,	'Financial Instruments'
–	HKFRS 10,	'Consolidated Financial Statements'
–	HKFRS 11,	'Joint Arrangements'
–	HKFRS 12,	'Disclosure of Interests in Other Entities'
–	HKFRS 13,	'Fair Value Measurement'

The Group will adopt the above new or revised standards, and amendments to existing standards as and when they become effective. The Group has already commenced an assessment of the impact to the Group but is not yet in a position to state whether these they would have significant impact on its results of operations and financial position.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development, and hotel operations.

	Six months ended 30 September 2012 HK$'000	2011 HK$'000
Revenue		
Contracting of building construction, plumbing, renovation, maintenance and fitting-out projects	**906,774**	1,092,829
Electrical and mechanical installation	**580,626**	645,273
Building materials supply	**280,846**	72,647
Property investment and development	**943**	905
Hotel operations	**403**	–
Others	**7,001**	5,027
	1,776,593	1,816,681

The chief operating decision makers have been identified as the Executive Directors. In accordance with the Group's internal financial reporting provided to the Executive Directors, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are as follows:

- Construction – Contracting of building construction, plumbing, renovation, maintenance and fitting-out projects
- Electrical and mechanical installation – Provision of electrical, mechanical, ventilation and air conditioning, fire, plumbing and environmental engineering services
- Building materials supply – Supply of construction and building materials
- Property investment and development
- Hotel operations

Other operations of the Group mainly comprise computer software development and architectural and engineering services which are not of a sufficient size to be reported separately.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Construction HK$'000	Electrical and mechanical installation HK$'000	Building materials supply HK$'000	Property investment and development HK$'000	Hotel operations HK$'000	Others HK$'000	Total HK$'000
For the six months ended 30 September 2012							
Total sales	920,811	667,172	292,882	943	403	14,871	1,897,082
Inter-segment sales	(14,037)	(86,546)	(12,036)	–	–	(7,870)	(120,489)
External sales	906,774	580,626	280,846	943	403	7,001	1,776,593
Segment results	974	(4,746)	30,818	26,343	(8,184)	(4,279)	40,926
Unallocated expenses							(7,336)
Operating profit							33,590
Finance costs							(19,644)
Share of profit/(loss) of jointly controlled entities	23,433	–	(7)	–	–	–	23,426
Share of profit of an associate	–	17	–	–	–	–	17
Profit before income tax							37,389
Income tax expense							(794)
Profit for the period							36,595
As at 30 September 2012							
Segment assets	1,257,773	508,195	713,026	651,028	666,678	50,726	3,847,426
Interests in associates	–	1,471	–	–	–	25	1,496
Interests in jointly controlled entities	28,502	–	–	–	–	–	28,502
Unallocated assets							42,787
Total assets							3,920,211

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Construction HK$'000	Electrical and mechanical installation HK$'000	Building materials supply HK$'000	Property investment and development HK$'000	Hotel operations HK$'000	Others HK$'000	Total HK$'000
For the six months ended 30 September 2011 (Restated)							
Total sales	1,390,982	734,785	115,761	905	–	17,367	2,259,800
Inter-segment sales	(298,153)	(89,512)	(43,114)	–	–	(12,340)	(443,119)
External sales	1,092,829	645,273	72,647	905	–	5,027	1,816,681
Segment results	16,409	3,392	8,279	7,215	(30)	(2,695)	32,570
Unallocated income							2,131
Operating profit							34,701
Finance costs							(21,978)
Share of profit/(loss) of jointly controlled entities	6,479	–	(18)	–	–	–	6,461
Share of profit of an associate	–	237	–	–	–	–	237
Profit before income tax							19,421
Income tax expense							(2,794)
Profit for the period							16,627
As at 31 March 2012							
Segment assets	1,191,276	570,419	729,573	621,041	621,909	49,659	3,783,877
Interests in associates	–	1,454	–	–	–	25	1,479
Interests in jointly controlled entities	16,468	–	–	–	–	–	16,468
Unallocated assets							39,917
Total assets							3,841,741

