WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2012

Financial Performance Highlights

Group revenue and share of revenue of jointly controlled entities	HK$2,440 million
Profit attributable to owners of the Company	HK$327 million
Basic earnings per share	HK41.19 cents
Final dividend per share	HK7.7 cents
Equity attributable to owners of the Company per share	HK$5.99

RESULTS

The board of directors (the "Board") of Wai Kee Holdings Limited (the "Company") announces the audited results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2012

	Notes	**2012** *HK$'000*	2011 (Restated) *HK$'000*
Revenue	*2*	**1,958,069**	1,248,340
Cost of sales		**(1,781,314)**	(1,135,337)
Gross profit		**176,755**	113,003
Other income	*4*	**42,826**	51,367
Investment income, gains and losses	*5*	**20,864**	(16,369)
Selling and distribution costs		**(56,057)**	(25,624)
Administrative expenses		**(181,923)**	(185,198)
Other expenses		**(14,838)**	-
Finance costs	*6*	**(5,469)**	(4,461)
Share of results of associates		**310,002**	292,050
Share of results of jointly controlled entities		**8,071**	3,261
Other gains and losses	*7*	**36,360**	78,270
Profit before tax	*8*	**336,591**	306,299
Income tax expense	*9*	**(261)**	(5,074)
Profit for the year		**336,330**	301,225
Profit for the year attributable to:			
Owners of the Company		**326,692**	290,735
Non-controlling interests		**9,638**	10,490
		336,330	301,225
		HK cents	*HK cents*
Earnings per share	*11*		
- Basic		**41.19**	36.66
- Diluted		**41.19**	36.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st December, 2012

	2012	2011 (Restated)
	HK$'000	*HK$'000*
Profit for the year	**336,330**	301,225
Other comprehensive income		
Exchange difference arising on translation of foreign operations	**886**	2,542
Reclassification adjustment for translation reserve upon liquidation of an associate	**(3,138)**	-
Share of translation reserve of associates	**76,765**	162,067
Other comprehensive income for the year	**74,513**	164,609
Total comprehensive income for the year	**410,843**	465,834
Total comprehensive income for the year attributable to:		
Owners of the Company	**400,769**	454,131
Non-controlling interests	**10,074**	11,703
	410,843	465,834

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31st December, 2012

	Notes	**31st December, 2012** *HK$'000*	31st December, 2011 (Restated) *HK$'000*	1st January, 2011 (Restated) *HK$'000*
Non-current assets				
Property, plant and equipment		**113,430**	130,882	76,093
Intangible assets		**65,095**	65,996	65,826
Goodwill		**29,838**	29,838	29,838
Interests in associates		**4,497,169**	4,245,484	3,919,555
Interests in jointly controlled entities		**26,156**	38,815	59,465
Available-for-sale investments		**-**	-	-
Other financial asset		**52,295**	53,400	52,381
Loan and other receivables		**12,830**	16,767	-
		4,796,813	4,581,182	4,203,158
Current assets				
Prepaid royalties		**-**	-	1,274
Inventories		**11,223**	5,227	3,055
Amounts due from customers for contract work		**138,152**	98,761	66,493
Debtors, deposits and prepayments	*12*	**652,182**	401,721	305,449
Amounts due from associates		**10,427**	7,218	7,180
Amounts due from jointly controlled entities		**82,573**	41,741	17,456
Held-for-trading investments		**61,416**	45,443	36,618
Pledged bank deposit		**10**	21	19
Bank balances and cash		**75,185**	124,450	58,623
		1,031,168	724,582	496,167
Current liabilities				
Amounts due to customers for contract work		**125,957**	65,549	30,373
Creditors and accrued charges	*13*	**580,414**	440,927	298,262
Amount due to an associate		**11,052**	9,947	8,842
Amounts due to jointly controlled entities		**12,465**	6,418	2,782
Amount due to a related company		**-**	-	611
Amounts due to non-controlling shareholders		**3,359**	3,357	3,359
Tax liabilities		**2,039**	2,767	193
Other borrowings		**-**	25	44
Bank loans		**178,706**	183,033	126,600
Structured borrowing		**-**	-	12,561
		913,992	712,023	483,627
Net current assets		**117,176**	12,559	12,540
Total assets less current liabilities		**4,913,989**	4,593,741	4,215,698

	31st December, 2012 HK$'000	2011 (Restated) HK$'000	1st January, 2011 (Restated) HK$'000
Non-current liabilities			
Deferred tax liabilities	**5,750**	5,750	5,750
Obligations in excess of interests in associates	**17,795**	18,235	18,932
Amount due to an associate	**6,713**	7,172	8,172
Amount due to a jointly controlled entity	**-**	4,067	4,067
Other borrowings	**-**	5	30
Bank loans	**-**	13,750	26,345
	30,258	48,979	63,296
Net assets	**4,883,731**	4,544,762	4,152,402
Capital and reserves			
Share capital	**79,312**	79,312	79,312
Share premium and reserves	**4,669,208**	4,340,613	3,969,760
Equity attributable to owners of the Company	**4,748,520**	4,419,925	4,049,072
Non-controlling interests	**135,211**	124,837	103,330
Total equity	**4,883,731**	4,544,762	4,152,402

Notes:

1. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants:

Amendments to HKFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKAS 1	Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009 - 2011 Cycle issued in June 2012)

The application of the amendments to HKFRS 7 has had no material effect on the amounts reported and/or disclosures set out in the Group's consolidated financial statements.

