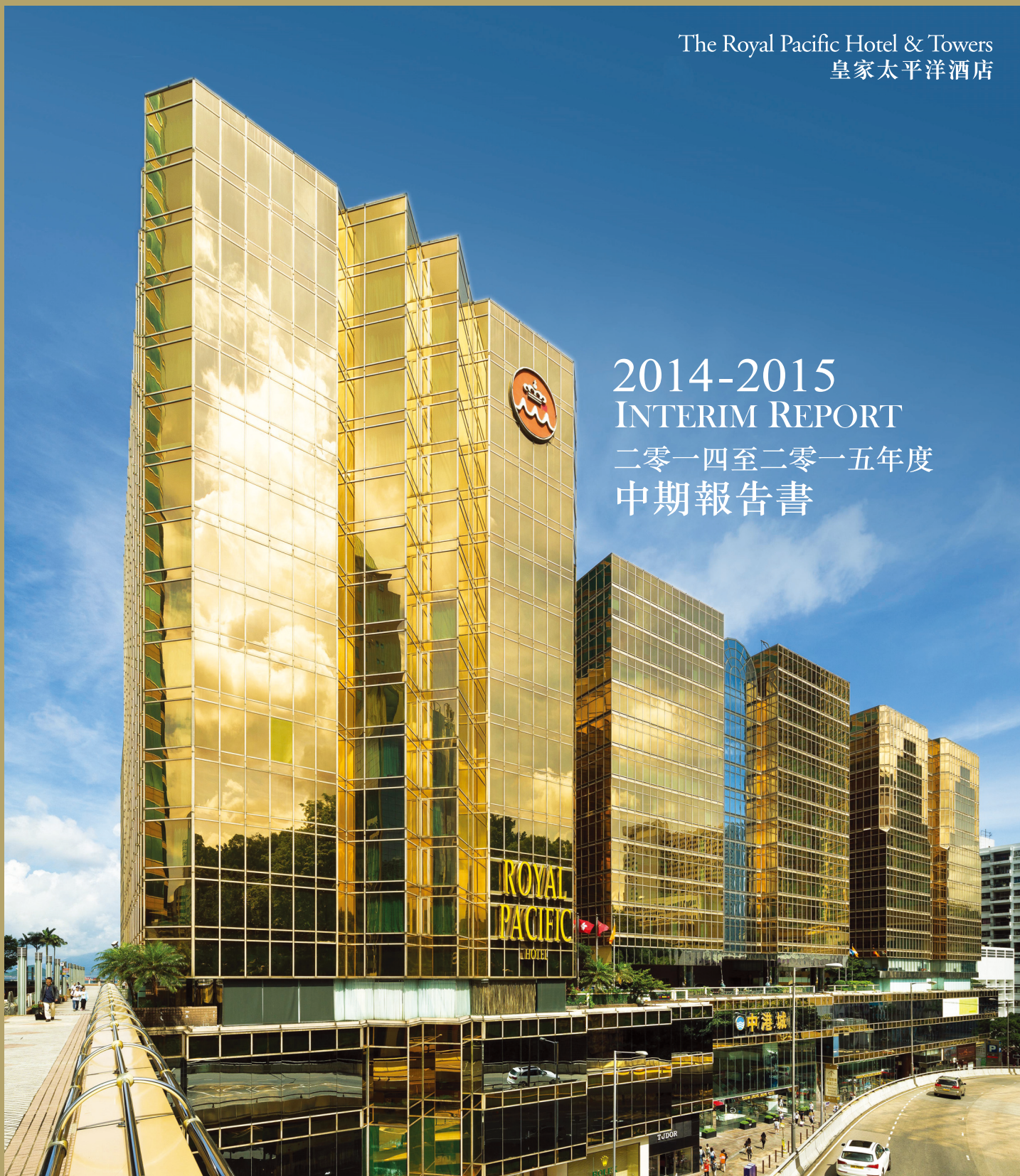


The Royal Pacific Hotel & Towers
皇家太平洋酒店

2014-2015
INTERIM REPORT
二零一四至二零一五年度
中期報告書



信和酒店(集團)有限公司
Sino Hotels (Holdings) Limited

This interim report (“Interim Report”) (in both English and Chinese versions) has been posted on the Company’s website at www.sino.com. Shareholders who have chosen to rely on copies of the Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) posted on the Company’s website in lieu of any or all the printed copies thereof may request printed copy of the Interim Report.

Shareholders who have chosen or are deemed to have consented to receive the Corporate Communications using electronic means through the Company’s website and who have difficulty in receiving or gaining access to the Interim Report posted on the Company’s website will upon request be sent the Interim Report in printed form free of charge.

Shareholders may at any time choose to change their choice of language and means of receipt (i.e. in printed form or by electronic means through the Company’s website) of all future Corporate Communications from the Company by giving notice in writing by post to the Company’s Principal Registrars, Tricor Friendly Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email at sinohotels1221-ecom@hk.tricorglobal.com.

