



City e-Solutions Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code : 557)

2013

**Interim financial report
for the six months ended 30 June 2013**

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2013 – unaudited

	Note	Six months ended 30 June	
		2013 HK\$'000	2012 HK\$'000 (restated)
Turnover	3	52,795	48,628
Cost of sales		<u>(9,441)</u>	<u>(9,876)</u>
Gross profit		43,354	38,752
Other net gains	4	2,274	5,991
Administrative expenses	5	<u>(45,877)</u>	<u>(48,356)</u>
Loss from operating activities		(249)	(3,613)
Finance costs	6	(264)	-
Share of profit/(losses) of a joint venture		1,605	(1,065)
Share of losses of associates		<u>(265)</u>	<u>-</u>
Profit/(Loss) before taxation		827	(4,678)
Income tax (expense)/credit	7	<u>(574)</u>	<u>1,388</u>
Profit/(Loss) for the period	8	<u>253</u>	<u>(3,290)</u>
Attributable to:			
Equity shareholders of the Company		1,148	8
Non-controlling interests		<u>(895)</u>	<u>(3,298)</u>
Profit/(Loss) for the period		<u>253</u>	<u>(3,290)</u>
Earnings per share		HK cents	HK cents
Basic earnings per share	9	<u>0.30</u>	<u>-*</u>

*Less than HK 0.01 cents

The notes on pages 8 to 26 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2013 – unaudited

	Six months ended 30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(restated)</i>
Profit/(Loss) for the period	253	(3,290)
Other comprehensive income for the period (after taxation):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	(592)	213
Total comprehensive income for the period	(339)	(3,077)
Attributable to:		
Equity shareholders of the Company	547	227
Non-controlling interests	(886)	(3,304)
Total comprehensive income for the period	(339)	(3,077)

The notes on pages 8 to 26 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2013 - unaudited

	Note	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000 (restated)	As at 1 January 2012 HK\$'000 (restated)
Non-current assets				
Property, plant and equipment		42,665	43,602	43,282
Intangible assets		14,945	16,289	361
Available-for-sale financial assets		33,015	-	-
Goodwill		8,942	8,938	1,694
Interest in a joint venture		10,391	10,404	12,492
Interest in associates		8,297	1,550	-
Deferred tax assets		22,762	23,270	21,927
Total non-current assets		141,017	104,053	79,756
Current assets				
Trading securities		98,795	93,150	79,900
Trade and other receivables	11	32,940	58,452	53,153
Current tax recoverable		1,518	1,452	357
Cash and cash equivalents	12	388,874	376,452	397,702
		<u>522,127</u>	<u>529,506</u>	<u>531,112</u>
Current liabilities				
Trade and other payables	13	(32,256)	(34,731)	(31,673)
Interest-bearing borrowings	14	(915)	(39)	-
		<u>(33,171)</u>	<u>(34,770)</u>	<u>(31,673)</u>
Net current assets		<u>488,956</u>	<u>494,736</u>	<u>499,439</u>
Total assets less current liabilities		629,973	598,789	579,195
Non-current liabilities				
Interest-bearing borrowings	14	(31,611)	(88)	-
NET ASSETS		<u><u>598,362</u></u>	<u><u>598,701</u></u>	<u><u>579,195</u></u>

<i>Note</i>	As at 30 June 2013 <i>HK\$'000</i>	As at 31 December 2012 <i>HK\$'000</i> <i>(restated)</i>	As at 1 January 2012 <i>HK\$'000</i> <i>(restated)</i>
CAPITAL AND RESERVES			
Share capital	382,450	382,450	382,450
Reserves	<u>170,685</u>	<u>170,138</u>	<u>162,064</u>
Total equity attributable to equity shareholders of the Company	553,135	552,588	544,514
Non-controlling interests	<u>45,227</u>	<u>46,113</u>	<u>34,681</u>
TOTAL EQUITY	<u><u>598,362</u></u>	<u><u>598,701</u></u>	<u><u>579,195</u></u>

The notes on pages 8 to 26 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2013 - unaudited

Attributable to equity shareholders of the Company

	Share Capital <i>HK\$'000</i>	Capital Redemption Reserve <i>HK\$'000</i>	Exchange Reserve <i>HK\$'000</i>	Revenue Reserves <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- Controlling Interests <i>HK\$'000</i>	Total Equity <i>HK\$'000</i>
Balance at 1 January 2012 (restated)	382,450	676	2,006	159,382	544,514	34,681	579,195
Changes in equity for the six months ended 30 June 2012:							
Profit/(Loss) for the period	-	-	-	8	8	(3,298)	(3,290)
Other comprehensive income							
Foreign currency translation differences - foreign operations	-	-	219	-	219	(6)	213
Total comprehensive income for the period	-	-	219	8	227	(3,304)	(3,077)
Transactions with owners, recorded directly in equity							
Contribution by non-controlling interests	-	-	-	-	-	15,743	15,743
Total transactions with owners	-	-	-	-	-	15,743	15,743
Balance at 30 June 2012 (restated)	<u>382,450</u>	<u>676</u>	<u>2,225</u>	<u>159,390</u>	<u>544,741</u>	<u>47,120</u>	<u>591,861</u>
Balance at 1 January 2013	382,450	676	3,016	166,446	552,588	46,113	598,701
Changes in equity for the six months ended 30 June 2013:							
Profit/(Loss) for the period	-	-	-	1,148	1,148	(895)	253
Other comprehensive income							
Foreign currency translation differences - foreign operations	-	-	(601)	-	(601)	9	(592)
Total comprehensive income for the period	-	-	(601)	1,148	547	(886)	(339)
Balance at 30 June 2013	<u>382,450</u>	<u>676</u>	<u>2,415</u>	<u>167,594</u>	<u>553,135</u>	<u>45,227</u>	<u>598,362</u>