In the current year, the Group has applied the amendments to HKAS 12 retrospectively and the impact on the Group's consolidated financial statements is described below.

Amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets"

Under the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets", investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

Road King Infrastructure Limited ("Road King"), an associate of the Group, measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors of Road King reviewed the investment property portfolios and concluded that for certain of the Road King's investment properties, their carrying amounts will be recovered through sale, and that for the other investment properties of Road King, the properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time and therefore that the presumption set out in the amendments to HKAS 12 is rebutted by Road King in respect of these properties.

As a result of the application of the amendments to HKAS 12, Road King recognised additional deferred taxes in respect of those investment properties situated in the People's Republic of China (the "PRC") which are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time and are subject to land appreciation tax on disposal of these investment properties. Previously, Road King did not recognise deferred tax relating to land appreciation tax on changes in fair value of those investment properties on the basis that the deferred tax was measured based on the assumption that the carrying amounts of these properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's interests in associates being decreased by HK$48,480,000 and HK$16,788,000 at 31st December, 2011 and 1st January, 2011 respectively, with the corresponding adjustment being recognised in retained profits. In addition, the application of the amendments has resulted in the Group's profit for the year ended 31st December, 2012 and 31st December, 2011 being decreased by HK$6,200,000 and HK$31,692,000 respectively.

Summary of the effects of the adoption of amendments to HKAS 12

The effect of the adoption of amendments to HKAS 12 by Road King described above on the Group's consolidated income statement for the current and prior years is as follows:

	2012 ***HK$'000***	2011 *HK$'000*
Decrease in share of results of associates	**6,200**	31,692

The effect of the adoption of amendments to HKAS 12 by Road King described above on the Group's consolidated statement of financial position at 1st January, 2011 and 31st December, 2011 is as follows:

	At 1st January, 2011 (Originally stated) *HK$'000*	Amendments to HKAS 12 adjustments *HK$'000*	At 1st January, 2011 (Restated) *HK$'000*	At 31st December, 2011 (Originally stated) *HK$'000*	Amendments to HKAS 12 adjustments *HK$'000*	At 31st December, 2011 (Restated) *HK$'000*
Interests in associates	3,936,343	(16,788)	3,919,555	4,293,964	(48,480)	4,245,484
Retained profits	2,719,786	(16,788)	2,702,998	2,962,008	(48,480)	2,913,528

Effects on net assets and equity at 31st December, 2012

	At 31st December, 2012 *HK$'000*
Decrease in interests in associates and total effect on net assets	54,680
Decrease in retained profits and total effect on equity	54,680

The effect of the adoption of amendments to HKAS 12 by Road King described above on the Group's basic and diluted earnings per share for the current and prior years is as follows:

	Basic earnings per share		**Diluted earnings per share**	
	2012	2011	**2012**	2011
	HK cents	*HK cents*	***HK cents***	*HK cents*
Figures before adjustments	**41.97**	40.65	**41.97**	40.65
Amendments to HKAS 12 adjustments	**(0.78)**	(3.99)	**(0.78)**	(3.99)
Figures after adjustments	**41.19**	36.66	**41.19**	36.66

Amendments to HKAS 1 "Presentation of Financial Statements"
(as part of the Annual Improvements to HKFRSs 2009 - 2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is "Annual Improvements to HKFRSs 2009 - 2011 Cycle". The effective date of these amendments is annual periods beginning on or after 1st January, 2013.

In the current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1st January, 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" for the first time, which has resulted in an effect on the information in the consolidated statement of financial position at 1st January, 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented the third statement of financial position at 1st January, 2011 without the related notes.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 - 2011 Cycle, except for the amendments to HKAS 1[1]
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (as revised in 2011)	Investment Entities[3]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after 1st January, 2013.
[2] Effective for annual periods beginning on or after 1st January, 2015.
[3] Effective for annual periods beginning on or after 1st January, 2014.
[4] Effective for annual periods beginning on or after 1st July, 2012.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011). Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC)-Int 12 "Consolidation - Special Purpose Entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures" and HK(SIC)-Int 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1st January, 2013. Earlier application is permitted provided that all of these five standards are applied at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st January, 2013. The Group is in the process of quantifying the potential financial impact on the application of these standards.

HKFRS 13 "Fair Value Measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st January, 2013 and that the application of the new standard may affect certain amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1st July, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretation will have no material impact on the Group's consolidated financial statements.