此中期報告書（「中期報告書」）（英文及中文版）已於本公司網站www.sino.com登載。凡選擇以本公司網站瀏覽所登載之公司通訊（其中包括但不限於年報、財務摘要報告（如適用）、中期報告書、中期摘要報告（如適用）、會議通告、上市文件、通函及代表委任表格）以代替任何或所有印刷本之股東，均可要求索取中期報告書之印刷本。

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股東可隨時發出書面通知予本公司主要股票登記處，卓佳準誠有限公司，郵寄地址為香港皇后大道東183號合和中心22樓，或透過電郵地址sinohotels1221-ecom@hk.tricorglobal.com，要求更改所選擇收取公司通訊的語言版本及收取方式（印刷方式或以透過本公司網站之電子方式）。

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CORPORATE INFORMATION

Board of Directors

Robert Ng Chee Siong, Chairman
Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP[#]
Gilbert Lui Wing Kwong[#]
Peter Wong Man Kong, BBS, JP^{*}
Adrian David Li Man-kiu, JP^{*}
Steven Ong Kay Eng^{*}
Wong Cho Bau, JP^{*} (appointed on 20th January, 2015)
Daryl Ng Win Kong
Nicholas Yim Kwok Ming
Giovanni Viterale (appointed on 1st July, 2014)

([#] Non-Executive Directors)

(^{*} Independent Non-Executive Directors)

Audit Committee

Adrian David Li Man-kiu, JP, Chairman
Gilbert Lui Wing Kwong
Peter Wong Man Kong, BBS, JP
Steven Ong Kay Eng

Nomination Committee

Robert Ng Chee Siong, Chairman
Peter Wong Man Kong, BBS, JP
Adrian David Li Man-kiu, JP

Remuneration Committee

Steven Ong Kay Eng, Chairman
Peter Wong Man Kong, BBS, JP
Adrian David Li Man-kiu, JP
Daryl Ng Win Kong

Authorized Representatives

Robert Ng Chee Siong
Velencia Lee

Chief Financial Officer and Company Secretary

Velencia Lee

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants, Hong Kong

Solicitors

Clifford Chance, Hong Kong
Baker & McKenzie, Hong Kong
Maples and Calder, Cayman Islands

Shareholders' Calendar

Closure of Register of Members for dividend entitlement	2nd to 4th March, 2015 (both dates inclusive)
Record Date for interim dividend entitlement	4th March, 2015
Last Date for lodging form of election for scrip dividend	25th March, 2015 4:30 p.m.
Interim Dividend Payable	HK4 cents per share 10th April, 2015

Principal Bankers

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

Investor Relations Contact

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General Manager – Corporate Finance
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Fax : (852) 2369 1236
Email : investorrelations@sino.com

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Website : www.sino.com
Email : info@sino.com

Registered Office

P.O. Box 309,
Ugland House, Grand Cayman,
KY1-1104, Cayman Islands

Principal Registrars

Tricor Friendly Limited
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183 Queen's Road East
Hong Kong
Telephone : (852) 2980 1333
Fax : (852) 2861 1465
Email : sinohotels1221-ecom@hk.tricorglobal.com

Listing Information

Stock Code 1221

CHAIRMAN'S STATEMENT

I am pleased to present my interim report to the shareholders.

INTERIM RESULTS

The Group's unaudited net profit attributable to shareholders for the six months ended 31st December, 2014 ("Interim Period") was HK\$112.7 million (2013: HK\$120.9 million). Turnover of the Group for the Interim Period was HK\$167.7 million (2013: HK\$166.5 million). Earnings per share for the period was 11.66 cents (2013: 12.74 cents).

The unaudited results for the Interim Period have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu and they reflect the adoption of all Hong Kong Financial Reporting Standards applicable to the Group that are effective for the accounting period.

DIVIDEND

The Directors have declared an interim dividend of 4 cents per share payable on 10th April, 2015 to shareholders whose names appear on the Register of Members of the Company on 4th March, 2015.

The interim dividend will be payable in cash but shareholders will be given the option of electing to receive the interim dividend in the form of new shares in lieu of cash in respect of part or all of such dividend. The new shares to be issued pursuant to the scrip dividend scheme are subject to their listing being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

A circular containing details of the scrip dividend scheme will be despatched to shareholders together with the form of election for the scrip dividend on or about 10th March, 2015. It is expected that the interim dividend warrants and share certificates will be despatched to shareholders on or about 10th April, 2015.

REVIEW OF OPERATIONS

According to the Hong Kong Tourism Board, visitor arrivals to Hong Kong in 2014 reached 60.8 million, representing an increase of 12.0% from 54.3 million in 2013. Overall business of the Group's hotels, namely City Garden Hotel, The Royal Pacific Hotel & Towers and Conrad Hong Kong was steady with both occupancy and turnover for the three hotels remaining stable during the Interim Period.

Occupancy rates for City Garden Hotel, The Royal Pacific Hotel & Towers and Conrad Hong Kong for the Interim Period were 92.2%, 95.8% and 85.0% compared with 92.1%, 96.1% and 84.5% respectively for the corresponding period in 2013.

