



2013

Interim Report



TC Orient Lighting Holdings Limited
達進東方照明控股有限公司

Incorporated in the Cayman Islands with limited liability

Stock Code: 515



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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF TC ORIENT LIGHTING HOLDINGS LIMITED

達進東方照明控股有限公司

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of TC Orient Lighting Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 3 to 19, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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 Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, 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 Hong Kong 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27 August 2013



The Board (the “Board”) of directors (the “Directors”) is pleased to announce the unaudited consolidated interim results of TC Orient Lighting Holdings Limited (“the Company”) and its subsidiaries (collectively known as the “Group”) for the six months ended 30 June 2013.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	NOTES	For the six months ended 30 June	
		2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Turnover	3	348,460	435,477
Cost of sales		(304,122)	(389,285)
Gross profit		44,338	46,192
Other income		24,271	22,295
Other gains and losses		(12,270)	(12,988)
Selling and distribution expenses		(19,638)	(23,312)
Administrative expenses		(29,363)	(42,572)
Finance costs		(5,204)	(8,025)
Profit (loss) before tax		2,134	(18,410)
Income tax expense	4	(382)	(7,124)
Profit (loss) for the period	5	1,752	(25,534)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on revaluation of owner-occupied properties		9,984	–
Deferred tax liabilities arising from revaluation of properties		(2,496)	–
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		4,956	952
Total comprehensive income (expense) for the period		14,196	(24,582)
Profit (loss) for the period attributable to:			
Owners of the Company		1,710	(25,952)
Non-controlling interests		42	418
		1,752	(25,534)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		13,516	(25,372)
Non-controlling interests		680	790
		14,196	(24,582)
Earnings (loss) per share	7		
– Basic (HK cents)		0.39	(5.87)
– Diluted (HK cents)		0.39	(5.87)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	NOTES	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	334,626	337,197
Prepaid lease payments			
– non-current portion		35,871	36,342
Intangible assets		33,255	35,345
Interest in an associate		2	2
Trade receivables with extended credit terms	9(a)	62,585	107,695
Deposits paid for acquisition of property, plant and equipment		4,104	2,918
		470,443	519,499
Current assets			
Inventories		169,318	140,417
Prepaid lease payments - current portion		941	941
Trade and other receivables	9(a)	515,423	508,079
Bills receivable	9(b)	2,434	3,756
Derivative financial instruments		–	297
Pledged bank deposits		23,115	45,123
Bank balances, deposits and cash		138,102	118,799
		849,333	817,412
Current liabilities			
Trade and other payables	10(a)	178,225	250,104
Bills payable	10(b)	106,089	105,899
Taxation payable		69,220	68,969
Bank borrowings – due within one year	11	224,304	183,238
Obligations under finance leases			
– due within one year		6,342	8,048
		584,180	616,258
Net current assets		265,153	201,154
Total assets less current liabilities		735,596	720,653



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

At 30 June 2013

	NOTE	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Non-current liabilities			
Obligations under finance leases			
– due after one year		2,361	4,968
Deferred tax liabilities		21,054	18,558
		23,415	23,526
Net assets		712,181	697,127
Capital and reserves			
Share capital	12	44,228	44,248
Share premium and reserves		645,460	631,066
Equity attributable to owners of the Company		689,688	675,314
Non-controlling interests		22,493	21,813
Total equity		712,181	697,127



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Attributable to owners of the Company											Total equity HK\$'000		
	Share capital HK\$'000	Share premium HK\$'000	Share redemption reserve HK\$'000	Treasury share HK\$'000	Property revaluation reserve HK\$'000	The People's Republic of China (the "PRC") statutory reserve HK\$'000	Special reserve HK\$'000	Share option reserve HK\$'000	Capital contribution reserve HK\$'000	Exchange reserve HK\$'000	Accumulated profits HK\$'000		Total HK\$'000	Non-controlling interests HK\$'000
At 1 January 2012 (audited)	44,188	437,579	450	(373)	47,647	14,711	1,156	19,707	1,883	10,700	322,541	900,199	69,917	969,116
Exchange differences arising on translation	-	-	-	-	-	-	-	-	-	-	(25,952)	(25,952)	418	(25,534)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of shares upon exercise of share options	-	-	-	-	-	-	-	-	-	500	(25,952)	(25,372)	790	(24,582)
Dividends paid	60	816	-	-	-	-	-	(234)	-	-	(8,849)	642	-	642
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	8,688	-	-	-	8,688	-	8,688
Release upon forfeiture of share options	-	-	-	-	-	-	-	(367)	-	-	557	-	-	-
At 30 June 2012 (unaudited)	44,248	438,395	450	(373)	47,647	14,711	1,156	27,584	1,883	11,200	286,297	875,288	69,707	944,995
Loss for the period	-	-	-	-	-	-	-	-	-	-	(207,122)	(207,122)	(48,651)	(255,773)
Surplus on revaluation properties	-	-	-	-	18,731	-	-	-	-	-	-	18,731	-	18,731
Deferred tax liabilities arising from revaluation of properties	-	-	-	-	(4,683)	-	-	-	-	-	-	(4,683)	-	(4,683)
Exchange differences arising on translation	-	-	-	-	-	-	-	-	-	1,768	-	1,768	-	1,768
Total comprehensive income (expense) for the period	-	-	-	-	14,048	-	-	-	-	1,768	(207,122)	(191,306)	(47,894)	(239,201)
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	(6,688)	-	-	6,230	(6,688)	-	(8,668)
Release upon forfeiture of share options	-	-	-	-	-	-	-	(6,200)	-	-	-	-	-	-
Transfer	-	-	-	-	-	292	-	-	-	-	(932)	-	-	-
At 31 December 2012 (audited)	44,248	438,395	450	(373)	61,695	15,003	1,156	12,626	1,883	13,048	87,173	675,314	21,613	697,127