2. Revenue

	2012	2011
	HK$'000	*HK$'000*
Group revenue	**1,958,069**	1,248,340
Share of revenue of jointly controlled entities	**481,729**	578,218
Group revenue and share of revenue of jointly controlled entities	**2,439,798**	1,826,558
Group revenue analysed by revenue from:		
Construction	**1,661,195**	1,152,639
Construction materials	**277,400**	91,383
Quarrying	**19,474**	4,318
	1,958,069	1,248,340

3. Segment Information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. This is also the basis upon which the Group is organised. The Group's reportable and operating segments under HKFRS 8 are summarised as follows:

Construction
- construction of civil engineering and building projects

Construction materials
- production and sale of concrete

Quarrying
- production and sale of quarry products

Toll road and property development
- strategic investment in Road King, an associate of the Group

North American ginseng
- strategic investment in Chai-Na-Ta Corp. ("CNT"), an associate of the Group *(note)*

Note: CNT was dissolved during the year ended 31st December, 2012.

Segment revenue and results

The following is an analysis of the segment revenue and profit (loss) for each reportable and operating segment:

Year ended 31st December, 2012

	Segment revenue			
	Gross	**Inter-segment elimination**	**External**	**Segment profit (loss)**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Construction	**2,142,924**	**-**	**2,142,924**	**10,577**
Construction materials	**308,714**	**(31,314)**	**277,400**	**7,368**
Quarrying	**70,278**	**(50,804)**	**19,474**	**(8,953)**
Toll road and property development	**-**	**-**	**-**	**312,432**
North American ginseng				
Share of results of CNT	**-**	**-**	**-**	**(2,837)**
Gain on liquidation of CNT	**-**	**-**	**-**	**18,489**
Total	**2,521,916**	**(82,118)**	**2,439,798**	**337,076**

Year ended 31st December, 2011

	Segment revenue			
	Gross	Inter-segment elimination	External	Segment profit (loss) (Restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Construction	1,730,857	-	1,730,857	13,117
Construction materials	96,568	(5,185)	91,383	(49,073)
Quarrying	21,176	(16,858)	4,318	56,382
Toll road and property development	-	-	-	280,672
North American ginseng	-	-	-	10,709
Total	1,848,601	(22,043)	1,826,558	311,807

Segment revenue includes share of revenue of jointly controlled entities. Reconciliation between the total segment revenue and the Group revenue is disclosed in note 2.

Segment profit (loss) represents profit (loss) after tax and non-controlling interests for each reportable and operating segment and includes certain other income, investment income, gains and losses, share of results of certain associates, share of results of jointly controlled entities and certain other gains and losses, but excluding corporate income and expenses (including staff costs, other administrative expenses, finance costs and income tax expense), share of loss of an associate, certain gain on disposal of property, plant and equipment and change in fair value of structured borrowing which are not attributable to any of the reportable and operating segments. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Reconciliation of total segment profit to profit attributable to owners of the Company

	2012	2011 (Restated)
	HK$'000	*HK$'000*
Total segment profit	**337,076**	311,807
Unallocated items		
Other income	**9,359**	8,569
Investment income, gains and losses	**6,163**	(6,694)
Administrative expenses	**(22,695)**	(20,857)
Finance costs	**(3,196)**	(2,138)
Share of loss of an associate	**(33)**	(28)
Gain on disposal of property, plant and equipment	**19**	20
Change in fair value of structured borrowing	**-**	81
Income tax expense	**(1)**	(25)
Profit attributable to owners of the Company	**326,692**	290,735

Segment assets and liabilities

As the Group's chief operating decision maker reviews the Group's assets and liabilities on a consolidation basis, no assets or liabilities are allocated to the reportable and operating segments. Therefore, no analysis of segment assets and liabilities is presented.

Other segment information

Amounts included in the measure of segment profit (loss):

Year ended 31st December, 2012

	Construction	Construction materials	Quarrying	Toll road and property development	North American ginseng	Segment total	Adjustments	Intra-group elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (note)	*HK$'000*	*HK$'000*
Depreciation of property, plant and equipment	**10,059**	**20,770**	**3,267**	**-**	**-**	**34,096**	**555**	**-**	**34,651**
Gain on disposal of property, plant and equipment, net	**(12,929)**	**-**	**(843)**	**-**	**-**	**(13,772)**	**(19)**	**-**	**(13,791)**
Interest income	**(1,657)**	**-**	**(809)**	**-**	**-**	**(2,466)**	**(5,859)**	**5,859**	**(2,466)**
Finance costs	**1,977**	**6,155**	**-**	**-**	**-**	**8,132**	**3,196**	**(5,859)**	**5,469**
Share of results of associates	**(440)**	**-**	**-**	**(312,432)**	**2,837**	**(310,035)**	**33**	**-**	**(310,002)**
Share of results of jointly controlled entities	**(8,071)**	**-**	**-**	**-**	**-**	**(8,071)**	**-**	**-**	**(8,071)**
Income tax expense (credit)	**1,822**	**-**	**(1,562)**	**-**	**-**	**260**	**1**	**-**	**261**