The turnover of City Garden Hotel, The Royal Pacific Hotel & Towers and Conrad Hong Kong during the Interim Period was HK\$155.0 million, HK\$229.7 million and HK\$397.3 million respectively compared with HK\$154.9 million, HK\$241.5 million and HK\$398.8 million for the corresponding period in 2013.

Other than that mentioned above, there was no material change from the information published in the report and accounts for the year ended 30th June, 2014.

CHAIRMAN'S STATEMENT *(Continued)*

FINANCE

As at 31st December, 2014, the Group had cash and bank deposits of HK\$557.7 million and had no debt outstanding.

There was no material change in the capital structure of the Group for the Interim Period. Foreign exchange exposure is kept at a minimal level. As at 31st December, 2014, the Group did not have any contingent liabilities.

Other than the above-mentioned, there was no material change from the information published in the report and accounts for the financial year ended 30th June, 2014.

EMPLOYEE PROGRAMMES

Hospitality industry is all about serving people from different nations and culture as well as from different time zones around the world. Our frontline employees are vitally important as they interact daily with our diverse range of guests and clients. By delivering a high standard of service to customers, we are able to meet and exceed customer expectations.

The Group's learning and development team continues to place strong emphasis on investing in staff's competencies and experience by providing them with language classes, along with technical and soft skills training. As a result, our employees are efficient, polite, helpful, strive for ongoing improvement and have a good team spirit. A programme named Manager Development Programme has also been established to groom and train staff's leadership and management skills. Staff are promoted or assigned to different roles and duties as part of the succession programme. Management also conducts regular review and appoints silent shoppers to the Group's hotels to ensure the quality of services is of required standards. Maintaining comprehensive employee compensation and benefits packages are also instrumental to uphold the staff's sense of belonging and to maintain a high retention rate. The Group will continue to strive for quality excellence and in building a premium brand.

CORPORATE SOCIAL RESPONSIBILITY

The Group continues to incorporate sustainability measures into the development and management of its hotels. As a committed corporate citizen, the Group has been participating in a wide range of community services, voluntary services, charitable fund-raising activities and environmental protection initiatives.

Environmental Management

The Group recognises the importance of environmental protection and places a strong focus on conserving energy and water by installing eco-friendly initiatives in its hotel operations. In respect of waste management, to minimise food wastage, the Group has implemented an array of waste recycling measures and also collaborated with government bodies, the HKSAR Government's Food Wise Hong Kong Campaign to organise and support events and to raise awareness within the community to minimise food wastage.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Community Engagement

As a committed corporate citizen, the Group plays an active role in serving the community. The Group participates in a wide range of community programmes, voluntary services, and charitable fund-raising activities, aiming to extend the care and support to underprivileged members in our society. These programmes include the 'Hearty Soup Delivery Service' in which soup is made and delivered to elderly people and low-income groups and the 'Food Donation Programme' where cooked food is given to families in need. The Group encourages its staff at all levels to participate in this voluntary service.

To promote social integration, our hotels continue to provide employment opportunities to disadvantaged members in collaboration with Hong Chi Association and The Hong Kong Society for the Deaf. Efforts have been made to make facilities more user-friendly for the underprivileged in the hotel area. The Group's hotels have Braille menus at its restaurants and guide dog services if required.

Tai O Heritage Hotel

In March 2008, the Ng Teng Fong Family, the major shareholder of the Group, set up a non-profit-making organisation, Hong Kong Heritage Conservation Foundation Limited ("HCF"). HCF revitalised and converted the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel ("Hotel"), it is home to nine colonial-style rooms and suites and commenced operation in March 2012. The Hotel, operated by HCF as a non-profit-making social enterprise, is part of the HKSAR Government's 'Revitalising Historic Buildings Through Partnership Scheme'. HCF is an award winner at UNESCO Asia-Pacific 2013 Awards for Cultural Heritage Conservation. In November 2014, HCF has been honoured by the American Institute of Architects Hong Kong Chapter with a Citation Award, in recognition of its contributions to heritage conservation in Hong Kong.

INDUSTRY OUTLOOK AND PROSPECTS

World tourism has experienced expansion and diversification in terms of destinations and themes and according to a study conducted by United Nation World Tourism Organisation ("UNWTO"), it is expected to continue to grow. Asia and the Pacific are forecast to have the strongest growth in visitor arrivals and Hong Kong needs to maintain its appeal as one of Asia's top destinations. Factors such as attractions, culture and heritage offerings, transport network, accommodation facilities for business conferences and meetings, quality of services and language ability, safety and political stability are all important to increase Hong Kong's competitiveness as the preferred choice from travellers' viewpoint. Both the HKSAR Government and Hong Kong citizens play a key role to support these factors so that Hong Kong remains a world-class city and benefit from the growing trend of tourism.