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

5. OTHER INCOME AND GAINS

	Six months ended 30 September 2012 HK$'000	2011 HK$'000
Other income		
Dividend income from investments	**149**	145
Bank interest income	**1,154**	837
Interest income from subcontractors	**6,581**	4,651
Management service income from a jointly controlled entity	**758**	758
Sundry income	**1,458**	2,012
	10,100	8,403
Other gains		
Fair value gain on investment properties, net	**27,603**	6,673
Gain on financial assets at fair value through profit or loss	**153**	531
Gain on derivative financial assets	**–**	991
Gain on disposal of property, plant and equipment, net	**53**	172
Exchange gain, net	**1,198**	8,493
	29,007	16,860
	39,107	25,263

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

6. EXPENSES BY NATURE

	Six months ended 30 September 2012 HK$'000	2011 (Restated) HK$'000
Cost of construction	**1,144,824**	1,368,293
Cost of inventories sold	**211,424**	84,322
Staff cost (including directors' emoluments)	**298,465**	270,191
Depreciation		
Owned property, plant and equipment	**26,601**	13,150
Leased property, plant and equipment	**1,330**	1,972
	27,931	15,122
Operating lease rentals of		
Land and buildings	**6,474**	5,939
Other equipment	**25,796**	24,412
	32,270	30,351
Amortisation of leasehold land and land use rights	**736**	699
Amortisation of intangible assets	**528**	528
Auditor's remuneration	**1,865**	1,548
Direct operating expenses arising from investment properties		
– Generate rental income	**171**	84
– Not generate rental income	**21**	19
Distribution costs	**16,064**	6,995
Others	**47,811**	29,091
Total cost of sales, distribution costs, administrative and other operating expenses	**1,782,110**	1,807,243

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

7. FINANCE COSTS

	Six months ended 30 September 2012 HK$'000	2011 HK$'000
Interest on overdrafts and short-term bank loans	**10,642**	3,748
Interest on long-term bank loans repayable within five years	**5,369**	2,413
Interest on long-term bank loans repayable after five years	**2,246**	531
Interest element of finance lease payments	**135**	148
Total borrowing costs incurred	**18,392**	6,840
Less: Classified as cost of construction	**(2,806)**	(286)
Capitalised in construction in progress	**(4,584)**	(1,860)
Capitalised in investment properties	**(785)**	(915)
Capitalised in property under development for sale	**(2,028)**	–
	8,189	3,779
Loss on financial assets at fair value through profit or loss	**20**	29
Loss on derivative financial liabilities	**11,435**	18,170
	19,644	21,978

8. INCOME TAX EXPENSE

No taxation on Hong Kong profits tax for the period has been provided as there were no estimated assessable profits in Hong Kong.

Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax charged/(credited) to the unaudited condensed consolidated income statement represents:

	Six months ended 30 September 2012 HK$'000	2011 (Restated) HK$'000
Overseas tax provision for the period	**881**	947
Under-provision of tax in prior years	**–**	834
Deferred income tax relating to the origination and reversal of temporary differences	**(87)**	1,013
	794	2,794

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

9. DIVIDENDS

	Six months ended 30 September 2012 HK$'000	2011 HK$'000
Dividends paid during the period Final in respect of the financial year ended 31 March 2012 – HK2.28 cents (2011: HK2.28 cents) per ordinary share	**9,988**	9,988
Proposed interim dividend Interim – HK1.0 cent (2011: Nil) per ordinary share	**4,381**	–

The interim dividend was declared after the period ended 30 September 2012, and therefore has not been included as a liability in the condensed consolidated balance sheet. The interim dividend will be paid to the shareholders whose names appear in the register of members on 28 December 2012.

10. EARNINGS PER SHARE (BASIC AND DILUTED)

The calculation of earnings per share is based on:

	Six months ended 30 September 2012 HK$'000	2011 (Restated) HK$'000
Net profit attributable to the equity holders of the Company	**36,528**	16,627

	Six months ended 30 September 2012	2011
Weighted average number of shares in issue during the period	**438,053,600**	438,053,600

Diluted earnings per share for the six months ended 30 September 2012 and 2011 are not presented as there are no potential dilutive shares in issue during the periods.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. CAPITAL EXPENDITURE