Year ended 31st December, 2011

	Construction	Construction materials	Quarrying	Toll road and property development (Restated)	North American ginseng	Segment total (Restated)	Adjustments	Intra-group elimination	Total (Restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* *(note)*	*HK$'000*	*HK$'000*
Depreciation of property, plant and equipment	14,462	15,087	1,584	-	-	31,133	596	-	31,729
(Gain) loss on disposal of property, plant and equipment, net	(39)	2,058	(625)	-	-	1,394	(20)	-	1,374
Interest income	(1,574)	-	(804)	-	-	(2,378)	(3,470)	3,470	(2,378)
Income on settlement of prepaid royalties	-	-	(45,563)	-	-	(45,563)	-	-	(45,563)
Reversal of allowance on prepaid royalties	-	-	(34,000)	-	-	(34,000)	-	-	(34,000)
Finance costs	2,122	3,671	-	-	-	5,793	2,138	(3,470)	4,461
Share of results of associates	(697)	-	-	(280,672)	(10,709)	(292,078)	28	-	(292,050)
Share of results of jointly controlled entities	(3,261)	-	-	-	-	(3,261)	-	-	(3,261)
Income tax expense	332	-	4,717	-	-	5,049	25	-	5,074

Note: Adjustments represent unallocated amounts related to head office and other minor operations.

Geographical information

The Group's operations are located in the Hong Kong Special Administrative Region ("Hong Kong") (country of domicile), other regions in the PRC and Middle East.

The Group's revenue from external customers by geographical location of the customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets *(note)*	
	2012	2011	**2012**	2011 (Restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,916,450**	1,196,727	**4,674,548**	4,398,859
Other regions in the PRC	**37,335**	16,490	**46,783**	61,601
Middle East	**4,284**	35,123	**10,357**	26,981
Others	**-**	-	**-**	23,574
	1,958,069	1,248,340	**4,731,688**	4,511,015

Note: Non-current assets include all non-current assets except available-for-sale investments, other financial asset and loan and other receivables.

Information about customers

Three (2011: two) customers of the construction segment located in Hong Kong individually contributing over 10% of the Group's revenue.

	2012	2011
	HK$'000	*HK$'000*
Customer A	**793,066**	611,186
Customer B	**247,096**	- [1]
Customer C	**216,298**	- [1]
Customer D	**-** [1]	154,556
	1,256,460	765,742

[1] The corresponding revenue did not contribute over 10% of the Group's revenue.

4. Other Income

	2012	2011
	HK$'000	*HK$'000*
Other income includes:		
Interest on bank deposits	**242**	218
Interest on other financial asset	**1,439**	1,468
Imputed interest on loan and other receivables	**785**	692
Exchange gain, net	**-**	89
Operation fee income	**22,459**	11,130
Rental income from buildings	**206**	192
Rental income from plant and machinery	**3,000**	2,375
Service income from associates	**174**	696
Service income from jointly controlled entities	**8,472**	28,707

5. Investment Income, Gains and Losses

	2012	2011
	HK$'000	*HK$'000*
Net gain (loss) on change in fair value and disposal of held-for-trading investments	**16,371**	(18,601)
Dividend income from held-for-trading investments	**1,557**	1,454
Interest income from held-for-trading investments	**2,936**	778
	20,864	(16,369)

6. Finance Costs

	2012	2011
	HK$'000	*HK$'000*
Interest on bank and other borrowings wholly repayable within five years	**5,073**	4,106
Imputed interest on non-current interest-free amount due to an associate	**396**	355
	5,469	4,461

7. Other Gains and Losses

	2012	2011
	HK$'000	*HK$'000*
Gain (loss) on disposal of property, plant and equipment, net	**13,791**	(1,374)
Income on settlement of prepaid royalties	**-**	45,563
Reversal of allowance on prepaid royalties	**-**	34,000
Gain on liquidation of an associate	**18,489**	-
Gain on disposal of a subsidiary	**4,080**	-
Change in fair value of structured borrowing	**-**	81
	36,360	78,270

8. Profit before Tax

	2012	2011 (Restated)
	HK$'000	*HK$'000*
Profit before tax has been arrived at after charging (crediting):		
Auditor's remuneration	**2,861**	2,506
Amortisation of intangible assets	**1,264**	1,250
Bad debts written off	**57**	119
Depreciation of property, plant and equipment:		
Owned assets	**34,645**	31,702
Assets held under finance lease arrangement	**7**	27
	34,652	31,729
Less: Amount attributable to construction contracts	**(1)**	-
	34,651	31,729
Expenses incurred in towing certain vessels from Middle East to Hong Kong (included in other expenses)	**14,838**	-
Exchange loss, net	**177**	-
Hire charges for plant and machinery	**23,956**	23,675
Less: Amount attributable to construction contracts	**(23,956)**	(23,675)
	-	-
Operating lease rentals in respect of land and buildings	**45,820**	43,670
Less: Amount attributable to construction contracts	**(3,943)**	(1,276)
	41,877	42,394
Share of income tax expense of associates (included in share of results of associates)	**559,441**	426,500
Share of income tax credit of jointly controlled entities (included in share of results of jointly controlled entities)	**-**	(53)
Staff costs	**286,538**	256,284
Less: Amount attributable to construction contracts	**(153,203)**	(132,223)
	133,335	124,061

9. Income Tax Expense

	2012 HK$'000	2011 HK$'000
Income tax for the year		
The PRC	**900**	5,078
Under(over)provision in prior years		
Hong Kong	**923**	(12)
The PRC	**(1,562)**	8
	(639)	(4)
	261	5,074

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No tax is payable on the profit for the year arising in Hong Kong since the assessable profit is wholly offset by tax losses brought forward from prior years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25% for both years.