The notes on pages 8 to 26 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2013 - unaudited

	Six months ended 30 June	
Note	2013 HK\$'000	2012 HK\$'000 (restated)
Net cash generated by/(used in) operating activities	22,963	(8,843)
Net cash used in investing activities	(39,517)	(8,564)
Net cash generated from financing activities	30,479	-
Net increase/(decrease) in cash and cash equivalents	13,925	(17,407)
Cash and cash equivalents at 1 January	376,452	397,702
Effect of foreign exchange rates changes	(2,938)	(2,371)
Cash and cash equivalents at 30 June (Note A)	<u>387,439</u>	<u>377,924</u>

Note A:

Cash and cash equivalents at 30 June 2013 and 30 June 2012 comprises:

	Note	As at 30 June 2013 HK\$'000	As at 30 June 2012 HK\$'000 (restated)
Deposits with banks and other financial institutions		239,110	344,282
Cash at bank and in hand		149,764	33,642
Cash and cash equivalents per consolidated statement of financial position		388,874	377,924
Less: Cash pledged for interest-bearing borrowings	14	(1,435)	-
Cash and cash equivalents per condensed consolidated cash flow statement		<u>387,439</u>	<u>377,924</u>

The notes on pages 8 to 26 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issuance on 26 July 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2012 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG LLP in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the International Federation of Accountants. KPMG LLP’s independent review report to the Board of Directors is included on page 27. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31 December 2012 that is included in the interim financial report does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2012 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 25 February 2013.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- HKAS 28, *Investments in associates and joint ventures*
- Revised HKAS 19, *Employee benefits*
- *Annual Improvements to HKFRSs 2009-2011 Cycle*
- Amendment to HKFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

The adoption of the above new standards and amendments did not have any significant effect on the Group's financial statements, except for the adoption of HKFRS 11.

HKFRS 11, which replaces HKAS 31 *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

The adoption of HKFRS 11 has changed the Group's accounting policy for its joint venture which was previously accounted for using proportionate consolidation. The financial effects on the Group's consolidated statement of financial position as at 1 January 2012 and 31 December 2012 and its consolidated statement of profit or loss for the six months ended 30 June 2012 as restated comparatives in the Group's unaudited consolidated financial results for the six months ended 30 June 2013, are as follows:

Impact on financial position as at 1 January 2012			
	As previously reported <i>HK\$'000</i>	Retrospective effect of change in accounting policy <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Non-current assets	117,499	(37,743)	79,756
Current assets	533,485	(2,373)	531,112
Current liabilities	(34,350)	2,677	(31,673)
Non-current liabilities	(37,439)	37,439	-
Net assets	<u>579,195</u>	<u>-</u>	<u>579,195</u>

Impact on financial position as at 31 December 2012			
	As previously reported <i>HK\$'000</i>	Retrospective effect of change in accounting policy <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Non-current assets	139,984	(35,931)	104,053
Current assets	533,313	(3,807)	529,506
Current liabilities	(37,565)	2,795	(34,770)
Non-current liabilities	(37,031)	36,943	(88)
Net assets	<u>598,701</u>	<u>-</u>	<u>598,701</u>

**Impact on results for the
six months ended 30 June 2012**

	Retrospective effect of change in accounting		
	As previously reported <i>HK\$'000</i>	policy <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Turnover	65,947	(17,319)	48,628
Gross profit	48,400	(9,648)	38,752
Share of losses of a joint venture	-	(1,065)	(1,065)
Loss before taxation	(4,678)	-	(4,678)
Loss for the period	(3,290)	-	(3,290)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by products and services. The Group has identified the following two reportable segments based on the information that is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment:

- Investment holding: This segment relates to investments in listed equity and unlisted marketable equity mutual funds classified as trading securities and investment in an unlisted equity fund classified as available-for-sale financial assets. Currently, the Group's equity investment portfolio classified as trading securities includes equity securities listed on the London Stock Exchange, NASDAQ Stock Market and The Philippine Stock Exchange, Inc. and investment portfolio in the United States and Hong Kong.