	Property, plant and equipment HK$'000	Investment properties HK$'000	Leasehold land and land use rights HK$'000
Net book amount as at 1 April 2012	**923,271**	**265,557**	**60,897**
Additions	**80,187**	**793**	**355**
Interest capitalised	**4,584**	**785**	**–**
Fair value gain on investment properties, net	**–**	**27,603**	**–**
Currency translation differences	**314**	**636**	**–**
Disposals	**(188)**	**–**	**–**
Depreciation/amortisation charge (Note 6)	**(27,931)**	**–**	**(736)**
Net book amount as at 30 September 2012	**980,237**	**295,374**	**60,516**
Net book amount as at 1 April 2011	688,318	368,069	60,209
Additions	128,007	20,950	–
Interest capitalised	1,860	915	–
Fair value gain on investment properties, net	–	6,673	–
Currency translation differences	4,365	–	1,442
Disposals	(262)	–	–
Depreciation/amortisation charge (Note 6)	(15,122)	–	(699)
Net book amount as at 30 September 2011	807,166	396,607	60,952

The fair value of the Group's investment properties has been arrived at on the basis of valuations carried out by an independent firm of qualified property valuers not connected with the Group.

12. CASH AND BANK BALANCES

	30 September 2012 HK$'000	31 March 2012 HK$'000
Cash and bank balances	**224,542**	338,453
Time deposits	**44,787**	111,981
Restricted deposits (Note a)	**124,622**	119,593
	393,951	570,027

(a) Restricted deposits are funds which are pledged for the banking facilities of the Group.

(b) Cash and cash equivalents include the following for the purpose of the condensed consolidated cash flow statement:

	30 September 2012 HK$'000	31 March 2012 HK$'000
Cash and bank balances	**224,542**	338,453
Time deposits	**44,787**	111,981
Bank overdrafts	**(105)**	–
	269,224	450,434

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. TRADE DEBTORS, NET

Trade debtors, net included trade debtors and retention receivables less provision for impairment.

The trade debtors are due 30 days to 150 days after invoicing depending on the nature of services or products. As at 30 September 2012, trade debtors of HK$64,869,000 (31 March 2012: HK$52,539,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The aging analysis of the trade debtors, net is as follows:

	30 September 2012 HK$'000	31 March 2012 (Restated) HK$'000
Current	**578,099**	583,503
Overdue by:		
1-30 days	**30,852**	22,966
31-90 days	**7,482**	14,774
91-180 days	**9,341**	2,959
Over 180 days	**17,194**	11,840
	64,869	52,539
	642,968	636,042

14. DERIVATIVE FINANCIAL LIABILITIES

	30 September 2012 HK$'000	31 March 2012 HK$'000
Hong Kong dollars interest rate swap	**32,087**	21,785

The Group entered into several interest rate swap agreements with banks at a total notional amount of HK$600,000,000. Under these agreements, the Group will pay fixed rate and receive floating rate plus credit margin, which mitigate its interest rate exposure arising from its operation. These swap agreements took effect during the period from June 2012 to August 2012 and will expire four years later after the effective date.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15. SHARE CAPITAL

	Number of shares		Amount	
	30 September 2012	31 March 2012	30 September 2012 HK$'000	31 March 2012 HK$'000
Ordinary shares of HK$0.2 each				
Authorised:				
At beginning and end of the period/year	**1,000,000,000**	1,000,000,000	**200,000**	200,000
Issued and fully paid:				
At beginning and end of the period/year	**438,053,600**	438,053,600	**87,611**	87,611

16. BORROWINGS

The maturity of borrowings are as follows:

	Bank loans and overdrafts		Obligations under finance lease	
	30 September 2012 HK$'000	31 March 2012 HK$'000	30 September 2012 HK$'000	31 March 2012 HK$'000
Within 1 year	**792,289**	610,341	**3,831**	3,492
Between 1 and 2 years	**121,714**	120,156	**2,103**	1,013
Between 2 and 5 years	**224,313**	237,205	**1,628**	1,952
After 5 years	**377,266**	395,389	**–**	–
	1,515,582	1,363,091	**7,562**	6,457

The bank borrowings are secured by certain property, plant and equipment, investment properties, property under development for sale, restricted deposits and financial assets at fair value through profit or loss of the Group.

