GLOBAL TECH (HOLDINGS) LIMITED
耀科國際（控股）有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 143)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 MARCH 2012

The board of directors (the "Board") of Global Tech (Holdings) Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 March 2012 (the "Period") together with the comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited For the six months ended 31 March	
		2012	2011
	Notes	**HK$'000**	HK$'000
Turnover	2	**43,830**	16,553
Cost of sales		**(33,046)**	(11,316)
Gross profit		**10,784**	5,237
Other revenue	3	**176**	254
Other income		**2,640**	3,499
Selling and distribution expenses		**(1,377)**	(989)
Administrative expenses		**(21,092)**	(19,991)
Other operating expenses		**(64)**	(190)
Loss from operations	4	**(8,933)**	(12,180)
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		**517**	-
Loss before taxation		**(8,416)**	(12,180)
Income tax expense	5	**-**	-
Loss for the period		**(8,416)**	(12,180)
Dividends	6	**-**	-
Loss for the period attributable to owners of the Company		**(8,416)**	(12,180)
Loss per share attributable to owners of the Company			
Basic and diluted	7	**HK$(0.002)**	HK$(0.002)

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited For the six months ended 31 March	
		2012	2011
	Notes	**HK$'000**	HK$'000
Loss for the period		**(8,416)**	(12,180)
Other comprehensive income			
Release of investment revaluation reserve upon disposal of available-for-sale financial assets		**(517)**	-
Change in fair value of available-for-sale financial assets		**767**	(367)
Exchange difference on translating foreign operations		**(1,622)**	(2,503)
		(1,372)	(2,870)
Total comprehensive loss for the period		**(9,788)**	(15,050)
Total comprehensive loss for the period attributable to owners of the Company		**(9,788)**	(15,050)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 31 March 2012 HK$'000 (unaudited)**	At 30 September 2011 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**5,079**	5,036
Available-for-sale financial assets		**5,950**	6,896
		11,029	11,932
Current assets			
Inventories		**7,066**	5,588
Trade receivables	8	**27,515**	29,767
Prepayments, deposits and other receivables		**11,198**	26,312
Cash and bank balances		**60,645**	53,873
		106,424	115,540
Current liabilities			
Trade payables	9	**2,241**	1,053
Accrued charges and other payables		**8,314**	9,733
Tax payables		**52,993**	52,993
		63,548	63,779
Net current assets		**42,876**	51,761
Total assets less current liabilities		**53,905**	63,693
Net assets		**53,905**	63,693
Equity			
Capital and reserves attributable to owners of the Company			
Share capital		**51,659**	51,659
Reserves		**2,246**	12,034
Total equity		**53,905**	63,693

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 2011 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong.

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The measurement basis used in the preparation of these unaudited condensed consolidated financial statements is historical cost convention, as modified for certain available-for-sale financial assets which are stated at fair value.

These unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30 September 2011. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2011 with addition for the following amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which have become effective.

HKFRSs (Amendments)	Improvements of HKFRSs 2010 in relation to the amendments to HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC) – Int 13
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Date for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendment)	Prepayment of a Minimum Funding Requirement

The adoption of the new and revised HKFRSs had no material impact on the unaudited condensed consolidated financial statements of the Group for the current and prior accounting period.

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

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[1]
HKAS 19 (As revised in 2011)	Employee Benefits[3]
HKAS 27 (As revised in 2011)	Separate Financial Statements[3]
HKAS 28 (As revised in 2011)	Investments in Associates and Joint Ventures[3]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 1 (Amendments)	Government Loans[3]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[3]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[5]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosures of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[3]

1 Effective for annual periods beginning on or after 1 January 2012.
2 Effective for annual periods beginning on or after 1 July 2012.
3 Effective for annual periods beginning on or after 1 January 2013.
4 Effective for annual periods beginning on or after 1 January 2014.
5 Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in change in the future as to how the results and financial position are prepared and presented.

2. SEGMENT INFORMATION

For management purpose, the Group is principally engaged in (i) trading of telecommunications products; (ii) provision of repair services; and (iii) investments in financial assets.

The Group's operating businesses are almost exclusively with customers based in Hong Kong. Accordingly, no segment analysis by geographical area of operations is provided.

An analysis of the Group's revenue and results for the six months ended 31 March 2012 and 2011 is as follows:

	Trading of tele-communications products HK$'000	**Provision of repair services HK$'000**	**Investments in financial assets HK$'000**	**Consolidated HK$'000**
	Unaudited for the six months ended 31 March 2012			
TURNOVER	**12,931**	**30,899**	**-**	**43,830**
SEGMENT RESULTS	**(3,194)**	**(135)**	**517**	**(2,812)**
Interest income				**147**
Unallocated corporate income				**1,227**
Unallocated corporate expenses				**(6,978)**
Loss before taxation				**(8,416)**
Income tax expense				**-**
Loss for the period attributable to owners of the Company				**(8,416)**

	Trading of tele-communications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Consolidated HK$'000
	Unaudited for the six months ended 31 March 2011			
TURNOVER	6,314	10,239	-	16,553
SEGMENT RESULTS	(597)	(3,857)	29	(4,425)
Interest income				61
Unallocated corporate income				1,032
Unallocated corporate expenses				(8,848)
Loss before taxation				(12,180)
Income tax expense				-
Loss for the period attributable to owners of the Company				(12,180)

Turnover reported above represents turnover generated from external customers. There were no inter-segment sales for the six months ended 31 March 2012 (2011: Nil).