- Hospitality: This segment primarily derives the revenue from the provision of hotel management, hotel reservation, and revenue management services, risk management services and procurement services to the hospitality industry as well as owning and managing hotels. Currently, the Group’s activities in this regard are mainly carried out in the United States.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group’s most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group’s senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, goodwill and current assets with the exception of deferred tax assets and current tax recoverable. Segments liabilities include interest-bearing borrowings and trade and other payables.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses include the Group’s share of revenue and expense arising from the activities of the Group’s joint operations.

The measure used for reporting segment profit is “profit from operations”. In addition to receiving segment information concerning profit from operations, management is provided with segment information concerning revenue, interest income, depreciation and amortisation, net realised and unrealised foreign exchange gain/loss, net realised and unrealised valuation gain/loss on trading securities and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments for the period is set out below:

	Investment Holding		Hospitality		Total	
	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(restated)		(restated)
<i>For the six months ended 30 June:</i>						
Revenue from external customers	1,513	2,997	49,623	43,682	51,136	46,679
Interest income	981	890	678	1,059	1,659	1,949
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reportable segment revenue	<u>2,494</u>	<u>3,887</u>	<u>50,301</u>	<u>44,741</u>	<u>52,795</u>	<u>48,628</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reportable segment (loss)/profit	<u>(624)</u>	<u>3,248</u>	<u>1,451</u>	<u>(7,926)</u>	<u>827</u>	<u>(4,678)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and amortisation	1	206	2,599	2,028	2,600	2,234
Net realised and unrealised valuation gains/(losses) on trading securities	8,493	9,561	(479)	(32)	8,014	9,529
Net realised and unrealised foreign exchange losses	(6,283)	(3,476)	-	-	(6,283)	(3,476)
Additions to non-current assets	33,034	-	7,791	572	40,825	572
<i>As at 30 June/31 December:</i>						
Reportable segment assets	450,652	464,957	188,212	143,880	638,864	608,837
Reportable segment liabilities	7,832	6,901	56,950	27,957	64,782	34,858

(b) Reconciliations of reportable segment assets and liabilities

	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000 (restated)
Assets		
Reportable segment assets	638,864	608,837
Deferred tax assets	22,762	23,270
Current tax recoverable	1,518	1,452
	<u>663,144</u>	<u>633,559</u>
Liabilities		
Reportable segment liabilities	64,782	34,858
	<u>64,782</u>	<u>34,858</u>

4. OTHER NET GAINS

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Net realised and unrealised foreign exchange losses	(6,283)	(3,476)
Net realised and unrealised valuation gains on trading securities	8,014	9,529
Gain on disposal of property, plant and equipment	518	—
Others	25	(62)
	<u>2,274</u>	<u>5,991</u>

5. ADMINISTRATIVE EXPENSES

Administrative expenses comprise mainly expenses incurred by the Group's Hospitality segment, which include expenses incurred by Sheraton Chapel Hill Hotel, North Carolina, U.S., a hotel jointly operated by the Group's subsidiary.

6. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Amortisation of transaction costs capitalised	23	-
Interest expenses on borrowings	241	-
	<u>264</u>	<u>-</u>

7. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Current tax - Overseas		
Provision for the period	(47)	(186)
(Under)/Over provision in respect of prior years	(8)	484
	<u>(55)</u>	<u>298</u>
Deferred tax		
Origination and reversal of temporary differences	(519)	1,090
Income tax (expense)/credit from continuing operations	<u>(574)</u>	<u>1,388</u>

The provision for Hong Kong Profits Tax is calculated at the rate of 16.5% (2012: 16.5%) of the estimated assessable profits for the period ended 30 June 2013. Taxation for overseas subsidiaries has been provided on estimated assessable profits at the rates of taxation ruling in the relevant countries.

The Company is exempted from taxation in the Cayman Islands for a period of twenty years from 1989 under the provisions of Section 6 of the Tax Concessions Law (Revised) of the Cayman Islands. The tax concession was renewed for a further period of twenty years from 2 June 2009.

As at 30 June 2013, the Group has not recognised deferred tax assets in respect of tax losses of approximately HK\$4.1 million (31 December 2012: HK\$4.1 million) as it is not probable that there will be sufficient future taxable profits against which the Group can utilise the benefits. The tax losses do not expire under the current tax legislations.

8. PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000 (restated)
Depreciation of property, plant and equipment	1,250	1,328
Amortisation of intangible assets	1,350	906
Operating lease charges – rental of properties	916	891
Dividends and interest income	<u>(3,172)</u>	<u>(4,946)</u>

9. EARNINGS PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share is based on profits attributable to ordinary equity shareholders of the Company of HK\$1.1 million (six months ended 30 June 2012: profit of less than HK\$0.1 million) and the weighted average number of ordinary shares of 382,449,524 (2012: 382,449,524) in issue during the period.

b) Diluted earnings per share

Diluted earnings per share are not applicable as there are no dilutive potential ordinary shares during the period.

10. DIVIDENDS

a) Dividends attributable to the interim period

The Directors of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2013 (2012: nil).

b) Dividends attributable to the previous financial year, approved and paid during the interim period

There were no dividends attributable to the previous financial year, approved and paid during the interim period of 2013 and 2012.

11. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (net of impairment losses) with the following ageing analysis based on invoice date:

	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000 (restated)	As at 1 January 2012 HK\$'000 (restated)
Current or less than			
1 month overdue	9,175	8,378	9,735
1 to 3 months overdue	3,350	7,575	4,773
3 to 12 months overdue	3,418	929	488
	<hr/>	<hr/>	<hr/>
Total trade receivables, less impairment losses	15,943	16,882	14,996
Other receivables and deposits	9,198	7,581	5,300
Amount owing by joint operation	-	23,255	23,912
Amounts owing by affiliated companies	620	1,481	478
	<hr/>	<hr/>	<hr/>
Loans and receivables	25,761	49,199	44,686
Prepayments	7,179	9,253	8,467
	<hr/>	<hr/>	<hr/>
	32,940	58,452	53,153
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Trade receivables are due within 30 days from the date of billing. Receivables with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from its customers.

12. CASH AND CASH EQUIVALENTS

	As at 30 June 2013 <i>HK\$'000</i>	As at 31 December 2012 <i>HK\$'000</i> <i>(restated)</i>	As at 1 January 2012 <i>HK\$'000</i> <i>(restated)</i>
Deposits with banks and other financial institutions	239,110	349,520	366,155
Cash at bank and in hand	149,764	26,932	31,547
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents per consolidated statement of financial position	388,874	376,452	397,702
Less: Cash pledged for interest-bearing borrowings (Note 14)	(1,435)	-	-
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents available for use by the Group	<u>387,439</u>	<u>376,452</u>	<u>397,702</u>

13. TRADE AND OTHER PAYABLES

	As at 30 June 2013 <i>HK\$'000</i>	As at 31 December 2012 <i>HK\$'000</i> <i>(restated)</i>	As at 1 January 2012 <i>HK\$'000</i> <i>(restated)</i>
Trade payables	3,920	2,276	1,607
Other payables and accrued charges	21,098	21,185	20,651
Deferred income	6,723	10,953	9,265
Amounts owing to affiliated companies	515	317	150
	<hr/>	<hr/>	<hr/>
	<u>32,256</u>	<u>34,731</u>	<u>31,673</u>

Trade and other payables have the following ageing analysis as of the reporting date:

	As at 30 June 2013	As at 31 December 2012	As at 1 January 2012
	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(restated)</i>	<i>HK\$'000</i> <i>(restated)</i>
Due within 1 month or on demand	18,818	13,351	19,602
Due 1 to 3 months	4,273	6,882	2,768
Due 3 to 12 months	9,165	14,498	9,303
	<u>32,256</u>	<u>34,731</u>	<u>31,673</u>

14. INTEREST-BEARING BORROWINGS

	As at 30 June 2013	As at 31 December 2012	As at 1 January 2012
	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(restated)</i>	<i>HK\$'000</i> <i>(restated)</i>
Term loan (secured)	32,077	-	-
Finance lease liabilities	449	127	-
	<u>32,526</u>	<u>127</u>	<u>-</u>
Repayable:			
Within 1 year	915	39	-
Between 1 and 5 years	4,715	88	-
After 5 years	26,896	-	-
	<u>32,526</u>	<u>127</u>	<u>-</u>

On 26 April 2013, the Group, through its indirect subsidiary, SWAN Carolina Investor, LLC, and SFI Carolina TIC SPE, LLC entered into a ten-year term loan of US\$8.6 million (approximately HK\$66.7 million) to primarily re-finance its joint operation, Sheraton Chapel Hill Hotel.

The term loan is secured by:

- a first priority mortgage of Sheraton Chapel Hill Hotel, its improvements, equipment and fixtures with a carrying amount of HK\$39.8 million as at 30 June 2013;
- assignments of all rights and benefits to sale, lease, agreements, trademarks and insurance proceeds in respect of Sheraton Chapel Hill Hotel;
- pledge of monies held in specific bank accounts of HK\$1.4 million as at 30 June 2013; and
- guarantee by Richfield Hospitality, Inc, an indirect subsidiary of the Group.

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, *Financial Instruments: Disclosures*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets				
30 June 2013				
Equity securities held for trading:				
– Listed	84,743	-	-	84,743
– Unlisted	5,430*	-	8,622	14,052
	<u>90,173</u>	<u>-</u>	<u>8,622</u>	<u>98,795</u>
31 December 2012				
Equity securities held for trading:				
– Listed	81,328	-	-	81,328
– Unlisted	4,154*	-	7,668	11,822
	<u>85,482</u>	<u>-</u>	<u>7,668</u>	<u>93,150</u>
1 January 2012				
Equity securities held for trading:				
– Listed	66,378	-	-	66,378
– Unlisted	5,116*	-	8,406	13,522
	<u>71,494</u>	<u>-</u>	<u>8,406</u>	<u>79,900</u>

* The unlisted equity securities relate to the Group's defined contribution plan. The plan invests in listed securities and hence the fair value of the plan follows the fair value of the underlying securities which can be measured using quoted price (unadjusted) in active markets.

During the period ended 30 June 2013 and 31 December 2012, there were no transfers between levels.