10. Dividends

	2012 HK$'000	2011 HK$'000
Dividends paid and recognised as distributions during the year:		
2011 final dividend - HK5.6 cents per share (2011: 2010 final dividend - HK5 cents per share)	**44,415**	39,656
2012 interim dividend - HK3.5 cents per share (2011: 2011 interim dividend - HK5.5 cents per share)	**27,759**	43,622
	72,174	83,278

A final dividend for the year ended 31st December, 2012 of HK7.7 cents (2011: HK5.6 cents) per ordinary share has been proposed by the Board of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting. This final dividend has not been included as a liability in the consolidated financial statements.

11. Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2012	2011 (Restated)
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**326,692**	290,735
Effect of dilutive potential ordinary shares:		
Decrease in share of profit of an associate arising from assumed exercise of share options issued by that associate *(note)*	**-**	(2)
Earnings for the purpose of diluted earnings per share	**326,692**	290,733

	Number of shares	
	2012	2011
Number of ordinary shares for the purposes of basic and diluted earnings per share	**793,124,034**	793,124,034

Note: The outstanding share options of Road King during the year were anti-dilutive because the exercise prices of the share options were higher than the average market price of the shares of Road King during the year.

12. Debtors, Deposits and Prepayments

	2012	2011
	HK$'000	*HK$'000*
Trade debtors	**430,278**	251,579
Less: Allowance for doubtful debts	**(623)**	(623)
	429,655	250,956
Retention receivables	**94,527**	62,022
Other debtors	**30,469**	21,856
Deposits and prepayments	**93,593**	60,818
Loan and other receivables	**3,938**	6,069
	652,182	401,721

The Group allows an average credit period of 60 days to its trade customers. For retention receivables in respect of construction contracts, the due dates are usually one year after the completion of the construction works. The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date:

	2012	2011
	HK$'000	*HK$'000*
0 to 60 days	**423,857**	248,679
61 to 90 days	**5,655**	2,069
Over 90 days	**143**	208
	429,655	250,956
Retention receivables		
Due within one year	**44,763**	52,888
Due after one year	**49,764**	9,134
	94,527	62,022

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limit by customer. Limits and scores attributed to customers are reviewed periodically.

13. Creditors and Accrued Charges

	2012	2011
	HK$'000	*HK$'000*
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	**109,037**	94,834
61 to 90 days	**4,399**	1,071
Over 90 days	**3,821**	4,421
	117,257	100,326
Retention payables	**102,447**	58,084
Accrued project costs	**295,435**	203,307
Other creditors and accrued charges	**65,275**	79,210
	580,414	440,927
Retention payables		
Due within one year	**43,006**	46,348
Due after one year	**59,441**	11,736
	102,447	58,084

The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe. For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction works.

DIVIDENDS

The Board recommends the payment of a final dividend of HK7.7 cents (2011: HK5.6 cents) per share payable to shareholders whose names appear in the Register of Members of the Company on Thursday, 16th May, 2013. This dividend together with the interim dividend of HK3.5 cents (2011: HK5.5 cents) per share paid during the year represent total dividend distributions of HK11.2 cents (2011: HK11.1 cents) per share for the year ended 31st December, 2012.

Subject to the approval of shareholders at the forthcoming Annual General Meeting, final dividend warrants are expected to be despatched to the shareholders on or before Friday, 7th June, 2013.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Wednesday, 8th May, 2013, the Register of Members of the Company will be closed from Monday, 6th May, 2013 to Wednesday, 8th May, 2013, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 3rd May, 2013.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is on Thursday, 16th May, 2013. For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Wednesday, 15th May, 2013 to Thursday, 16th May, 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 14th May, 2013.

BUSINESS REVIEW

The Group's audited revenue for the year ended 31st December, 2012 was HK$1,958 million (2011: HK$1,248 million) and HK$2,440 million (2011: HK$1,827 million) if including revenue of jointly controlled entities shared by the Group, generating an audited consolidated profit attributable to owners of the Company of HK$327 million (2011: HK$291 million (restated)), an increase of 12% as compared with that of year 2011.

Toll Road and Property Development

For the year ended 31st December, 2012, the Group shared a profit of HK$312 million (2011: HK$281 million (restated)) from Road King Infrastructure Limited ("Road King"), an associate of the Group. As of the date of this announcement, the Group holds 38.19% interest in Road King.

For the year ended 31st December, 2012, Road King recorded an audited profit attributable to its owners of HK$818 million (2011: HK$735 million (restated)).

The performance of Road King's toll road business in 2012 was in line with expectation despite the impact of government policies. The property business achieved solid growth, with contracted sales amounting to RMB9,563 million (including a joint venture) for the year, representing an increase of 69% over 2011. Furthermore, Road King also had outstanding subscribed sales of around RMB800 million at the end of December 2012. The value of the delivered properties increased by 37% over 2011.