17. PAYABLES TO SUPPLIERS AND SUBCONTRACTORS

The aging analysis of payables to suppliers and subcontractors is as follows:

	30 September 2012 HK$'000	31 March 2012 HK$'000
Current	**175,876**	272,945
1-30 days	**10,919**	38,730
31-90 days	**290**	7,401
91-180 days	**2,244**	3,606
Over 180 days	**2,750**	13,168
	192,079	335,850

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

18. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

(a) In the normal course of its business, the Group is subject to various claims under its construction contracts. As at 30 September 2012, the Group had various liquidated damages claims on certain contracts for which the Group has filed extension of time claims with the customers. The amount of the ultimate liquidated damages, if any, cannot be ascertained but the Directors are of the opinion that any resulting liability would not materially affect the financial position of the Group.

(b) In 2010, the Group filed a statement of claims against a subcontractor of HK$10,000,000 in respect of the subcontractor's failure to perform contractual duties and for recovery of overpayment made to the subcontractor. The subcontractor raised a counterclaim against the Group in the sum of HK$10,000,000. The case is in the process of exchanging documents for proceedings. The Directors consider that no provision is presently required with respect to the case.

(c) The Group has provided performance bonds amounting to approximately HK$419,848,000 (31 March 2012: HK$340,643,000) in favour of the Group's customers.

(d) As at 30 September 2012, the Group has capital expenditure contracted for but not yet incurred in relation to the acquisition of plant and equipment and setup of a factory in Mainland China of approximately HK$19,526,000 (31 March 2012: HK$29,609,000).

(e) The future aggregate minimum lease rental payable under non-cancellable operating leases is as follows:

	30 September 2012 HK$'000	31 March 2012 HK$'000
Land and buildings		
– Within one year	**7,687**	8,111
– One year to five years	**13,527**	11,574
– More than five years	**37,272**	38,677
	58,486	58,362

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

19. RELATED PARTY TRANSACTIONS

Key management compensation

Key management includes the Directors (Executive and Independent Non-Executive Directors) of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 September	
	2012	2011
	HK$'000	HK$'000
Salaries and fees	**6,831**	7,735
Discretionary bonuses	**200**	116
Pension costs – defined contribution scheme	**297**	299
	7,328	8,150

20. FUTURE MINIMUM RENTAL PAYMENTS RECEIVABLE

The Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of its investment properties as follows:

	30 September 2012 HK$'000	31 March 2012 HK$'000
Within one year	**2,244**	1,366
One year to five years	**1,971**	1,293
	4,215	2,659

MANAGEMENT DISCUSSION AND ANALYSIS

Interim results and review of operation

The Group's turnover for the 2012 interim period was HK$1,777 million, reduced slightly by 2% from HK$1,817 million in 2011. If the turnover of joint venture project has been included, the like-for-like turnover would be increased by 17.2% period-on-period. Construction and maintenance revenue not counting joint venture project had decreased due to completion of several sizeable contracts during the period. Though our order books were replenished and grew, turnover was yet to reflect the rise in businesses because certain new projects have just been commenced. Electrical and mechanical installation segment reported a turnover of HK$580.6 million, down by 10% period-on-period. The drop was mainly in China projects. The challenging property market condition in China caused developers to slow down the development progress and therefore value of work completed during the period had declined. On building material manufacturing segment, the establishment of Huizhou new factory underpinned business expansion. Half year revenue had grown by almost 3 times period-on-period to HK$280.8 million.

Consolidated gross profits for the period was HK$152.2 million or a gross profit margin of 8.6% whilst the comparative figures a year earlier were HK$124.0 million and 6.8% respectively. In face of complicated operational environment with rising materials and labor costs, the Group carried out effective costs controls and strategic measures to improve productivity which uplift gross profits in both construction and building material manufacturing businesses.

Booming retailing, on-going infrastructural projects and low interest rates environment support continued economic growth in Hong Kong. Inflation exerts pressures on profitability. During the period, we take meticulous care in operation spending. Hefty increases in some expenses were noted. Distribution expenses rose to HK$16 million during the period, which was in line with the growth in business materials supply sales volume. Depreciation was up by 85% as a result of full operation of Huizhou new factory and completion of hotel construction. Also, inflation coupled with the very low unemployment rate drove up staff costs. We would attend to these issues unceasingly and look for measures to mitigate the impacts on profitability.