Information about Level 3 fair value measurements

The fair value of the unlisted held-for-trading equity securities is determined based on the net asset value of the fund, which had underlying unlisted investments categorised as Level 3 in the fair value hierarchy. The fair value of such underlying investments is determined based on inputs such as contractual agreements, current and projected operating performance, rounds of financing and third-party transactions, discounted cash flow analysis and market-based information, including comparable company transactions, trading multiples and changes in market outlook, among other factors.

The movement in the Level 3 financial instruments measured at fair value is as follows:

	Fair value through profit or loss equity security	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January	7,668	8,406
Net unrealised gains/(losses) recognised in profit or loss	954	(738)
At 30 June/31 December	<u>8,622</u>	<u>7,668</u>

The gains or losses for the period recognised in profit or loss of the unlisted equity securities is presented in “other net gains” in the consolidated statement of profit or loss.

Although the Group believes that its estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair values. For fair value measurement in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:

	As at 30 June 2013 HK\$'000	As at 31 December 2012 HK\$'000	As at 1 January 2012 HK\$'000
Financial assets at fair value through profit or loss – Equity securities:			
Fair value	8,622	7,668	8,406
Effect on fair value:			
– Favourable change	25	130	45
– Unfavourable change	<u>(25)</u>	<u>(130)</u>	<u>(45)</u>

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated based on the recent fluctuation in the underlying equity prices of the equity investment.

(b) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2013, 31 December 2012 and 1 January 2012 except for available-for-sale equity securities and fixed rate borrowings.

Fair value information has not been disclosed for the Group's available-for-sale equity securities that are carried at cost of HK\$33.0 million because fair value cannot be measured reliably. These equity securities represent the capital contribution in a fund that is not quoted on any market. The Group does not intend to dispose this investment in the foreseeable future.

The carrying amounts and fair values of the fixed rate borrowings are as follows:

	Carrying amount <i>HK\$'000</i>	Fair value <i>HK\$'000</i>
As at 30 June 2013	(32,077)	(29,960)
As at 31 December 2012 (restated)	-	-
As at 1 January 2012 (restated)	-	-
	<u> </u>	<u> </u>

16. COMMITMENTS

(a) Operating lease commitments

At 30 June 2013, the total future minimum lease payments under non-cancellable operating leases payable are as follows:

	As at 30 June 2013 <i>HK\$'000</i>	As at 31 December 2012 <i>HK\$'000</i> <i>(restated)</i>	As at 1 January 2012 <i>HK\$'000</i> <i>(restated)</i>
Within 1 year	1,586	1,523	1,551
After 1 year within 5 years	3,366	3,572	5,621
After 5 years	-	-	869
	<u> </u>	<u> </u>	<u> </u>
	<u>4,952</u>	<u>5,095</u>	<u>8,041</u>

The above leases run for an initial period between one to three years. One of the leases includes an option to renew the lease on expiry. The leases do not include contingent rental.

- (b) Capital commitments contracted but not provided for

	As at 30 June 2013 <i>HK\$'000</i>	As at 31 December 2012 <i>HK\$'000</i>
Commitment to make an investment in BEA Blue Sky Real Estate Fund L.P.	160,869	-

On 3 June 2013, the Group's direct wholly-owned subsidiary, CES Capital Limited, has committed to make an investment of US\$25.0 million (approximately HK\$193.9 million) in BEA Blue Sky Real Estate Fund L.P. (the "Fund"), by way of a subscription for a limited partnership interest in the Fund. As at 30 June 2013, CES Capital Limited has contributed US\$4.3 million (approximately HK\$33.0 million) to the Fund.

The Fund is a closed-ended private equity fund structured as a Cayman Islands exempted limited partnership, organised for the sole purpose of subscribing for a limited partnership interest in the China Fund. The China Fund is a real estate private equity fund established for the purpose of making investments in real estate assets and real estate-related assets in Greater China.

17. MATERIAL RELATED PARTY TRANSACTIONS

During the period, there were the following material related party transactions:

	Six months ended 30 June	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Dividend income received from related company	1,513	2,097
Income received from provision of hospitality and other related services to related companies	2,000	2,250
Accounting fee paid to a related company	(187)	(183)

18. ESTABLISHMENT OF SWAN CAROLINA INVESTOR, LLC AS JOINT OPERATOR OF SHERATON CHAPEL HILL

On 1 January 2013, the Group, through its newly incorporated indirect subsidiary, SWAN Carolina Investor, LLC (“SCI”), entered into a tenant-in-common agreement with SFI Carolina TIC SPE, LLC to own an equal 50% tenant-in-common interest in Sheraton Chapel Hill Hotel (the “Property”) for the purpose of owning and operating the Property as a hotel and as an investment. Following the tenant-in-common agreement, SCI became a joint operator of the Property and is entitled to 50% of all income, expenses and increases or decreases in value of the Property with effect from 1 January 2013.