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Attributable to owners of the Company										Total equity HK\$'000			
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000 (Note)	Treasury share HK\$'000	Property revaluation reserve HK\$'000	The People's Republic of China (the "PRC") statutory reserve HK\$'000	Special reserve HK\$'000	Share option reserve HK\$'000	Capital contribution reserve HK\$'000	Exchange reserve HK\$'000		Accumulated profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,710	1,710	42	1,752
Surplus on revaluation properties	-	-	-	-	9,984	-	-	-	-	-	-	9,984	-	9,984
Deferred tax liabilities arising from revaluation of properties	-	-	-	-	(2,408)	-	-	-	-	-	-	(2,408)	-	(2,408)
Exchange differences arising on translation	-	-	-	-	-	-	-	-	4,318	-	-	4,318	638	4,956
Total comprehensive income for the period	-	-	-	-	7,488	-	-	-	4,318	-	1,710	13,516	680	14,196
Shares cancelled (Note 12)	(20)	(333)	20	373	-	-	-	-	-	(20)	-	-	-	-
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	858	-	-	-	858	-	858
At 30 June 2013 (revised)	44,228	638,042	470	-	69,183	15,003	1,156	13,464	17,266	88,383	686,688	22,493	712,181	

Note: Capital redemption reserve represents the aggregate par value of shares which have been repurchased and cancelled.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 June 2013*

	For the six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Net cash used in operating activities	(29,223)	(8,279)
Net cash from investing activities		
Withdrawal of pledged bank deposits	23,170	178,940
Purchase of property, plant and equipment	(9,034)	(1,756)
Placement of pledged bank deposits	(1,162)	(72,855)
Other investing cash flows	287	3,736
	13,261	108,065
Net cash from (used in) financing activities		
Borrowings raised	338,549	182,935
Repayment of bank borrowings	(297,483)	(284,122)
Interest paid	(5,204)	(8,025)
Repayment of obligations under finance leases	(4,313)	(5,198)
Dividends paid	–	(8,849)
Proceeds from issue of shares	–	642
	31,549	(122,617)
Net increase (decrease) in cash and cash equivalents	15,587	(22,831)
Cash and cash equivalents at 1 January	118,799	194,260
Effect of foreign exchange rate changes	3,716	1,060
Cash and cash equivalents at 30 June, represented by bank balances, deposits and cash	138,102	172,489



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for buildings and certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has also applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant for the preparation of the Group's condensed consolidated financial statements.

- HKFRS 10 *Consolidated Financial Statements*;
- HKFRS 11 *Joint Arrangements*;
- HKFRS 12 *Disclosure of Interests in Other Entities*;
- Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance*;
- HKFRS 13 *Fair Value Measurement*;
- HKAS 19 (as revised in 2011) *Employee Benefits*;
- HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*;
- Amendments to HKFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*;
- Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*;
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2009-2011 Cycle*; and
- HK(IFRIC)-Int 20 *Stripping Costs in the Production Phase of a Surface Mine*.

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

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements. The impact of the application of the relevant standard is set out below.



2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impact of the application of HKFRS 10

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 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The directors of the Company reviewed and assessed the application of these five standards in the current interim period and concluded that they had no material effect on the amounts and/or disclosures reported in these condensed consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and 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, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are in accordance with the consequential amendments of HKAS 34 and additional disclosure of HKFRS 13 will be presented in the annual report. The application of HKFRS 13 does not have significant impact on the fair value measurements of the Group's assets and liabilities.



2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income. Under the amendments to HKAS 1, the Group's statement of comprehensive income is renamed as a statement of profit or loss and 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 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 do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKAS 34 Interim Financial Reporting *(as part of the Annual Improvements to HKFRSs 2009-2011 Cycle)*

The Group has applied the amendments to HKAS 34 *Interim Financial Reporting* as part of the *Annual Improvements to HKFRSs 2009 - 2011 Cycle* for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment. Since the CODM does not review assets and liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, the Group has not included total assets and liabilities information as part of the segment information.