3. OTHER REVENUE

	Unaudited For the six months ended 31 March	
	2012	2011
	HK$'000	HK$'000
Dividend income	**-**	29
Interest income	**147**	61
Others	**29**	164
	176	254

4. LOSS FROM OPERATIONS

	Unaudited For the six months ended 31 March	
	2012	2011
	HK$'000	HK$'000
Loss from operations has been arrived at after charging:		
Cost of trading inventories sold	**10,447**	4,369
Employee benefit expenses (including directors' emoluments)	**11,803**	9,782
Retirement benefit costs (including directors' retirement benefit costs)	**523**	452
Depreciation	**899**	695
Loss on disposal of property, plant and equipment	**3**	157

5. INCOME TAX EXPENSE

	Unaudited For the six months ended 31 March	
	2012	2011
	HK$'000	HK$'000
Current tax:		
Hong Kong Profits Tax (Note)	**-**	-
Deferred tax:		
Current period	**-**	-
	-	-

Note:

No provision for Hong Kong Profits Tax has been made for the companies in the Group as they either have no assessable profits or have available tax losses brought forward from prior years to offset against current period's estimated assessable profits.

6. DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 31 March 2012 (2011: Nil).

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK$8,416,000 (2011: HK$12,180,000) and on 5,165,973,933 (2011: 5,165,973,933) shares in issue during the Period.

The diluted loss per share for the Period was the same as the basic loss per share as there were no dilutive potential shares in existence during the Period.

8. TRADE RECEIVABLES

At the reporting dates, the aging analysis of the trade receivables is as follows:

	At 31 March 2012 HK$'000 (unaudited)	At 30 September 2011 HK$'000 (audited)
Current	**8,069**	3,321
One to three months overdue	**434**	476
More than three months but less than twelve months overdue	**66**	44
Over twelve months overdue	**138,809**	145,850
	147,378	149,691
Less: Impairment loss recognised	**(119,863)**	(119,924)
	27,515	29,767

Note:

The credit terms granted to the Group's customers vary and are generally the results of negotiations between the Group and individual customers.

9. TRADE PAYABLES

At the reporting dates, the aging analysis of the trade payables is as follows:

	At 31 March 2012 HK$'000 (unaudited)	At 30 September 2011 HK$'000 (audited)
Current and within one month	**2,147**	1,011
One to three months overdue	**49**	18
Over three months overdue	**45**	24
	2,241	1,053

10. OPERATING LEASE COMMITMENTS

At the reporting dates, the Group had commitments for total future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 31 March 2012 HK$'000 (unaudited)	At 30 September 2011 HK$'000 (audited)
Within one year	**4,003**	4,040
In the second to fifth years, inclusive	**1,811**	2,818
	5,814	6,858

BUSINESS REVIEW AND OUTLOOK

Business Review

The six months ended 31 March 2012 (the "Period") were marked by slowly improving economic prospects but risks of a renewed upsurge of the European crisis continued to loom. Restoring solid, sustained and balanced growth is the central economic challenge facing the world today, as risks remain elevated, particularly from mounting doubts over the eurozone's ability to contain its debt crisis. The turmoil in certain member countries produced by a backlash against the tough austerity programmes has added to the economic uncertainties.

The Group's gross profit for the Period was approximately HK$10.8 million (31 March 2011: HK$5.2 million), an increase of approximately 108% compared with the corresponding period in 2011. Turnover for the first half was approximately HK$43.8 million (31 March 2011: HK$16.6 million), up year on year by approximately 164%, with loss for the Period narrowed to approximately HK$8.4 million (31 March 2011: Loss of HK$12.2 million). The loss incurred was mainly attributable to increased operating expenses, in particular staff and rental costs.

As the Group continued to broaden its product offerings, it recorded an increase in sales of 105% year on year to approximately HK$12.9 million (31 March 2011: HK$6.3 million). The increased sales were mainly a result of increased trading of mobile phone and computer accessories to complement the Group's range of electronic consumer goods. The introduction of the accessory line will add momentum to the Group's business growth while it maintains a prudent strategy for its telecommunications products trading segment.

The provision of value-added repair services for telecommunications products continued to be a major part of the Group's customer-oriented marketing solutions while bringing a steady stream of recurrent income into the Group's revenue base. Despite continued tight control on expenditures for after-sales services imposed by vendors, with additions of new models to the market, the repair services segment recorded an increase in turnover to approximately HK$30.9 million (31 March 2011: HK$10.2 million).