The total traffic volume reached 74 million vehicles and toll revenue was RMB1,926 million in 2012, representing a moderate decrease over 2011. Toll revenue contributed by expressway projects represented approximately 87% of that of Road King's toll road business.

The decrease in toll revenue in 2012 as compared with 2011 was mainly due to major maintenance works undertaken by a connecting expressway, as well as a drop in the demand of raw materials such as steel, resulting from the austerity measures adopted by the PRC government.

Since the PRC government authorities launched an inspection and rectification campaign on highway projects in 2011, Road King utilised this opportunity to accelerate the withdrawal from certain Class I/II highway projects which is in line with its strategy to optimise its investment portfolio. An expressway invested by Road King in 2011 commenced operation in mid-July 2012 and has seen steady increase in its traffic volume and toll revenue. With its performance in line with expectation, such expressway is expected to generate considerable income for Road King. Given a change in the distribution percentage for two other expressways, it is anticipated that the income generated from Road King's existing expressway projects will increase significantly in the next few years.

Road King achieved growth of operating revenue and profitability in property business by responding promptly to market changes and enhancing the management team. Revenue which mainly generated from the delivery of properties was HK$9,344 million in 2012, representing a growth of 37% from the previous year, and mainly contributed by the projects in Northern China and Eastern China. The total area delivered in 2012 was 888,000 sqm, representing a growth of 21% as compared with that in 2011. In line with the increase in the delivery of properties, the segment profit of the property business increased to HK$725 million.

In 2012, Road King managed the sales program in accordance with the market conditions and accelerated cash collection. In the meantime, Road King was committed to enhancing the quality of projects, improving project management and replenishing its land reserve at the right opportunity, with a view to ensuring sustainable development of the property business. Road King (including a joint venture) recorded sales of RMB9,563 million in 2012, representing a surge of 69% as compared with that in 2011, with an average selling price of approximately RMB9,400 per sqm.

At 31st December, 2012, Road King's land reserve had attributable GFA of about 4.41 million sqm.

For the toll road business in which it is well versed, Road King believes that it still has a great prospect and will generate steady cash flows and profit for it. In the next few years, Road King will continue to dispose of Class I/II highway projects and increase investment in expressway projects. The revenue from Road King's existing expressways is expected to grow in the foreseeable future, and Road King is confident in securing new expressway projects.

For the property business, Road King will actively focus on regional development and continue to adopt the strategy that balances high turnover rate and profitability. It will also enhance product development, product quality and brand recognition. Road King intends to improve the operation and results of the property business by leveraging on its market knowledge, business relationships, customer recognition and team power. In addition, Road King will acquire additional land that fits into its development strategy to expand and develop the property business.

Construction

For the year ended 31st December, 2012, the Group shared a profit of HK$11 million (2011: HK$13 million) from Build King Holdings Limited ("Build King"), the construction arm of the Group. As of the date of this announcement, the Group holds 51.17% interest in Build King.

For the year ended 31st December, 2012, Build King recorded revenue and share of revenue of jointly controlled entities of HK$2,143 million (2011: HK$1,731 million) and an audited profit attributable to its owners of HK$21 million (2011: HK$26 million) which comprises profit of HK$6 million (2011: HK$36 million) from construction operation and profit of HK$15 million (2011: loss of HK$10 million) from the investments in marketable securities.

The decline of profit from construction was attributable partly to Build King's strategic decision to retreat from UAE market and relocate plants and staff back to Hong Kong where it believes the prospect of marine projects are much promising. The profit from construction was also eroded by few projects where the costs were over-spent as a result of clients' changes and variations. However, Build King is optimistic to recover its contractual entitlement to these costs from the clients in following years.

In Hong Kong, Build King successfully secured ten projects of total contract sum over HK$3 billion and after year end one major civil project of HK$1.7 billion. As of the date of this announcement, outstanding value of works is HK$7 billion.

To Build King, 2012 was a busy year with many successful tenders. The practical experience with new form of contract is strategically important to enhance Build King's competitiveness in future public works as it expects this new form of contract will be widely adopted for future government projects. Many major infrastructure projects from Hong Kong Government and MTRC were pushed out for tenders. Its efforts and investment in these mega tenders were also fruitful.

Looking forward, Build King anticipates many civil engineering infrastructure projects are in pipe line; this momentum will continue for five to ten years. With strong and solid foundation laid in past 30 years in Hong Kong, Build King is well positioned to reap the benefit of future opportunities. However, market share and turnover are not Build King's primary objectives; its focuses are always quality of the works as well as profit attributable to its shareholders. Mindful of the risks and challenges in this ever-changing business environment, it continues to adopt cautious tender approach - selective of those projects we have edges and with reasonable profit and cash flow; it will reinforce cost control measures to ensure achievement of budget.

The development of building division is an important part of the long range plan. Build King successfully upgraded its listing in Group C - Building under Development Bureau from probationary to confirmed status in 2009. Since then, it has significantly strengthened the capabilities of the building division, which in the past few years undertook wide range of building projects. The recent change of the government policy to reinvigorate public housing may also provide Build King with opportunities to further development. Build King is now seriously formulating strategies to develop this public housing sector.