In November 2014, developments such as the establishment of the Shanghai-Hong Kong Stock Connect Scheme and the removal of the Renminbi daily conversion limit of RMB20,000 for Hong Kong residents which cements Hong Kong's position as a global hub for Renminbi trade settlement are amongst the many factors that induce more business travels to Hong Kong. Upcoming cross-border infrastructure developments, namely the Hong Kong-Macau-Zhuhai Bridge and Guangzhou-Shenzhen-Hong Kong Express Rail Link will encourage more traffic flows between cities in China and Hong Kong and make travel between the two territories more efficient and flexible. Already in operation is the Kai Tak Cruise Terminal offering cruises to other cities in Asia and these infrastructure developments will expand Hong Kong's positioning in multi-destination travel.

CHAIRMAN'S STATEMENT *(Continued)*

INDUSTRY OUTLOOK AND PROSPECTS *(Continued)*

China is a very important tourism source market not just for Hong Kong, but also in the world. It was ranked the first in the world in terms of international tourism expenditure for two consecutive years 2012 and 2013 based on the report by UNWTO. As wealth and population continue to grow in China, this trend is expected to increase going forward. Many developed countries have seen opportunity and are making effort to capture business from the growing number of Chinese tourists. Although Hong Kong benefits from its proximity to China, Hong Kong must not lose sight and must continue to stay competitive.

The Group attaches significant importance to market positioning and branding. To accomplish these objectives, regular upgrade of hotel facilities and renovation is carried out where necessary. During the Interim Period, both City Garden Hotel and Royal Pacific Hotel have carried out works to upgrade the facilities in some of their guest rooms. The Group will continuously review and improve the quality of the service to meet the needs of customers and ensure our discerning guests have enjoyable stays in our hotels.

STAFF AND MANAGEMENT

I would like to extend a warm welcome to Mr. Wong Cho Bau, JP, who was appointed on the Board as Independent Non-Executive Director with effect from 20th January, 2015. Mr. Wong's extensive knowledge and experience will be of great benefit to the Group.

On behalf of the Board, I take this opportunity to express my sincere appreciation to all staff for their commitment, dedication and continuing support. I would also like to express my gratitude to my fellow Directors for their guidance and wise counsel.

Robert NG Chee Siong
Chairman

Hong Kong, 11th February, 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st December, 2014

	<i>Notes</i>	Six months ended	
		31st December, 2014 HK\$ (Unaudited)	31st December, 2013 HK\$ (Unaudited)
Revenue	3, 4	167,760,825	166,497,788
Direct expenses		(56,144,017)	(51,899,932)
Other expenses		(42,905,836)	(41,553,474)
Marketing costs		(6,053,687)	(6,287,609)
Administrative expenses		(15,429,670)	(14,432,308)
Finance income	5	3,090,779	1,392,635
Finance costs	6	(4,066)	(11,723)
Finance income, net		3,086,713	1,380,912
Share of results of associates		71,875,754	77,591,132
		122,190,082	131,296,509
Profit before taxation	7	122,190,082	131,296,509
Income tax expense	8	(9,402,596)	(10,395,829)
		112,787,486	120,900,680
Profit for the period attributable to the Company's shareholders		112,787,486	120,900,680
Earnings per share – Basic	10	11.66 cents	12.74 cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31st December, 2014

	Six months ended	
	31st December,	31st December,
	2014	2013
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)
Profit for the period	<u>112,787,486</u>	<u>120,900,680</u>
Other comprehensive income (expense)		
Item that may be subsequently reclassified to profit or loss:		
Gain (loss) on fair value changes of available-for-sale financial assets	<u>28,544,860</u>	<u>(116,833,053)</u>
Other comprehensive income (expense) for the period	<u>28,544,860</u>	<u>(116,833,053)</u>
Total comprehensive income for the period attributable to the Company's shareholders	<u>141,332,346</u>	<u>4,067,627</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2014

	<i>Notes</i>	31st December, 2014	30th June, 2014
		<i>HK\$</i>	<i>HK\$</i>
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	<i>11</i>	1,401,602,220	1,411,790,224
Interests in associates	<i>12</i>	1,380,557,600	1,308,681,846
Available-for-sale financial assets		663,838,997	633,411,582
		<u>3,445,998,817</u>	<u>3,353,883,652</u>
CURRENT ASSETS			
Hotel inventories		622,603	542,610
Trade and other receivables	<i>13</i>	16,419,370	13,153,673
Amounts due from associates		3,293,937	88,993,493
Bank balances and cash		557,761,422	428,631,752
		<u>578,097,332</u>	<u>531,321,528</u>
CURRENT LIABILITIES			
Trade and other payables	<i>14</i>	34,154,173	22,908,243
Amount due to an associate		1,687,722	1,604,468
Taxation payable		7,718,094	19,903,595
		<u>43,559,989</u>	<u>44,416,306</u>
NET CURRENT ASSETS		<u>534,537,343</u>	<u>486,905,222</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,980,536,160</u>	<u>3,840,788,874</u>
CAPITAL AND RESERVES			
Share capital		980,246,502	964,921,928
Reserves		2,994,077,049	2,869,182,898
Equity attributable to the Company's shareholders		3,974,323,551	3,834,104,826
NON-CURRENT LIABILITY			
Deferred taxation		6,212,609	6,684,048
		<u>3,980,536,160</u>	<u>3,840,788,874</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st December, 2014