The Group achieved a net profit attributable to shareholders for the period amounted to HK$36.6 million, well over corresponding period last year by 1.2 times amid rises in running costs. Increase in fair value gain on investment property of HK$21 million period-on-period contributed largely to net profits.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Interim results and review of operation (Continued)

As at 30 September 2012, the value of contracts in hand excluding joint venture contracts was HK$10,779 million, representing an increase of HK$2,122 million or 24.5% compared to 31 March 2012. During the period, five contracts with a total value of HK$2,678 million were secured by building construction, renovation and maintenance segment. Contract value of individual project is growing which attributes to the organic growth of our businesses. Electrical and mechanical installation segment secured new contract sum of HK$675 million which was similar to corresponding period last year. Subsequent to the reporting period, our jointly controlled entity with PY Construction (Macau) Limited was awarded with an entertainment and hotel development project in Macau of contract sum approximately HK$10 billion. It denoted our market share expansion in the region.

Movement of contracts

For the six months ended 30 September 2012 (excluding joint venture contracts)

	31 March 2012 HK$ million	Contracts Secured HK$ million	Contracts Completed HK$ million	**30 September 2012 HK$ million**
Building construction, renovation and maintenance	5,423	2,678	(843)	**7,258**
Electrical and mechanical installation	3,618	675	(371)	**3,922**
Less: Inter-segment contracts	(384)	(175)	158	**(401)**
	8,657	3,178	(1,056)	**10,779**

The above contract value as at 30 September 2012 did not include two contracts of jointly controlled entities with HK$3,196,000,000 in total value.

Financial position

The Group's finance and treasury functions has been centrally managed and controlled at the headquarters in Hong Kong. As at 30 September 2012, the Group's total cash in hand was HK$394.0 million (31 March 2012: HK$570.0 million) and total borrowings was increased to HK$1,523.1 million (31 March 2012: HK$1,369.5 million) during the period. The increase in borrowing is largely to finance the hotel and properties developments. The current ratio (total current assets: total current liabilities) as at 30 September 2012 was 1.42 (31 March 2012: 1.49). The amount of bank loans and other facilities fall due beyond one year was HK$727.0 million (31 March 2012: HK$755.7 million). With prudent financial management policy in place, the Group considers the financial position as sound and healthy with sufficient liquidity.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial position (Continued)

The short term and long term borrowings are secured by the Group's properties, certain time deposits and financial assets at fair value through profit or loss. Interest on bank loans are charged at floating rates. The Group monitors interest rate risks continuously and considers hedging any excessive risk when necessary. As at 30 September 2012, the Group has been granted bank loans and overdraft facilities of HK$1,695.7 million (31 March 2012: HK$1,622.1 million) and guarantee and trade financing facilities of HK$637.7 million (31 March 2012: HK$575.2 million). Within these facilities, utilisations were HK$1,443.9 million (31 March 2012: HK$1,373.8 million) and HK$325.9 million (31 March 2012: HK$236.0 million) respectively at period end. The increase in banking facilities was mainly for financing construction projects working capital. The Group considers it has sufficient committed and unutilised banking facilities to meet its current business operation and property development requirement.

Human resources

As at 30 September 2012, the Group had approximately 3,700 (31 March 2012: 3,900) employees. There are approximately 2,100 (31 March 2012: 2,100) employees in Hong Kong, Macau and Singapore and 1,600 (31 March 2012: 1,800) in Mainland China. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. The Group also invests on training and promotes staff development as the Group believes the expertise and experience of its staff force are one of the most important assets for sustaining business and growth of the Group.