19. ACQUISITION OF INTEREST IN DOUBLETREE BURLINGTON HOTEL THROUGH INVESTMENT IN A NEW ASSOCIATE, S-R BURLINGTON PARTNERS, LLC

On 30 January 2013, the Group, through its indirect subsidiary, SWAN USA, Inc (“SWAN USA”), invested in a new associate, S-R Burlington Partners, LLC (“SRBP”). SWAN USA contributed US\$0.9 million (approximately HK\$7.0 million) to obtain an equity interest of 31.83% in SRBP. On the same day, SRBP entered into an agreement to acquire 59.83% equity interest in RBH Venture, LLC, a company incorporated in USA, which indirectly owns 100% interest in Doubletree Burlington Hotel, USA. Following the investment, the Group holds an effective interest of approximately 16% in the hotel property.

The share of results of SRBP from 30 January 2013 to 30 June 2013, including share of acquisition-related costs of HK\$0.6 million, was included in the “Share of losses of associates” in the consolidated statement of profit or loss for the six months ended 30 June 2013.

20. COMPARATIVE FIGURES

As a result of the application of HKFRS11, certain comparative figures have been adjusted to conform to current period’s presentation. Further details of these developments are disclosed in note 2.

INDEPENDENT REVIEW REPORT

**To the Board of Directors of City e-Solutions Limited
(Incorporated in the Cayman Islands with limited liability)**

INTRODUCTION

We have reviewed the interim financial report set out on pages 2 to 26 which comprises the consolidated statement of financial position of City e-Solutions Limited as of 30 June 2013 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial report as at 30 June 2013 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG LLP

Chartered Accountants

16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
26 July 2013

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group reported an improvement in revenue to HK\$52.8 million, an increase of HK\$4.2 million or 8.6% from HK\$48.6 million in the previous corresponding period due to higher revenues from the Group's Hospitality segment. Consequently, the Group's Hospitality segment reported pre-tax profit of HK\$1.5 million for the period under review as compared with a pre-tax loss of HK\$7.9 million in the previous corresponding period.

The Group's U.S. hotel management arm, Richfield Hospitality, recorded higher management fee of HK\$17.3 million, up by HK\$1.6 million or 10.2% from HK\$15.7 million in the previous corresponding period due mainly from a new contract secured with a full service property. Overall, with good cost controls and measures, Richfield contributed an improved profit before tax of about HK\$0.1 million as compared with a loss of HK\$3.5 million in the previous corresponding period.

The Sheraton Chapel Hill Hotel, North Carolina, U.S. continued to enjoy good room occupancy and contributed a total revenue of HK\$13.4 million, up by HK\$1.8 million or an increase by 15.5% from HK\$11.6 million in the previous corresponding period. Accordingly, the profit contribution improved to HK\$2.5 million up from HK\$1.4 million in the previous corresponding period.

The Group's 51% equity interest in Sceptre Hospitality Resources ("SHR"), the hospitality industry's leading expert for reservations connectivity, online channel marketing and revenue/channel-management services, recorded a full 6 months of revenue amounting to HK\$17.1 million, up from HK\$11.5 million being revenue recorded for approximately four months of operation as SHR commenced operation around end February 2012. However, the increase of HK\$5.6 million in revenue from SHR was offset by a decrease of HK\$3.0 million from the in-house reservations management and distribution arm which had since ceased operation as a result of the merger with SHR at end February 2012. For the period under review, SHR incurred a lower loss at HK\$2.5 million as compared with HK\$4.6 million in the previous corresponding period.

The Group's jointly-controlled entity which owns the Crowne Plaza Syracuse Hotel reported improved trading result and contributed a share of profit of HK\$1.6 million for the period under review as compared with a share of loss of HK\$1.1 million in the previous corresponding period. On the other hand, the Group recognised share of losses from its associates of HK\$0.3 million, which included the Group's share of acquisition-related costs of HK\$0.6 million arising from Group's investment in S-R Burlington Partners, LLC ("SRBP") on 30 January 2013.

On the Group's Investment Holding segment, the net realised and unrealised valuation gains of HK\$8.5 million was recognised from the Group's securities holding as at 30 June 2013. This was offset by net realised and unrealised foreign exchange losses of HK\$6.3 million which mainly arose from the Sterling Pound denominated trading securities and cash deposits. Overall, the total net realised and unrealised gains of HK\$2.2 million was recorded for the period under review as compared with total net realised and unrealised gains of HK\$6.1 million in the previous corresponding period.

Overall, the Group recorded a net profit attributable to the equity shareholders of the Company of HK\$1.1 million as compared with a net profit attributable to the equity shareholders of the Company of less than HK\$0.1 million in the previous corresponding period due mainly to the profit from the Group's Hospitality segment as discussed above.

Financial Position, Cash Flow and Borrowings

As at 30 June 2013, the Group's total assets stood at HK\$663.1 million, up from HK\$633.6 million as at 31 December 2012. The Group's net tangible assets per share improved to HK\$1.38 as at 30 June 2013, as compared to HK\$1.37 as at 31 December 2012.

The Group reports its results in Hong Kong dollars and it is the objective of the Group to preserve its value in terms of Hong Kong dollars.