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

3. SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by reportable and operating segments:

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Segment revenue - external sales		
Manufacturing and trading of single-sided printed circuit boards ("PCB") ("Single-sided PCB")	96,979	98,829
Manufacturing and trading of double-sided PCB ("Double-sided PCB")	109,961	157,144
Manufacturing and trading of multi-layered PCB ("Multi-layered PCB")	102,242	99,247
Manufacturing and trading of light emitting diode ("LED") lighting ("LED lighting")	39,278	80,257
Total	348,460	435,477



3. SEGMENT INFORMATION *(continued)*

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Segment profits (loss)		
Single-sided PCB	61	(2,916)
Double-sided PCB	790	(3,784)
Multi-layered PCB	1,587	(7,101)
LED lighting	3,628	4,729
	6,066	(9,072)
Other income	5,770	5,700
Central administrative costs	(4,575)	(6,730)
Fair value changes of derivative financial instruments	77	(283)
Finance costs	(5,204)	(8,025)
Profit (loss) before tax	2,134	(18,410)

Segment profit or loss represents the profit or loss earned or suffered by each segment after allocation of selling and administrative staff cost with reference to turnover and without allocation of certain other income, central administrative costs (mainly including audit fee, exchange loss and depreciation of property, plant and equipment for administrative purpose), fair value changes of derivative financial instruments and finance costs. This is the measure reported to the Group's chairman, who is the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	382	7,124

No provision for Hong Kong Profits Tax has been made for both periods as the Group had no assessable profit.

The PRC EIT is calculated at 15% to 25% relevant to the PRC subsidiaries where applicable.

The charge for the period to EIT has been relieved by approximately HK\$1,979,000 (2012: nil) as a result of tax losses brought forward from previous years.

Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to the accumulated undistributed profits of the PRC subsidiaries amounting to approximately HK\$123,720,000 (31 December 2012: HK\$121,361,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.



5. PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Directors emoluments	3,690	7,849
Other staff costs	71,083	64,477
Equity-settled share-based payment expenses other than directors (included in selling and distribution expenses and administrative expenses)	556	4,600
Total staff costs	75,329	76,926
Amortisation of intangible assets (included in cost of sales)	2,974	3,905
Release of prepaid lease payments	471	308
Depreciation of property, plant and equipment	18,969	29,386
Impairment loss/written off recognised in respect of trade receivables	2,037	8,812
Fair value changes of derivative financial instruments (included in other gains and losses)	(77)	283
Imputed interest income on non-current trade receivables (included in other income)	(4,072)	(6,164)
Interest income on bank deposits and bank balances (included in other income)	(1,105)	(4,024)
Sales of scrap materials (included in other income)	(13,549)	(10,233)
Government grant	(880)	(327)

6. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (six months ended 30 June 2012: nil).

The Board did not recommend the payment of an interim dividend for the period (six months ended 30 June 2012: nil).



7. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Earnings (loss)		
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share		
Profit (loss) for the period attributable to owners of the Company	1,710	(25,952)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	442,284	442,227

The calculation of diluted earnings per share for the period ended 30 June 2013 did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price of shares during the period.

The calculation of the diluted loss per share for the period ended 30 June 2012 did not assume the exercise of the Company's outstanding share options as the exercise of the Company's share options would result in a decrease in loss per share.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group's buildings classified as property, plant and equipment were revalued by DTZ Debenham Tie Leung Limited, an independent qualified professional valuer not connected with the Group. DTZ Debenham Tie Leung Limited is a member of the Institute of Valuers. The buildings were revalued at depreciated replacement cost approach. The resulting revaluation surplus of HK\$9,984,000 has been credited to the property revaluation reserve during the six months ended 30 June 2013.

At 30 June 2012, the directors considered that the carrying amount of the Group's buildings did not differ significantly from that which would be determined using fair values at the end of the reporting period. Consequently, no revaluation surplus or deficit was recognised in the previous interim period.

During the six months ended 30 June 2013, the Group paid HK\$9,034,000 (six months ended 30 June 2012: HK\$1,756,000) on acquisition of property, plant and equipment.