Outlook

The outlook of construction industry in the Group's core markets i.e. Hong Kong, Macau and Singapore remain very positive. In Hong Kong, strong commitments from Government in infrastructure and public housing development bolster the industry. In Macau, a number of casino operators have announced their next phase plans on casino and hotel developments. In Singapore, real growth for the construction industry reached 6.9% year-on-year in first quarter of 2012, driven by a surge in residential building activity. Also, several infrastructure projects like country's railway network, RTS Link etc were planned which would help to maintain the economic growth of the country. It is expected that construction activities in these regions would keep growing in coming periods. For fiscal year 2012, we are confident that new orders would reach record level. Certainly, construction booms bring both opportunities and risks. Escalating construction costs driven largely by shortage of skilled labor and construction professionals would deprive margin. To pursue reasonable return and sustainable growth, we would be more cautious in tendering and target for quality projects.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Outlook (Continued)

Also, we would seek to improve returns by expanding private sector businesses and exporting our expertise to oversea markets. The planned casino and hotel developments in Macau are potentials we would tap into for enlarging our private sector businesses. Precast, of our another core competence, has yet to reach its full potential. We would actively explore opportunities to expand our establishments to overseas which are in need of our expertise.

Alongside the conventional construction businesses, the Group develops strategically property investments for risk diversification and enhanced shareholders' value purposes. Construction of Holiday Inn Express Hong Kong, SOHO has been completed and operation commenced in September. Benefited from the traditional peak months for travel, the hotel achieved a high occupancy even in its first month of operation and met the revenue budget. The Hong Kong Tourism Board estimated that total visitor arrivals this year will grow by 5.5%. In fact, arrivals in the first 4 months of this year had soared by 15.3% year-on-year. In view of the strong performance of the tourist industry, we are optimistic about the hotel business outlook. It will contribute to the Group in both profits and cash flow.

We believe the building construction industry of Singapore, Macau and Hong Kong would continue to grow in coming ten years and the currency fluctuation of Renminbi is the most uncertain issue to deal with. We are cautiously optimistic about the prospect of the Group and will continue to implement our strategies prudently and prepare for any challenges ahead.

INTERIM DIVIDEND

On 27 November 2012, the Board has resolved to declare the payment of an interim dividend of HK1.0 cent per ordinary share in respect of the six months ended 30 September 2012 to shareholders registered on the register of members on 28 December 2012, resulting in an appropriation of approximately HK$4,381,000. The interim dividend will be payable on or before 15 January 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 December 2012 to 28 December 2012, both days inclusive, during which period no transfer of shares shall be effected. To qualify for the interim dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Room No. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 20 December 2012.

DIRECTORS' INTERESTS

At the date of this report, the interests of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

Shares of HK$0.2 each in the Company

Director	Number of shares held (long position) Corporate interest	Percentage
Mr. Wong Ip Kuen	260,659,599	59.50%

The shares referred to above are registered in the names of All Fine Investment Company Limited and Billion Goal Holdings Limited with respective registered holding of 230,679,599 shares and 29,980,000 shares. Mr. Wong Ip Kuen owns the entire issued share capital of All Fine Investment Company Limited and Billion Goal Holdings Limited. All Fine Investment Company Limited and Billion Goal Holdings Limited are incorporated in the Cook Islands and the British Virgin Islands respectively. Mr. Wong Ip Kuen is a director of both All Fine Investment Company Limited and Billion Goal Holdings Limited.

During the period ended 30 September 2012, none of the Directors and chief executives (including their spouses and minor children) had any interests in, or had been granted, or exercised, any rights to subscribe for shares or debentures of the Company and its associated corporations (within the meaning of the SFO).

At no time during the period was the Company, its subsidiaries, its associates or its jointly controlled entities a party to any arrangement to enable the Directors and chief executives of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OF THE COMPANY

At 30 September 2012, the register of substantial shareholders maintained under Section 336 of the SFO showed that the Company had not been notified of any substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital, other than those of the Directors and chief executives as disclosed above.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold, the Company's listed securities during the six months ended 30 September 2012.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the Group's unaudited interim results.

CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE SEHK ("LISTING RULES") – BANKING FACILITY WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Directors of the Company reported the following loan facility which entered during the period and includes a condition relating to specific performance of the controlling shareholder of the Company.