	Share capital HK\$	Share premium HK\$	Investment revaluation reserve HK\$	Distributable reserve HK\$	Retained profits HK\$	Total HK\$
At 1st July, 2013 (audited)	948,518,625	334,548,039	305,804,419	1,136,943,513	996,565,242	3,722,379,838
Profit for the period	-	-	-	-	120,900,680	120,900,680
Loss on fair value changes on available-for-sale financial assets	-	-	(116,833,053)	-	-	(116,833,053)
Total comprehensive (expense) income for the period	-	-	(116,833,053)	-	120,900,680	4,067,627
Sub-total	948,518,625	334,548,039	188,971,366	1,136,943,513	1,117,465,922	3,726,447,465
Shares issued pursuant to scrip dividend scheme for final dividend in respect of the year ended 30th June, 2013	2,167,329	3,684,459	-	-	-	5,851,788
Share issue expenses	-	(227,107)	-	-	-	(227,107)
Dividend	-	-	-	(37,940,745)	-	(37,940,745)
At 31st December, 2013 (unaudited)	950,685,954	338,005,391	188,971,366	1,099,002,768	1,117,465,922	3,694,131,401
Profit for the period	-	-	-	-	113,614,061	113,614,061
Gain on fair value changes on available-for-sale financial assets	-	-	27,405,224	-	-	27,405,224
Total comprehensive income for the period	-	-	27,405,224	-	113,614,061	141,019,285
Sub-total	950,685,954	338,005,391	216,376,590	1,099,002,768	1,231,079,983	3,835,150,686
Shares issued pursuant to scrip dividend scheme for interim dividend in respect of the year ended 30th June, 2014	14,235,974	22,777,559	-	-	-	37,013,533
Share issue expenses	-	(31,955)	-	-	-	(31,955)
Dividend	-	-	-	(38,027,438)	-	(38,027,438)
At 30th June, 2014 (audited)	964,921,928	360,750,995	216,376,590	1,060,975,330	1,231,079,983	3,834,104,826
Profit for the period	-	-	-	-	112,787,486	112,787,486
Gain on fair value changes on available-for-sale financial assets	-	-	28,544,860	-	-	28,544,860
Total comprehensive income for the period	-	-	28,544,860	-	112,787,486	141,332,346
Sub-total	964,921,928	360,750,995	244,921,450	1,060,975,330	1,343,867,469	3,975,437,172
Shares issued pursuant to scrip dividend scheme for final dividend in respect of the year ended 30th June, 2014	15,324,574	22,281,930	-	-	-	37,606,504
Share issue expenses	-	(123,248)	-	-	-	(123,248)
Dividend	-	-	-	(38,596,877)	-	(38,596,877)
At 31st December, 2014 (unaudited)	980,246,502	382,909,677	244,921,450	1,022,378,453	1,343,867,469	3,974,323,551

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st December, 2014

	Six months ended	
	31st December, 2014 HK\$ (Unaudited)	31st December, 2013 HK\$ (Unaudited)
Net cash from operating activities	<u>53,592,818</u>	<u>50,276,510</u>
Net cash from investing activities		
Purchase of property, plant and equipment	(11,054,050)	(7,196,772)
Additions to available-for-sale financial assets	–	(20,181,398)
Repayments from associates	85,699,556	107,393,512
Other investing cash flows	<u>1,925,779</u>	<u>1,020,566</u>
	<u>76,571,285</u>	<u>81,035,908</u>
Net cash used in financing activities		
Advance from an associate	83,254	433,626
Dividend paid	(990,373)	(32,088,957)
Other financing cash flows	<u>(127,314)</u>	<u>(238,830)</u>
	<u>(1,034,433)</u>	<u>(31,894,161)</u>
Net increase in cash and cash equivalents	129,129,670	99,418,257
Cash and cash equivalents at the beginning of the period	<u>428,631,752</u>	<u>188,672,971</u>
Cash and cash equivalents at the end of the period, represented by bank balances and cash	<u>557,761,422</u>	<u>288,091,228</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st December, 2014

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2014 except as described below.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the above new interpretation and amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

	Six months ended	
	31st December, 2014	31st December, 2013
	HK\$	HK\$
Hotel operation	155,032,681	154,978,887
Clubhouse operation and hotel management	9,936,499	9,309,285
Dividend income from available-for-sale financial assets	2,791,645	2,209,616
	<u>167,760,825</u>	<u>166,497,788</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2014

4. SEGMENT INFORMATION

The Group's operating segments under HKFRS 8 *Operating Segments* are as follows:

1. Hotel operation – City Garden Hotel
2. Investment holding – holding strategic available-for-sale investments
3. Hotel operation – operated through investments in associates of the Group, including Conrad Hong Kong and Royal Pacific Hotel & Towers
4. Others – clubhouse operation and hotel management