9. TRADE, BILLS AND OTHER RECEIVABLES

(a) Trade and other receivables

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Trade receivables with normal credit terms	276,885	308,112
Trade receivables with extended credit terms	253,847	282,404
Total trade receivables	530,732	590,516
Less: Allowance for doubtful debts	(6,968)	(17,065)
Total trade receivables, net of allowance for doubtful debts	523,764	573,451
Less: Non-current portion of trade receivables with extended credit terms	(62,585)	(107,695)
Current portion of trade receivables	461,179	465,756
Advances to suppliers	7,243	8,302
Value-added tax recoverable	17,520	17,388
Other receivables and prepayments	29,481	16,633
Amount shown under current assets	515,423	508,079

The Group generally allows an average credit period of 30 days to 150 days to its trade customers with normal credit terms and credit period ranging from one year to ten years to its trade customers with extended credit terms which is based on the contractual repayment schedule. The following is an aged analysis of trade receivables with normal credit terms and trade receivables with extended credit terms, net of allowance for doubtful debts, respectively, presented based on the invoice date at the end of the reporting period:

	Extended credit terms		Normal credit terms		Total	
	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
0 - 30 days	1,564	19,309	54,808	67,452	56,372	86,761
31 - 60 days	1,316	-	58,413	64,414	59,729	64,414
61 - 90 days	1,753	-	57,988	46,936	59,741	46,936
91 - 180 days	70,255	56,637	80,890	97,755	151,145	154,392
Over 180 days	177,422	206,458	19,355	14,490	196,777	220,948
	252,310	282,404	271,454	291,047	523,764	573,451

Allowance for doubtful debts are recognised based on the Group's historical experience, aging analysis and internal assessment of the recoverability of the debt. During the current period, the Group has recognised a provision of HK\$1,537,000 (2012: HK\$8,812,000) and written off a trade receivable as uncollectible of approximately HK\$500,000 (2012: nil). Also, the Group has written off an allowance of trade receivable of approximately HK\$11,634,000 as uncollectible in the current period (2012: nil).



9. TRADE, BILLS AND OTHER RECEIVABLES *(continued)*

(b) Bills receivable

The aged analysis of bills receivable presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
0 - 30 days	–	1,341
91 - 180 days	2,434	2,415
	2,434	3,756

10. TRADE, BILLS AND OTHER PAYABLES

(a) Trade and other payables

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
0 - 30 days	20,457	44,501
31 - 60 days	28,161	33,550
61 - 90 days	33,702	22,638
91 - 180 days	28,844	41,294
Over 180 days	8,249	38,592
	119,413	180,575
Other payables	26,818	37,996
Accrued salaries and other accrued charges	18,874	18,299
Value-added tax payable	13,120	13,234
	178,225	250,104



10. TRADE, BILLS AND OTHER PAYABLES (continued)

(b) Bills payable

The aged analysis of bills payable presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
0 - 30 days	19,907	23,677
31 - 60 days	15,795	22,821
61 - 90 days	16,384	9,817
91 - 180 days	54,003	49,584
	106,089	105,899

11. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to HK\$338,549,000 (six months ended 30 June 2012: HK\$182,935,000) which were secured by buildings and plant and machinery with carrying amount of HK\$204,058,000 at the end of the reporting period. The new loans bear variable interest rate of Hong Kong Inter-bank Offered Rate plus 1.75% to 4.5% per annum, the effective interest rate ranging from 1.78% to 6.02% (six months ended 30 June 2012: 2.45% to 3.35%) per annum, and are payable within one year. The proceeds are used to finance the operations of the Group.

12. SHARE CAPITAL

	Number of shares	Nominal value HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 January 2012, 30 June 2012, 31 December 2012 and 30 June 2013	2,000,000,000	200,000
Issued and fully paid:		
At 1 January 2012	441,883,803	44,188
Exercise of share options	600,000	60
At 30 June 2012 and 31 December 2012	442,483,803	44,248
Shares cancelled (note)	(200,000)	(20)
At 30 June 2013	442,283,803	44,228

Note: The Company cancelled 200,000 ordinary shares of HK\$0.1 each in the Company for cash at HK\$1.87 per share which was repurchased in prior year.

All the ordinary shares issued during the period ranked pari passu in all respects with the then existing shares.



13. SHARE OPTION SCHEME

The Company's share option scheme was adopted on 5 June 2006 for the purpose of providing incentives to directors, employees, consultants and advisers of the Company or the Group and to promote the success of the business of the Group.

No share options were granted, exercised, cancelled or lapsed during the current interim period.

14. CAPITAL COMMITMENTS

At 30 June 2013, the Group had commitments of approximately HK\$5,350,000 (31 December 2012: HK\$2,256,000) in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements.

15. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to banks to secure general banking facilities granted to the Group:

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
Buildings	181,137	173,565
Plant and machinery	11,675	8,965
Pledged bank deposits	23,115	45,123
Prepaid lease payments	20,382	21,305
Trade receivables	14,695	21,121
	251,004	270,079

16. RELATED PARTY DISCLOSURES

Compensation of key management personnel

The remuneration of key management for the Group (representing directors) during the period under review is set out as follows:

	Six months ended 30 June	
	2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Short-term benefits	3,373	3,733
Post-employment benefits	15	48
Share-based payments	302	4,068
	3,690	7,849



16. RELATED PARTY DISCLOSURES *(continued)***Related party balances**

At the end of the reporting period, included in the other receivables and other payables were amounts of HK\$4,525,000 (2012: HK\$4,415,000) due from and HK\$1,043,000 (2012: HK\$1,017,000) due to Orient Opto-Semiconductors Corp. ("Dongfang"), which is a non-controlling shareholder of a PRC subsidiary of the Company, and controlled by a director of the Company. As at period end, the amount is non-trade nature, unsecured, interest-free and repayable on demand.