For the period under review, the net cash generated by operating activities amounted to HK\$23.0 million. The cash outflow on investing activities amounted to HK\$39.5 million, which was mainly due to the investment in BEA Blue Sky Real Estate Fund L.P. and the investment in a new associate amounting to HK\$7.0 million. Cash flows from financing activities amounted to HK\$30.5 million was mainly due to proceeds received from the re-financing of Sheraton Chapel Hill Hotel.

Overall, there was an increase of HK\$13.9 million in net cash which together with an exchange translation loss of HK\$2.9 million resulted in the total Group's cash and cash equivalents of HK\$387.4 million as at 30 June 2013, up from HK\$376.5 million as at 31 December 2012. Taking into account of the Group's bank borrowings of HK\$32.5 million, the Group was in a net cash position amounting to HK\$354.9 million as at 30 June 2013.

As at 30 June 2013, the Group's bank borrowings amounted to HK\$32.5 million (31 December 2012: HK\$0.1 million), of which HK\$0.9 million was current, as recorded in the portion of short-term borrowing repayable within a period of one year, and HK\$31.6 million was non-current and will be repayable within a period of more than one year. The bank loans of the Group are secured over Sheraton Chapel Hill Hotel with a carrying amount of HK\$39.8 million and pledge of monies in specific bank accounts of HK\$1.4 million. In addition, as at 30 June 2013, the Group has fully complied with the financial covenants agreed with the financial institutions.

Treasury Activities

Majority of the Group's cash is held in United States dollar, Sterling Pound, Chinese Renminbi and Singapore dollar cash deposits. It is the Group's view to maximise returns to shareholders and hence a portion of its portfolio is held in various currencies. We will closely monitor the Group's exposure to currency movement and take the appropriate action when necessary.

Directors and Employees

As at 30 June 2013, the Group had a total of 69 employees including Directors but excluding employees from Sheraton Chapel Hill Hotel, up from 68 as at the end of the last financial year ended 31 December 2012. There were 60 employees from Sheraton Chapel Hill Hotel as at 30 June 2013.

The total payroll costs, including the Group's line-by-line share of payroll costs for Sheraton Chapel Hill Hotel, were HK\$32.2 million as compared with HK\$30.2 million in the previous corresponding period. The increase in payroll costs can be attributed mainly to the employees for the Hospitality segment.

PROSPECTS

The Group remains cautious in the midst of the global uncertainty, though there are signs of improvement in the U.S. real estate and hospitality market.

The Group continues to hold some trading securities while its cash reserves are in a basket of currencies. From time to time, there could be continued adjustments attributable to unrealised gains or losses arising from the fair value readjustments of the Group's trading securities and unrealised gains or losses on the revaluation of foreign currency cash deposits.

AUDIT COMMITTEE

The members of the Audit Committee of the Company comprise 2 independent non-executive directors and 1 non-executive director of the Company. It has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2013.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, save as disclosed below, the Company has complied with the code provisions as set out in the Corporate Governance Code (“CG Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the six months ended 30 June 2013.

Under the CG Code provision E.1.2, the chairman of the board should attend the annual general meeting and invite the chairmen of audit, remuneration, nomination and any other committees (as appropriate) to attend. However, in the annual general meeting held on 19 April 2013 (“2013 AGM”), our chairman was unable to attend the meeting as he had to attend to other commitments. He appointed Mr. Gan Khai Choon to chair the 2013 AGM on his behalf. Further Mr. Chan Bernard Charnwut, a non-executive director and member of the Audit Committee and Nomination Committee, was invited to attend the 2013 AGM to answer any question from the shareholders concerning the Company’s corporate governance. As provided for in the CG Code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. The 3 independent non-executive directors were unable to attend the 2013 AGM.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix 10 of the Listing Rules (“Model Code”) as the Company’s code of conduct regarding directors’ securities transactions. All directors have confirmed that they have complied with the Model Code throughout the period under review.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes of information on Directors are as follows:-

Mr. Lee Jackson a.k.a Li Chik Sin, an independent director of Hong Fok Corporation Limited ("Hong Fok"), was appointed as the lead independent director of Hong Fok on 1 April 2013.

Mr. Teoh Teik Kee was appointed as a non-independent & non-executive director of Hwang-DBS (Malaysia) Berhad on 1 April 2013.

Dr. Lo Ka Shui was appointed as the chairman and non-executive director of Langham Hospitality Investments Limited and LHIL Manager Limited (in the capacity as Trustee-Manager of Langham Hospitality Investments Limited) on 29 January 2013 and 25 February 2013, respectively. He also stepped down as the chairman and was appointed as the vice chairman of The Chamber of Hong Kong Listed Companies on 27 June 2013.

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 six months ended 30 June 2013.