The following is an analysis of the Group's revenue and results by reportable and operating segment for the periods under review:

	Segment revenue		Segment results	
	Six months ended		Six months ended	
	31st December, 2014	31st December, 2013	31st December, 2014	31st December, 2013
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Hotel operation				
– City Garden Hotel	155,032,681	154,978,887	70,071,155	73,281,866
Investment holding	2,791,645	2,209,616	2,778,893	2,209,461
Hotel operation				
– share of results of associates	–	–	136,888,289	145,072,937
Others – clubhouse operation and hotel management	9,936,499	9,309,285	1,405,156	1,642,001
	<u>167,760,825</u>	<u>166,497,788</u>		
Total segment results			211,143,493	222,206,265
Administrative and other expenses			(27,027,589)	(24,808,863)
Finance income, net			3,086,713	1,380,912
Share of results of associates				
– administrative and other expenses			(51,077,153)	(51,963,483)
– finance income, net			375,548	257,964
– income tax expense			(14,310,930)	(15,776,286)
			<u>(65,012,535)</u>	<u>(67,481,805)</u>
Profit before taxation			<u>122,190,082</u>	<u>131,296,509</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

4. SEGMENT INFORMATION (Continued)

All of the segment revenue reported above are from external customers. There was no inter-segment revenue for the period (six months ended 31st December, 2013: nil).

Segment results represent the profit earned by each segment without allocation of certain administrative and other expenses and finance costs net of finance income. The segment results of hotel operation operated through investments in associates includes revenue and direct expenses without allocation of associates' administrative and other expenses, finance costs net of finance income and income tax expense of the associates. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

5. FINANCE INCOME

	Six months ended	
	31st December, 2014	31st December, 2013
	HK\$	HK\$
Interest income on bank deposits	<u>3,090,779</u>	<u>1,392,635</u>

6. FINANCE COSTS

	Six months ended	
	31st December, 2014	31st December, 2013
	HK\$	HK\$
Interest and other finance costs on other unsecured loans	<u>4,066</u>	<u>11,723</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2014

7. PROFIT BEFORE TAXATION

	Six months ended	
	31st December, 2014	31st December, 2013
	HK\$	HK\$
Profit before taxation has been arrived at after charging:		
Cost of hotel inventories consumed (included in direct expenses)	14,599,758	13,405,464
Depreciation of property, plant and equipment (included in other expenses)	21,238,333	19,755,696
	<u>35,838,091</u>	<u>33,161,160</u>

8. INCOME TAX EXPENSE

	Six months ended	
	31st December, 2014	31st December, 2013
	HK\$	HK\$
Income tax expense (credit) comprises:		
Hong Kong Profits Tax calculated at 16.5% (2013: 16.5%) on the estimated assessable profit		
Current period	9,874,035	10,336,561
Deferred taxation	(471,439)	59,268
	<u>9,402,596</u>	<u>10,395,829</u>

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2014

9. DIVIDEND

	Six months ended	
	31st December,	31st December,
	2014	2013
	HK\$	HK\$
Final dividend for the year ended 30th June, 2014:		
HK4.0 cents (2013: HK4.0 cents) per share	<u>38,596,877</u>	<u>37,940,745</u>

Subsequent to 31st December, 2014, the Directors determined that an interim dividend for the six months ended 31st December, 2014 of HK4.0 cents (*six months ended 31st December, 2013: HK4.0 cents*) per share amounting to HK\$39,209,860 (*six months ended 31st December, 2013: HK\$38,027,438*) in total would be paid to the shareholders of the Company whose names appear on the Register of Members on 4th March, 2015.

10. EARNINGS PER SHARE – BASIC

The calculation of the basic earnings per share is based on the profit for the period of HK\$112,787,486 (*six months ended 31st December, 2013: HK\$120,900,680*) and on the weighted average number of 967,337,214 (*six months ended 31st December, 2013: 948,860,215*) shares in issue during the period.

No diluted earnings per share for the periods has been presented as there were no potential ordinary shares in both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st December, 2014, the Group spent approximately HK\$11,054,000 (*six months ended 31st December, 2013: HK\$7,197,000*) on property, plant and equipment.

12. INTERESTS IN ASSOCIATES

	31st December, 2014	30th June, 2014
	<i>HK\$</i>	<i>HK\$</i>
Cost of unlisted investments in associates	1,062,961,934	1,062,961,934
Deemed capital contribution to an associate	1,822,475	1,822,475
Share of post-acquisition profits, net of dividends received	315,773,191	243,897,437
	<u>1,380,557,600</u>	<u>1,308,681,846</u>

Included in the cost of investments in associates is goodwill of HK\$186,513,404 (*30th June, 2014: HK\$186,513,404*) arising on acquisitions of associates in prior years.

13. TRADE AND OTHER RECEIVABLES

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables. The general credit term is from 30 days to 45 days.