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

There was an early termination of the forward contracts existing as at 31 December 2012 due to the trigger of "knock-out" event. No derivative financial instrument was held by the Group as at the end of reporting period.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in manufacturing and trading broad range of LED Lighting and Printed Circuit Boards (“PCBs”) including single-sided PCBs, double-sided PCBs and multi-layered PCBs up to 12 layers, the breakdown by turnover is summarised as follows:

	For the six months ended 30 June 2013		For the six months ended 30 June 2012		Increase/ (Decrease) HK\$'000	Change in %
	HK\$'000	%	HK\$'000	%		
LED Lighting	39,278	11.3	80,257	18.4	(40,979)	(51.1)
Single-sided	96,979	27.8	98,829	22.7	(1,850)	(1.9)
Double-sided	109,961	31.6	157,144	36.1	(47,183)	(30.0)
Multi-layered	102,242	29.3	99,247	22.8	2,995	3.0
	348,460		435,477		(87,017)	(20.0)

During the period, LED lighting turnover accounted for approximately 11.3% of the total turnover of the Group mainly because the Group completed new LED lighting contracts in Jiangsu, Guangdong and Henan provinces. The decline in LED Lighting turnover is mainly due to our stringent risk assessment over potential LED lighting contracts. About 70% of the newly entered and completed LED contracts are repayable within one year and this brings positive effect on the liquidity of the LED business unit.

For PCB business, the products in the three categories are mainly applied in consumer electronics, computers and computer peripherals, communications equipment and automotive applications. During the review period, application wise, consumer electronics remained to contribute the highest turnover that accounted for approximately 51.2% of the Group's turnover. By products, the Group has faced the deepest decline (30.0%) from double-sided PCBs, while impact of weakening global demand for PCBs is less severe for single-sided PCBs and multi-layered PCBs.

Moreover, the Group's turnovers by geographical regions are summarised as follows:

	For the six months ended 30 June 2013		For the six months ended 30 June 2012		Increase/ (Decrease) HK\$'000	Change in %
	HK\$'000	%	HK\$'000	%		
Hong Kong	98,097	28.2	93,000	21.4	5,097	5.5
PRC	180,511	51.8	199,905	45.9	(19,394)	(9.7)
Europe	16,573	4.8	43,532	10.0	(26,959)	(61.9)
Asia	49,414	14.2	92,617	21.2	(43,203)	(46.6)
Others	3,865	1.0	6,423	1.5	(2,558)	(39.8)
	348,460		435,477		(87,017)	(20.0)



FINANCIAL REVIEW

For the six months ended 30 June 2013, the Group's turnover amounted to approximately HK\$348.5 million, representing an decrease of 20.0% as compared to approximately HK\$435.5 million for the corresponding period last year.

The Group's gross profit has decreased by 4.0% to approximately HK\$44.3 million. Gross profit margin increased to approximately 12.7%, mainly because operational efficiency was increased by optimising the operational process and management structure in the PCB business. The gross margins for the LED lighting and PCBs were 31.7% and 10.3%, respectively. Profit for period was approximately HK\$1.8 million (30 June 2012: Loss of HK\$25.5 million). Profit for the period ended 30 June 2013 included non-cash expenses of HK\$24.9 million, comprising impairment loss recognised in respect of trade receivable in the LED segment of HK\$2.0 million (30 June 2012: HK\$8.8 million), equity-settled share-based payment expense of HK\$0.9 million (30 June 2012: HK\$8.7 million), amortisation of intangible assets of HK\$3.0 million (30 June 2012: HK\$3.9 million), and depreciation of property, plant and equipment of HK\$19.0 million (30 June 2012: HK\$29.4 million). The equity-settled share-based payment expense decreases mainly due to cancellation of 18.8 million share options at 29 October 2012, which were granted at 2 September 2011 and the high volatility of the share price, was used in the option valuation model.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2013, the Group had total assets of approximately HK\$1,319.8 million (31 December 2012: HK\$1,336.9 million) and interest-bearing borrowings of approximately HK\$233.0 million (31 December 2012: HK\$196.3 million), representing a gearing ratio, defined as interest-bearing borrowings over total assets, of approximately 17.7% (31 December 2012: 14.7%).