In PRC, since the commencement of sewage treatment operation in Wuxi in 2007, it has consistently met its operational and financial target, contributing steady income to Build King. During 2012, the turnover increased by 13% to HK$18 million and coupled with cost savings measures implemented, the profit was doubled to over HK$9 million. The treatment volume of sewage at Wuxi has now reached the maximum designed capacity of 35,000 tonnes per day. With the forecasted steady growth of local population and industrial customers, Build King has decided to further invest RMB5 million in new equipment, upgrading the maximum designed capacity to 50,000 tonnes per day. The new plant will be ready for operation in the second half of 2013.

Construction Materials

For the year ended 31st December, 2012, the Group shared a profit of HK$7 million (2011: loss of HK$49 million) of Mega Yield International Holdings Limited ("Mega Yield"), the construction materials division of the Group, and the revenue of Mega Yield was HK$309 million (2011: HK$97 million). As of the date of this announcement, the Group holds 94.05% interest in Mega Yield.

The target to make the division turn around was achieved in 2012. The substantial improvement in the results as compared with last year was due to the previous secured orders now entering into the moderate demand stage. It is anticipated that the orders will be further increased in 2013 to cope with the construction progress of various projects. The division continues to focus on optimising and coordinating customer orders to ensure maximum output whilst maintaining good service and quality of product.

Management continues to adopt prudent cost control measures to alleviate the challenge of increase in raw materials costs and severe competition from the existing operators.

With an expected increase in production volume in the coming months, it is expected that the division will have better performance in 2013. Also, we will continue to look for opportunities to sustain long term growth of the division.

Quarrying

For the year ended 31st December, 2012, the quarrying division recorded revenue of HK$70 million (2011: HK$21 million) and net operating loss of HK$9 million (2011: net operating loss of HK$19 million). For the year ended 31st December, 2011, due to an one-off income (net of tax) of HK$75 million (included reversal of allowance on prepaid royalties) recognised in profit or loss, the quarrying division recorded net profit of HK$56 million.

In 2012, the sales quantity of aggregates was picking up to 793,000 tonnes as a result of increase in production volume of the Group's Aberdeen concrete batching plant.

In consideration of foreseeable expiration of the operating licence on Niu Tou Island and the recent considerable increases in costs for the operation on the island eroding away most profit margin of the division, management is in the course of exploring for a more economic way and stable supply of aggregates to the Group's construction materials division, which is the major customer of the quarrying division.

In the long term, if the production costs of aggregates can be reduced, it will benefit both quarrying and construction materials divisions due to the expected increase in production volume of the Aberdeen concrete batching plant.

North American Ginseng

On 26th September, 2012, Chai-Na-Ta Corp. ("CNT"), a 46.19% associate of the Group in Canada, completed the process of voluntary liquidation under the Canada Business Corporations Act through realisation of all non-cash assets and making of final liquidating distribution to its shareholders. For the period from 1st January, 2012 to the date of liquidation, CNT recorded revenue of C$5.0 million (year ended 31st December, 2011: C$9.5 million) and net loss of C$0.8 million (year ended 31st December, 2011: net profit of C$3.0 million).

For the year ended 31st December, 2012, the Group shared CNT's loss of HK$3 million (2011: profit of HK$11 million) and recorded a gain of HK$18 million on liquidation of CNT.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the year, total borrowings decreased from HK$197 million to HK$179 million with the maturity profile summarised as follows:

	At 31st December, 2012	2011
	HK$'million	*HK$'million*
Within one year	**153**	123
In the second year	**16**	47
In the third to fifth year inclusive	**10**	27
	179	197
Classified under:		
Current liabilities (*note*)	**179**	183
Non-current liabilities	**-**	14
	179	197

Note: At 31st December, 2012, bank loans that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause with the aggregate carrying amount of HK$26 million (2011: HK$60 million) have been classified as current liabilities.

At 31st December, 2011, bank loans included a carrying amount of HK$4 million which was denominated in United States dollar.

During the year, the Group had no significant fixed-rate borrowings and no financial instruments for hedging purpose.

At 31st December, 2012, total amount of the Group's cash and bank balances was HK$75 million (2011: HK$124 million), of which bank deposit amounting to HK$0.01 million (2011: HK$0.02 million) was pledged to a bank to secure certain general banking facilities granted to the Group.

For the year ended 31st December, 2012, the Group recorded finance costs of HK$5 million (2011: HK$4 million).

At 31st December, 2012, a portfolio of held-for-trading investments were stated at their fair values in a total amount of HK$61 million (2011: HK$45 million), majority of which were equity securities listed in Hong Kong and debts securities listed in Singapore. Certain listed equity securities held by Build King with market value of HK$20 million (2011: HK$13 million) were pledged to a bank to secure certain general banking facilities granted to Build King. For the year ended 31st December, 2012, the Group recorded net profit (net amount of change in fair value, gain or loss on disposal, dividend and interest income) from these investments of HK$21 million (2011: net loss of HK$16 million), of which net profit of HK$15 million (2011: net loss of HK$10 million) was derived from the securities invested by Build King.

The Group's borrowings, investments and bank balances are principally denominated in Hong Kong dollar, Renminbi and United States dollar. Hence, there is no significant exposure to foreign exchange rate fluctuations.