The following is an analysis of trade receivables by age based on the invoice date at the end of the reporting period:

	31st December, 2014	30th June, 2014
	<i>HK\$</i>	<i>HK\$</i>
Trade receivables		
0 – 30 days	8,239,932	6,293,623
31 – 60 days	452,781	202,299
61 – 90 days	32,089	32,162
> 90 days	67,087	35,461
	<u>8,791,889</u>	<u>6,563,545</u>
Other receivables	7,627,481	6,590,128
	<u>16,419,370</u>	<u>13,153,673</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

14. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age based on the invoice date at the end of the reporting period:

	31st December, 2014 HK\$	30th June, 2014 HK\$
Trade payables within 30 days	11,949,679	8,483,902
Other payables (<i>Note</i>)	22,204,494	14,424,341
	34,154,173	22,908,243

Note: Other payables mainly comprise accruals for staff bonus and certain expenses.

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	31.12.2014 HK\$	30.06.2014 HK\$		
Available-for-sale financial assets	663,838,997	633,411,582	Level 1	Quoted price from direct market comparable

There were no transfers between Level 1 and 2 in the current and prior periods.

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 their fair values.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 2nd March, 2015 to Wednesday, 4th March, 2015, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Wednesday, 4th March, 2015.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Principal Registrars, Tricor Friendly Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 27th February, 2015.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the interim period.

DIRECTORS' INTERESTS

As at 31st December, 2014, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

(A) Long Positions in Shares of the Company

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	470,125,910 (Note)	Beneficial owner of 275,569 shares, spouse interest in 817,730 shares and trustee interest in 469,032,611 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	47.95%
The Honourable Ronald Joseph Arculli	286,123	Beneficial owner	0.02%
Mr. Gilbert Lui Wing Kwong	—	—	—
Mr. Peter Wong Man Kong	—	—	—
Mr. Adrian David Li Man-kiu	—	—	—
Mr. Steven Ong Kay Eng	—	—	—
Mr. Daryl Ng Win Kong	—	—	—
Mr. Nicholas Yim Kwok Ming	—	—	—
Mr. Giovanni Viterale	—	—	—

DIRECTORS' INTERESTS (Continued)

(A) Long Positions in Shares of the Company (Continued)

Note:

The trustee interest in 469,032,611 shares comprises:

- (a) 425,663,781 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 41,287,309 shares by Fanlight Investment Limited, 58,711 shares by Garford Nominees Limited, 17,663,413 shares by Karaganda Investments Inc., 55,576,430 shares by Nippomo Limited, 1,592,491 shares by Orient Creation Limited, 112,337,629 shares by Strathallan Investment Limited, 4,831,064 shares by Strong Investments Limited, 166,818,477 shares by Tamworth Investment Limited and 25,498,257 shares by Transpire Investment Limited;
- (b) 1,912,121 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited, in which the co-executors of the estate of the late Mr. Ng Teng Fong had a 71.98% control; and
- (c) 41,456,709 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

(B) Long Positions in Shares of Associated Corporation

Mr. Robert Ng Chee Siong was deemed to be interested in shares of the following company through corporation controlled by him:

Name of Associated Corporation	Number of Ordinary Shares	% of Issued Share Capital
FHR International Limited	1 (Note)	33.33%

Note: The share was held by Smart Link Limited in which Mr. Robert Ng Chee Siong had a 100% control.

Save as disclosed above, as at 31st December, 2014, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 31st December, 2014, the interests and short positions of the substantial shareholders and other shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO were as follows:

Long Positions in Shares of the Company

Name of Substantial Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Philip Ng Chee Tat	471,976,114 <i>(Notes 1, 2, 3 and 4)</i>	Interest of controlled corporations in 2,943,503 shares and trustee interest in 469,032,611 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	48.14%
Mr. Robert Ng Chee Siong	470,125,910 <i>(Notes 2, 3 and 4)</i>	Beneficial owner of 275,569 shares, spouse interest in 817,730 shares and trustee interest in 469,032,611 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	47.95%
Tamworth Investment Limited	166,818,477 <i>(Note 3)</i>	Beneficial owner	17.01%
Strathallan Investment Limited	112,337,629 <i>(Note 3)</i>	Beneficial owner	11.46%
Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Nippomo Limited	55,576,430 <i>(Note 3)</i>	Beneficial owner	5.66%

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS (Continued)

Long Positions in Shares of the Company (Continued)

Notes:

1. 2,943,503 shares were held by Far East Ventures Pte. Ltd. (formerly known as Bestdeal Contractors Pte Ltd) which was 100% controlled by Mr. Philip Ng Chee Tat.
2. The trustee interest in 469,032,611 shares comprises:
 - (a) 425,663,781 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 41,287,309 shares by Fanlight Investment Limited, 58,711 shares by Garford Nominees Limited, 17,663,413 shares by Karaganda Investments Inc., 55,576,430 shares by Nippomo Limited, 1,592,491 shares by Orient Creation Limited, 112,337,629 shares by Strathallan Investment Limited, 4,831,064 shares by Strong Investments Limited, 166,818,477 shares by Tamworth Investment Limited and 25,498,257 shares by Transpire Investment Limited;
 - (b) 1,912,121 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited, in which the co-executors of the estate of the late Mr. Ng Teng Fong had a 71.98% control; and
 - (c) 41,456,709 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. The interests of Tamworth Investment Limited, Strathallan Investment Limited and Nippomo Limited were duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong.
4. The interests of Mr. Philip Ng Chee Tat and Mr. Robert Ng Chee Siong as the co-executors of the estate of the late Mr. Ng Teng Fong refer to the same parcel of shares and were duplicated.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 2014, no other person had an interest or short position in the shares and underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder of the Company.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Directors' Updated Biographical Details