The Group's net current asset of approximately HK\$265.1 million (31 December 2012: HK\$201.1 million) consisted of current assets of approximately HK\$849.3 million (31 December 2012: HK\$817.4 million) and current liabilities of approximately HK\$584.2 million (31 December 2012: HK\$616.3 million), representing a current ratio of approximately 1.45 (31 December 2012: 1.33).

As at 30 June 2013, the Group had cash and bank balances of approximately HK\$138.1 million (31 December 2012: HK\$118.8 million).

FOREIGN CURRENCY EXPOSURE

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in Hong Kong dollars and Renminbi ("RMB"). However, foreign currencies, mainly United States Dollars, Euro and Japanese Yen, are required to settle the Group's expenses and additions on plant and equipment. There are also sales transactions denominated in United States Dollars and RMB. The Group will use forward contracts to hedge its foreign currency exposure if it considers the risk to be significant.



DIVIDENDS

The Board does not recommend the payment of the interim dividend for the six months ended 30 June 2013 (30 June 2012: Nil).

HUMAN RESOURCES

As at 30 June 2013, the Group employed total of approximately 2,069 employees (31 December 2012: 2,287), including approximately 1,962 employees in its Zhongshan production Site, 94 employees in its PRC LED business units and approximately 13 employees in its Hong Kong office.

The Group's remuneration policy is reviewed regularly, with reference to the legal framework, market conditions and the performance of the Group and individual staff. The remuneration policy and remuneration packages of the executive directors and members of the senior management are also reviewed by the remuneration committee. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals. Under the Group's remuneration policy, employees are rewarded in line with the market rate in compliance with statutory requirements of all jurisdictions where it operates. The Group also holds regular training programmes and encourages staff to attend training courses and seminars that are related directly and indirectly to the Group's business.

CORPORATE STRATEGY

The primary objective of the Company is to enhance long-term total return for our shareholders. To achieve this objective, the Group's strategy is to place equal emphasis on achieving sustainable recurring earnings growth and maintaining the Group's strong financial profile. The Management Discussion and Analysis contain discussions and analysis of the Group's performance and the basis on which the Group generates or preserves value over the longer term and the basis on which the Group will execute its strategy for delivering the Group's objective.

PROSPECTS

Various supportive policies are announced by the PRC government during the period, such as the "Development Plan for Energy Saving LED Lighting" (半導體照明節能產品產業規劃) jointly announced in February 2013 by The National Development and Reform Commissions, The Ministry of Science and Technology, The Ministry of Industry and Information Technology, The Ministry of Finance, The Ministry of Housing and Urban-Rural Development, and General Administration of Quality Supervision, Inspection and Quarantine; as well as "The 13th Purchasing List of Energy-saving Products" (第十三期節能產品政府採購清單的通知) announced by The Ministry of Finance in January 2013, implying the popularity of LED is increasing and the government recognised LED as one of the important energy-saving products to be promoted in the market.



Besides, in July 2012, the Ministry of Science and Technology announced “12th Five-Year Special Plan for Development of LED Lighting Technology” (半導體照明科技發展「十二五」專項規劃), which set a target for LED development in 2015: The market share of LED has to reach 30% of the general lighting market, and production scale of LED has to reach RMB500 billion in 2015. According to the plan, the government will support 40-50 high tech corporations, and establish 50 demonstration cities of “10 Cities 10,000 LED Lamps” and 20 innovative production bases.

Given the support by the PRC government, it is expected that the LED industry will boom in 2013-2015. We, as one of the leaders in the LED lighting industry in the PRC, will strive to expand our market share and continue to seize more profitable contracts with a view to deliver higher return to our shareholders.

Upon the termination of the framework agreement to sell part of our PCB business to a Korean-based Company in November 2012, the PCB business remained as our core business. Our PCB technology is developed maturely and continued to contribute steady revenue. We aim to co-operate with a strong strategic partner to develop its PCB business, and does not rule out any possible joint venture possibilities in the future.

Going forward, as our major business strategies, we will focus on the investment of the LED lighting business with high potential growth and maintain the operations in PCB business as our steady business. At the same time, for the Group's long term development, we will continuously look for opportunities to diversify the Group's businesses.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2013, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Interest in securities:

Name of director	Capacity	Number of issued ordinary shares held	Shareholding percentage
Mr. Yeung Hoi Shan	Beneficial owner	145,902,000	32.99%



Interests in underlying shares pursuant to share options:

Name of director	Capacity	Date of grant	Exercise price per share HK\$	Number of share options granted
Mr. Yeung Hoi Shan	Beneficial owner	29 September 2009	1.07	2,400,000
Mr. Zhu Jianqin	Beneficial owner	29 September 2009	1.07	600,000
		2 September 2011	2.11	2,300,000
Mr. Kwok Tung Fai	Beneficial owner	14 July 2010	1.50	240,000
Mr. Wong Siu Fai, Albert	Beneficial owner	29 September 2009	1.07	140,000
		14 July 2010	1.50	200,000
		2 September 2011	2.11	200,000
Mr. Cheung Sui Wing, Darius	Beneficial owner	29 September 2009	1.07	80,000
		14 July 2010	1.50	140,000
		2 September 2011	2.11	200,000
Mr. Yeung Tai Hoi	Beneficial owner	29 September 2009	1.07	80,000
Madam Li Jinxia	Beneficial owner	29 September 2009	1.07	700,000
				7,280,000