On 22 November 2011, a wholly-owned subsidiary of the Company was granted a term loan facility in the aggregate sum of HK$207,500,000 to be repaid in 48 months from the date of the facility agreement or 6 months from the date of the occupation permit issued by the Hong Kong Building Authority in respect of an entire new building, whichever shall be the earlier. The facility is for the purpose of construction of a new building, which is in part financed or refinanced by the facility. Pursuant to the facility agreement, it shall be an event of default if Mr. Wong Ip Kuen, the controlling shareholder of the Company, ceases to beneficially own 50 per cent or more of the entire issued voting share capital of the Company.

On 24 November 2011, four wholly-owned subsidiaries of the Company, as borrowers entered into a loan facility agreement with a bank in Hong Kong for an uncommitted revolving loan facility in the sum of HK$21,000,000 and a foreign exchange contract facility on unadvised and uncommitted basis. Pursuant to the loan facility agreement, it shall be an event of default if Mr. Wong Ip Kuen, the controlling shareholder of the Company, and his family, in aggregate hold less than 40 per cent of the equity interest and voting shares of the Company.

On 27 March 2012, two wholly-owned subsidiaries of the Company entered into a loan facility agreement with a bank in Hong Kong in respect of general banking facilities of up to an aggregate amount of HK$50,000,000 on uncommitted basis. Pursuant to the facility agreement, it shall be an event of default if Mr. Wong Ip Kuen, the controlling shareholder of the Company, and his direct family members, hold less than 40 per cent of the equity interest of the Company and do not maintain control over the management of the Company. The condition was subsequently released on 24 October 2012.

CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE SEHK ("LISTING RULES") – BANKING FACILITY WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER (CONTINUED)

On 29 March 2012, a wholly-owned subsidiary of the Company entered into a term loan facility of up to HK$475,000,000 with a bank in Hong Kong for the exclusive purpose of refinancing an existing indebtedness between the subsidiary and the bank. The loan shall be repaid by twenty consecutive semi-annual installments with the first repayment date falls on six months after the date of the loan agreement. Pursuant to the facility agreement, it shall be an event of default if Mr. Wong Ip Kuen, the controlling shareholder of the Company, and his family members, hold directly or indirectly less than 40 per cent of the equity interest and voting shares of the Company.

On 12 October 2012, a wholly-owned subsidiary of the Company entered into a term loan facility of up to HK$300,000,000 with a bank in Hong Kong for exclusive purpose of financing the general working capital requirements of the subsidiary. The loan shall be repaid by ten consecutive semi-annual instalments with the first repayment date falls on six months after the date of the loan agreement. Pursuant to the facility agreement, it shall be an event of default if Mr. Wong Ip Kuen, the controlling shareholder of the Company, and his family members, hold directly or indirectly less than 40 per cent of the equity interest and voting shares of the Company.

As at 30 September 2012 and up to the date of this report, there is no breach of the covenants.

CORPORATE GOVERNANCE

The Board believes that corporate governance is fundamental to corporate long term success and the enhancement of shareholder value. The Company has adopted the principles and practices of the Code on Corporate Governance Practice (the "Code") as set out in the Appendix 14 of the Listing Rules. The Company strives to improve the transparency of its corporate governance practices and maximise the return to its shareholders through prudent management, investment and treasury policies. Detailed disclosure of the Company's corporate governance practices is available in the 2012 Annual Report.

COMPLIANCE WITH LISTING RULES

In the opinion of the Directors, the Company has complied with the requirements of the Code as set out in Appendix 14 of the Listing Rules for the period ended 30 September 2012 except for the Code provision A.2.1 and A.6.7.

Code provision A.2.1 requires the roles of chairman and chief executive officer be separated and not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. However, the roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Wong Ip Kuen. The current structure will enable the Company to make and facilitate the implementation of decisions promptly and efficiently.

Code provision A.6.7 requires the independent non-executive directors and other non-executive directors should attend general meetings and should develop a understanding of the views of shareholders. All independent non-executive directors attended the annual general meeting of the Company, other than one independent non-executive director who could not attend the annual general meeting held on 28 August 2012 due to other commitment.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the requirements of the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the securities transactions of the Directors of the Company. Having made specific enquiries to all Directors of the Company, they have confirmed that they complied with the required standard set out in the Model Code during the accounting period covered by this interim report.

By order of the Board
Wong Ip Kuen
Chairman

Hong Kong, 27 November 2012