DIRECTORS' INTERESTS IN SHARES

- (a) As at 30 June 2013, the interests of the Directors and Chief Executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("The Stock Exchange") pursuant to the Model Code were as follows:-

Name of Director

The Company	Nature of Interest	Number of Ordinary Shares of HK\$1.00 each
Kwek Leng Beng	personal	3,286,980
Kwek Leng Joo	personal	1,436,000
Gan Khai Choon	personal	1,041,100
Lawrence Yip Wai Lam	personal	520,550
Chan Bernard Charnwut	personal	53,850

City Developments Limited	Nature of Interest	Number of Ordinary Shares
Kwek Leng Beng	personal	397,226
Kwek Leng Joo	personal	65,461
Gan Khai Choon	personal	100,000
	family	25,000

City Developments Limited	Nature of Interest	Number of Preference Shares
Kwek Leng Beng	personal	144,445
Kwek Leng Joo	personal	100,000
Gan Khai Choon	personal	49,925
	family	25,738

Hong Leong Investment Holdings Pte. Ltd.	Nature of Interest	Number of Ordinary Shares
Kwek Leng Beng	personal	2,320
Kwek Leng Joo	personal	1,290
Gan Khai Choon	family	247

Name of Chief Executive Officer

Hong Leong Investment Holdings Pte. Ltd.	Nature of Interest	Number of Ordinary Shares
Sherman Kwek Eik Tse	personal	1,174

Name of Director

Millennium & Copthorne plc	Nature of Interest	Number of Ordinary Shares of 30 pence each
Lawrence Yip Wai Lam	personal	52,081

Millennium & Copthorne Hotels New Zealand Limited	Nature of Interest	Number of Ordinary Shares
Kwek Leng Beng	personal	3,000,000

Note: Millennium & Copthorne Hotels New Zealand Limited is an indirect subsidiary of Millennium & Copthorne Hotels plc, a subsidiary of City Developments Limited. City Developments Limited is the holding company of the Company. The Directors of the Company consider Hong Leong Investment Holdings Pte. Ltd. to be the Company's ultimate holding company.

- (b) Pursuant to Millennium & Copthorne Hotels Long Term Incentive Plan (the “LTIP”) approved by shareholders of Millennium & Copthorne Hotels plc (“M&C”) on 4 May 2006, certain Directors were awarded Performance Share Award of ordinary shares of 30 pence each as follows:

Name of Director	Date Awarded	Number of	Vesting Date
		Performance Shares	
Lawrence Yip Wai Lam	16/09/2010	13,933	16/09/2013
	28/11/2011	19,301	28/11/2014
	16/08/2012	9,077	16/08/2015

Note: Under the terms of the LTIP, M&C is permitted to make both Performance Share Awards and Deferred Share Bonus Awards to an employee (including an executive director) of M&C or its subsidiaries.

- (c) Save as disclosed herein, as at 30 June 2013, none of the Directors and the chief executive officer of the Company or their associates were interested or had any short position in any shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, the following corporations were interested in 5% or more of the issued share capital of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Number of Shares Held	Notes	Percentage Holding in the Company
eMpire Investments Limited	190,523,819		49.82%
City Developments Limited	200,854,743	(1)	52.52%
Hong Leong Holdings Limited	21,356,085		5.58%
Hong Leong Investment Holdings Pte. Ltd.	230,866,817	(2)	60.37%
Davos Investment Holdings Private Limited	230,866,817	(3)	60.37%
Kwek Leng Kee	230,866,817	(4)	60.37%
Arnhold and S Bleichroeder Advisors, LLC	38,022,000		9.94%
Farallon Capital Offshore Investors, Inc.	35,232,850	(5)	9.21%
Aberdeen Asset Management Asia Ltd	23,052,000		6.03%
Aberdeen Asset Management plc and its Associates (together “The AAM Group”) on behalf of accounts managed by The AAM Group	23,052,000	(6)	6.03%
Noonday G.P.(U.S.), L.L.C.	22,321,306		5.84%

Notes:

1. Of the 200,854,743 shares beneficially owned by wholly-owned subsidiaries of City Developments Limited (“CDL”) representing approximately 52.52% of the issued share capital of the Company, 190,523,819 shares are held by eMpire Investments Limited.
2. The interests of CDL and Hong Leong Holdings Limited in 200,854,743 shares and 21,356,085 shares respectively, are included in the aggregate number of shares disclosed.
3. The deemed interest of Hong Leong Investment Holdings Pte. Ltd. in 230,866,817 shares, representing approximately 60.37% of the issued share capital of the Company, is included in the aggregate number of shares disclosed.
4. Mr Kwek Leng Kee is deemed to have an interest in the 230,866,817 shares in which Davos Investment Holdings Private Limited (“Davos”) is deemed to have an interest in, by virtue of his entitlement to exercise or control the exercise of one-third or more of the voting power at general meetings of Davos.
5. Farallon Capital Offshore Investors, Inc. is interested in these shares in its capacity as the beneficial owner.
6. Aberdeen Asset Management plc is interested in these shares in its capacity as the investment manager and includes shares in which wholly owned controlled corporations of Aberdeen Asset Management plc are interested.

Save as stated above, no person or corporation was interested in or had a short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 30 June 2013.

By Order of the Board
Kwek Leng Beng
Chairman

Hong Kong, 26 July 2013