Capital Structure and Gearing Ratio

At 31st December, 2012, the equity attributable to owners of the Company amounted to HK$4,749 million, representing HK$5.99 per share (2011: HK$4,420 million (restated), representing HK$5.57 per share (restated)). Increase in equity attributable to owners of the Company was mainly attributable to the profit generated after deduction of dividends paid during the year.

At 31st December, 2012, the net gearing ratio, being the ratio of net borrowings (total borrowings less cash and bank balances) to equity attributable to owners of the Company, was 2.2% (2011: 1.6%).

Pledge of Assets

At 31st December, 2012, apart from the bank deposit and certain listed equity securities pledged to a bank to secure certain general banking facilities granted to the Group, certain motor vehicles with an aggregate carrying value of HK$18 million (2011: HK$23 million) were pledged to secure a bank loan granted to the Group. In addition, the share of a subsidiary of the Company was pledged to secure certain bank loans granted to the Group.

Contingent Liabilities

At 31st December, 2012, the Group had outstanding tender/performance/retention bonds for construction contracts amounting to HK$243 million (2011: HK$154 million).

Capital Commitments

At 31st December, 2012, the Group had no outstanding capital commitment. At 31st December, 2011, the Group had committed capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the Group's consolidated financial statements and authorised but not contracted for amounting to HK$4 million and HK$1 million respectively.

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2012, the Group had 1,037 employees (2011: 1,033 employees), of which 915 (2011: 810) were located in Hong Kong, 108 (2011: 113) were located in the PRC and 14 (2011: 110) were located in UAE. For the year ended 31st December, 2012, the Group's total staff costs were about HK$287 million (2011: HK$256 million).

Competitive remuneration packages are structured to commensurate with individual responsibilities, qualification, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as the performance of the individual.

The emoluments of Executive Directors and senior management are to be determined by the Remuneration Committee with reference to salaries paid by comparable companies, their time commitment and responsibilities, employment conditions and prevailing market conditions.

FUTURE OUTLOOK

Inflation in raw materials and labour costs being faced by wide range of industries leads to erosion of profit margins. Hence, to maintain the stable profit for the Group, management is implementing tight cost control measures.

In addition to management's continuous strict monitoring of the cost structure of the Group, it ensures to enhance the growth of the Company by continuing to look for investment opportunities that create synergy for the Group. Nevertheless, in making investment decision, we will continue to cautiously consider our financial capability.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2012.

CORPORATE GOVERNANCE CODE

The Company is committed to attaining good standard of corporate governance practices with an emphasis on a quality board, better transparency, and effective accountability system in order to enhance shareholders' value.

The Company has complied with the code provisions of the Code on Corporate Governance Practices during the period from 1st January, 2012 to 31st March, 2012 and Corporate Governance Code (collectively the "Code") during the period from 1st April, 2012 to 31st December, 2012 as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except as noted hereunder.

Code Provision A.2.1

The duties of the Chairman and the Vice Chairman of the Board are clearly set out in writing and are separate. Further, the Company does not at present have any officer with the title "chief executive officer". However, the Vice Chairman carries out the duties of the chief executive officer of the Company and had done so since 1992. He was formerly designated the "managing director" of the Company until 1998 when his title was changed to "Vice Chairman". The Company does not currently intend to re-designate the Vice Chairman as the chief executive officer.

Code Provision A.4.1

Prior to 1st March, 2012, none of the existing Non-executive Directors (including Independent Non-executive Directors) of the Company was appointed for a specific term. However, all the Directors of the Company are subject to the retirement provisions under Bye-law 87 of the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

On 1st March, 2012, each Non-executive Director (including Independent Non-executive Director) of the Company entered into a Letter of Appointment with the Company for a period of three years from 1st March, 2012 to 28th February, 2015, subject to re-election.

Code Provision A.6.7

Two of the Non-executive Directors were unable to attend the annual general meeting of the Company held on 15th May, 2012 as both of them had overseas engagements.

AUDIT COMMITTEE

The Audit Committee of the Company has conducted a meeting with the management and external auditor to review the accounting policies adopted by the Group, the Group's consolidated financial statements for the year ended 31st December, 2012, the general scope of audit work conducted by the external auditor and assessment of the Group's internal controls.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Academy Room I-II, 1st Floor, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Wednesday, 8th May, 2013 at 3:30 p.m. and the Notice of the Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website (www.waikee.com) and the Stock Exchange's website (www.hkexnews.hk). The Annual Report 2012 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange, and despatched to the shareholders in due course.

APPRECIATION

The Board would like to take this opportunity to extend its heartiest thanks to the entire loyal and dedicated staff.

By Order of the Board
William Zen Wei Pao
Chairman

Hong Kong, 1st March, 2013

As at the date of this announcement, the Board comprises three executive directors, namely Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Miss Anriena Chiu Wai Yee, three non-executive directors, namely Mr. Patrick Lam Wai Hon, Mr. Brian Cheng Chi Ming and Dr. Leslie Cheng Chi Pang and three independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau and Mr. Francis Wong Man Chung.