The changes in the biographical details of the Directors are set out below:

The Honourable Ronald Joseph Arculli

- appointed as the Vice-Chair of the Trustees of IFRS Foundation;
- appointed as the Vice-Chairman of the Board of The West Kowloon Cultural District Authority; and
- ceased to be a Non-Executive Director of Hutchison Harbour Ring Limited.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES *(Continued)*

Directors' Updated Biographical Details *(Continued)*

Mr. Adrian David Li Man-kiu

- ceased to be an Alternate Director of AFFIN Holdings Berhad; and
- retired as a member of the HKSAR Government-mandated Banking Industry Training Advisory Committee.

Mr. Daryl Ng Win Kong

- appointed as a co-opted member of the Community Care Fund Task Force of Commission on Poverty.

Directors' updated biographies are available on the Company's website.

Directors' Emoluments

During the interim period, the Executive Director Mr. Nicholas Yim Kwok Ming received a discretionary bonus in the amount of HK\$513,030.

The basis of determining the Directors' emoluments (including bonus payments) remain unchanged during the six months ended 31st December, 2014.

Save as disclosed above, as at 31st December, 2014, there had not been any other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REMUNERATION COMMITTEE

The Company has established its Remuneration Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee either determines or makes recommendations to the Board on the remuneration package of individual Executive Directors and senior management, and it also makes recommendations to the Board on the remuneration of Non-Executive Directors. The Committee meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

The Remuneration Committee currently comprises Mr. Steven Ong Kay Eng (Committee Chairman), Mr. Peter Wong Man Kong and Mr. Adrian David Li Man-kiu, all of whom are Independent Non-Executive Directors, and Mr. Daryl Ng Win Kong, an Executive Director.

NOMINATION COMMITTEE

The Company has established its Nomination Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board and making recommendation on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendation to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors, and regularly reviewing the time required from a Director to perform his responsibilities. The Committee is also responsible for assessing the independence of Independent Non-Executive Directors and reviewing their annual confirmations on independence. The Committee meets at least once a year and is provided with sufficient resources to perform its duties.

The Nomination Committee currently comprises Mr. Robert Ng Chee Siong (Committee Chairman), the Chairman of the Board, Mr. Peter Wong Man Kong and Mr. Adrian David Li Man-kiu, both of whom are Independent Non-Executive Directors.

AUDIT COMMITTEE

The Company has set up its Audit Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, internal controls and risk management. The Committee meets at least four times a year and is provided with sufficient resources enabling it to discharge its duties.

The Audit Committee currently comprises Mr. Adrian David Li Man-kiu (Committee Chairman), Mr. Peter Wong Man Kong and Mr. Steven Ong Kay Eng, all of whom are Independent Non-Executive Directors, and Mr. Gilbert Lui Wing Kwong, a Non-Executive Director.

In the first quarter of 2015, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2014.

COMPLIANCE COMMITTEE

The Company has set up its Compliance Committee with written terms of reference to enhance the corporate governance standard of the Company. The Committee has dual reporting lines. A principal reporting line is to the Board through the Committee Chairman. A secondary reporting line is to the Audit Committee. The Compliance Committee currently comprises the Executive Director Mr. Daryl Ng Win Kong (Committee Chairman), the other Executive Directors of the Company, the Chief Financial Officer and Head of Legal and Company Secretarial Departments, the Head of Internal Audit Department, other department heads and the Compliance Officer. The Committee holds regular meetings on a bi-monthly basis to review and make recommendations to the Board and the Audit Committee on the Company's corporate governance issues and Listing Rules compliance matters.

CODES FOR DEALING IN THE COMPANY'S SECURITIES

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 2014. The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company, on no less exacting terms than the Model Code.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 31st December, 2014, the Company has complied with all the code provisions as set out in Appendix 14 to the Listing Rules, except that there was no separation of the roles of the chairman and the chief executive officer, both of the roles are currently undertaken by the Chairman of the Board.

The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board has found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the Independent Non-Executive Directors have contributed valuable views and proposals for the Board's deliberation and decisions. The Board will review the management structure regularly to ensure it continues to meet these objectives and is in line with the industry practices.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 11th February, 2015

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF SINO HOTELS (HOLDINGS) LIMITED

Introduction

We have reviewed the condensed consolidated financial statements of Sino Hotels (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 8 to 19, which comprise the condensed consolidated statement of financial position as of 31st December, 2014 and the related condensed consolidated statement of profit or loss, 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 these condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
11th February, 2015