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2013.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2013, the following persons (other than a director of the Company) had an interest or short position in the shares and underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Interest in securities:

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of issued share capital
Ms. Zhao Man Qi (Note)	Interest of spouse	145,902,000	32.99%



Interest in underlying shares pursuant to share options:

Name	Capacity	Date of grant	Number of share options granted	Exercise price HK\$
Ms. Zhao Man Qi (Note)	Interest of spouse	29 September 2010	2,400,000	1.07

Note: Ms. Zhao Man Qi, being the spouse of Mr. Yeung Hoi Shan, is deemed to be interested in these shares under the SFO.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2013.

SHARE OPTION SCHEME

On 5 June 2006, a share option scheme (the “Share Option Scheme”) was adopted. The purposes of the Share Option Scheme are to attract and retain best available personnel to provide additional incentive to employees, directors, consultants, and advisers of the Company or the Group and to promote the success of the business of the Group. The directors of the Company may, at their discretion, offer any employee (whether full-time or part-time), director, consultant or adviser of the Company or the Group options to subscribe for new shares at a price and terms set out in the Share Option Scheme.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme when aggregated with the maximum number of shares in respect of which options may be granted under any other scheme involving the issue or grant of options over shares or other securities by the Group shall not exceed 10% of the issued share capital on 22 June 2006 (such 10% limit representing 24,000,000 shares). On 31 May 2013, a resolution was passed on the Annual General Meeting for the approval of refreshing the 10% mandate under the Share Option Scheme (the “Refreshed Scheme Mandate”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at 31 May 2013 (options previously granted under the Share Option Scheme shall not be counted for the purpose of calculating the Refreshed Scheme Mandate).

No option may be granted to any one person such that the total number of shares issued and to be issued upon the exercise of options granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the issued share capital from time to time, unless the approval of the shareholders is obtained. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company’s share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company’s shareholders.



The amount payable on acceptance of the grant of options is HK\$1. The exercise price is determined by the board of directors, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

Details of movements in the share options held by the directors of the Company are as follows:

Grantee	Date of grant	Exercise price per share HK\$	Outstanding	Granted during the year	Reclassification	Exercised during the year	Forfeited during the year	Outstanding	Exercisable period
			at 1 January 2013					at 30 June 2013	
			'000	'000	'000	'000	'000	'000	
Directors:									
Mr. Yeung Hoi Shan	29 September 2009	1.07	2,400	-	-	-	-	2,400	(Note 1)
Mr. Zhu Jianqin	29 September 2009	1.07	600	-	-	-	-	600	(Note 1)
	2 September 2011	2.11	2,300	-	-	-	-	2,300	(Note 3)
Mr. Kwok Tung Fai	14 July 2010	1.50	240	-	-	-	-	240	(Note 2)
Mr. Wong Siu Fai, Albert	29 September 2009	1.07	140	-	-	-	-	140	(Note 1)
	14 July 2010	1.50	200	-	-	-	-	200	(Note 2)
	2 September 2011	2.11	200	-	-	-	-	200	(Note 3)
Mr. Cheung Sui Wing, Darius	29 September 2009	1.07	80	-	-	-	-	80	(Note 1)
	14 July 2010	1.50	140	-	-	-	-	140	(Note 2)
	2 September 2011	2.11	200	-	-	-	-	200	(Note 3)
Mr. Yeung Tai Hoi	29 September 2009	1.07	80	-	-	-	-	80	(Note 1)
Madam Li Jinxia	29 September 2009	1.07	700	-	-	-	-	700	(Note 1)
Subtotal			<u>7,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,280</u>	

Note 1: Options are exercisable subject to (i) up to 30% of the options are exercisable on or after the date of grant; (ii) up to 60% of the options are exercisable a year on or after the date of grant; and (iii) all the remaining options are exercisable two years on or after the date of grant. The options will be expired in the 5th year after the date of grant.

Note 2: Options are exercisable subject to (i) up to 30% of the options are exercisable on or after the date of grant; (ii) up to 60% of the options are exercisable a year on or after the date of grant; and (iii) all the remaining options are exercisable two years on or after the date of grant. The options will be expired in the 10th year after the date of grant.

Note 3: Options are exercisable subject to (i) up to 25% of the options are exercisable on or after 2 March 2012; (ii) up to 50% of the options are exercisable on or after 2 March 2013; (iii) up to 75% of the options are exercisable on or after 2 March 2014; and (iv) all the remaining options are exercisable on or after 2 March 2015. The options will be expired in the 10th year after the date of grant.



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

During the six months ended 30 June 2013 the Company did not purchase any shares of the Company's listed securities.

Neither the Company, nor any of its subsidiaries sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

The Company and the directors confirm, to the best of their knowledge, that the Company complied with the code provisions of the new Corporate Governance Code (the "New Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the period from 1 January 2013 to 30 June 2013, except the deviation disclosed in the following paragraph:

- With respect to the Code Provision A.2.1 of the New Code, the roles of Chairman and chief executive officer ("CEO") should be separated and not be performed by the same individual. Mr. Yeung Hoi Shan is the Chairman of the Board of Directors. The Chief Executive position is vacant. Mr. Wong Wing Choi, an executive director and CEO of the Company has resigned on 23 January 2009. Since then, the Company had tried to look for appropriate person to succeed and up to the date of this report, the process is still in progress. Major decisions have been made in consultation with members of the Board and appropriate Board committees, as well as top management. In addition, there are four Independent Non-Executive Directors and two Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore in the view that there are adequate balance of power and safeguards in place.

The Board continues to monitor and review the Company's corporate governance practices to ensure compliance.



COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has also adopted the Model Code as set out in Appendix 10 to the Listing Rules for securities transactions by the directors. Specific enquiry was made with all the directors and they confirmed that they had complied with the required standards set out in the Model Code regarding securities transactions by directors for the six months ended 30 June 2013.

AUDIT COMMITTEE

The Company has set up an audit committee, in accordance with the requirements of the Code of Corporate Governance Practices, for the purpose of reviewing and providing supervision on the financial reporting process and internal control system of the Group. The Committee comprises four independent non-executive directors with Mr. Cheung Sui Wing, Darius, as chairman. The interim results for the six months ended 30 June 2013 had been reviewed by the Audit Committee.

NOMINATION COMMITTEE

The Nomination Committee comprises of five directors including Mr. Cheung Sui Wing, Darius, Mr. Wong Siu Fai, Albert, Mr. Sung Lee Ming, Alfred and Mr. Fong Ping, all of them are independent non-executive directors and Mr. Yeung Hoi Shan, an executive director. Mr. Cheung Shui Wing, Darius is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to review the structure, size and composition of the Board annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy.

REMUNERATION COMMITTEE

A Remuneration Committee was established by the Company to establish policies, review and determine the remuneration of the directors and the senior management. The Remuneration Committee, comprises the independent non-executive directors and an executive director of the Company. Mr. Sung Lee Ming, Alfred is the chairman of the Remuneration Committee.



CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Yeung Hoi Shan (*Chairman*)
Mr. Zhu Jianqin
Mr. Kwok Tung Fai

NON-EXECUTIVE DIRECTORS

Madam Li Jinxia
Mr. Yeung Tai Hoi

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Cheung Sui Wing, Darius
(*Chairman of the committee*)
Mr. Wong Siu Fai, Albert
Mr. Sung Lee Ming, Alfred
Mr. Fong Ping

NOMINATION COMMITTEE

Mr. Cheung Sui Wing, Darius
(*Chairman of the committee*)
Mr. Wong Siu Fai, Albert
Mr. Sung Lee Ming, Alfred
Mr. Fong Ping
Mr. Yeung Hoi Shan

REMUNERATION COMMITTEE

Mr. Sung Lee Ming, Alfred
(*Chairman of the committee*)
Mr. Yeung Hoi Shan
Mr. Cheung Sui Wing, Darius
Mr. Wong Siu Fai, Albert
Mr. Fong Ping

COMPANY SECRETARY

Mr. Kwok Tung Fai

AUTHORISED REPRESENTATIVES

Mr. Yeung Hoi Shan
Mr. Kwok Tung Fai

HEAD OFFICE

Room 03, 15/F, Aitken Vanson Centre
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Kwun Tong, Kowloon, Hong Kong

REGISTERED OFFICE

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Hutchins Drive,
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITOR

Deloitte Touche Tohmatsu

MEDIA AND INVESTOR RELATIONS

NCC Financial PR Limited

PRINCIPAL BANKERS

China Construction Bank Corporation,
Zhongshan Branch, Guangdong, the PRC
Luso International Banking Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong)
Limited
Chinatrust Commercial Bank, Ltd

PRINCIPAL SHARE REGISTER AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
PO Box 484
HSBC House
68 West Bay Road
Grand Cayman,
KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai,
Hong Kong

STOCK CODE

00515

WEB-SITE

www.tatchun.com



On behalf of the Board, I would like to extend our sincere appreciation to all management and staff members for their diligence and dedication, the continuing support of our business partners and the Company's shareholders.

On behalf of the Board

Yeung Hoi Shan

Chairman

Hong Kong, 27 August 2013