As the carrier subsidy model continues to drive operators struggling to maintain margins amidst declining voice revenues and mounting investment needs for next-generation network technology, it is expected that their subsidies on sales and marketing, including repair services, will remain constrained. The Group will constantly review and fine-tune its strategy for this business segment.

Market Overview

Cellphone market growth is being generated exclusively by the smartphone segment, and not by feature phones and other low-cost entry phones. The worldwide smartphone market is estimated by IDC to have grown 42.5% year over year in the first quarter of 2012. Vendors shipped 144.9 million smartphones in the first quarter of 2012, against 101.7 million units in the first quarter of 2011.

While Apple, with its all-conquering iPhone, revolutionises the mobile industry, some claim that the excessive subsidies on iPhones sold to contract subscribers are damaging to operators who have been looking to promote alternatives in an attempt to regain margin.

The first quarter of 2012 witnessed Samsung reclaiming the smartphone leadership position with the continued expansion of its Galaxy portfolio in different product and market segmentation, multiple price points, screen sizes and processor speeds. Apple, on the other hand, slipped to second place in the worldwide smartphone market despite its strong year-over-year growth to 35.1 million units shipped during the quarter. Apple's generally lacklustre performance in China, now the world's largest mobile market, is also of mounting concern.

A significant shift in the ranking of the overall handset market was witnessed as Nokia tries to manage a difficult transition amidst stiff competition from Samsung and Apple, as well as a number of vendors of low-cost devices.

Nokia’s handset shipments in the first quarter were down 24% year on year as shipments of its low-end feature phone stalled in emerging markets while its high-end Lumia smartphones, based on Microsoft’s Windows Phone operating system (OS), were unable to make up for a decline in Nokia’s legacy Symbian business.

Research in Motion (RIM) and HTC also suffered declines in market share with their outlook expected to be far from rosy. The decline of RIM’s BlackBerry unit sales continued during the first quarter. Like Nokia, RIM is a company in transition and it is scheduling a release of new smartphones running on a new platform, BB 10. HTC’s struggles in the United States (US) market once again negatively affected its overall performance. However, its relatively strong performance in the Asia Pacific has enabled the company to maintain its position among the top five smartphone vendors.

APAC-based vendors such as ZTE and Huawei have continued to move up the value chain both within their home base and abroad. Other manufacturers are also looking to China and APAC as their best chance to capture market share. HTC stated that it would be looking towards China for future growth and will be developing its own custom application processors for low-cost smartphones that are expected to drive this market. Sony Ericsson, now Sony Mobile, is expected to place its focus on APAC markets going forward.

The fourth-generation (4G) mobile network technology is the next big thing in cellular communications, a successor to current third-generation (3G) networks. As defined by the International Telecommunications Union (ITU), a 4G network delivers at least 100 Mbps throughput from a mobile user or 1 Gbps from a stationary position. In short, 4G promises faster speed and better coverage, but it also represents a wide range of technologies and competing standards, and becomes a broad marketing term that sends out a confusing mess of mixed messages and unfulfilled promises.

Some of the systems currently billed as “4G” could be more accurately described as 3.5G or 3.75G. Around the world the real 4G standard has started a debate and complaints over the “4G” capability claims. ITU, the owner of the global trademark for 4G, has finally decided that LTE-Advanced (Long Term Evolution) and WirelessMAN-Advanced (WiMAX 2) both qualify and are officially designated as IMT-Advanced technologies.

Based on the ITU announcement, the Norwegian ombudsman has imposed a temporary ban preventing the country’s operator Netcom using the term 4G in its marketing of LTE, in order to avoid the risk of misleading customers. Apple has also recently removed claims that its new iPad has “4G” capability from its United Kingdom (UK) and some other non-US online stores. The UK Apple Store now describes the mobile-capable device as having “cellular” capability, rather than 4G.

In Hong Kong, the competition in the 4G mobile market is heating up as LTE networks are being rolled out. The four mobile carriers with 4G licences have already embarked on a price war on their 4G service plans, the costs of which are similar to or even lower than 3G packages.

Generational leaps in wireless technology happen every decade, from the first generation of analogue circuit-switched networks in the early 1980s, second-generation (2G) digital circuit-switched networks, the deployment of 3G in the early 2000s, to 4G networks now being deployed for commercial use. Although research on fifth-generation (5G) mobile networks has started, industry players are not expected to market this in the near future as it would cause consumers to become apathetic to quick network advancements and less likely to buy new devices, which would cut further into the bottom lines of network operators.

Financial Review

At 31 March 2012, the overall inventory level remained at a relatively low level of approximately HK$7.1 million (30 September 2011: HK$5.6 million). No fixed deposit was pledged to grant banking facility during the Period (30 September 2011: Nil). The current ratio was approximately 1.67 (30 September 2011: 1.81) while the liquid ratio was approximately 1.56 (30 September 2011: 1.72).

The Group has no borrowings at 31 March 2012 (30 September 2011: HK$Nil). The gearing ratio, which is expressed as a percentage of total borrowings over total assets, was nil (30 September 2011: Nil).

As in previous years, the Group will continue to adopt a conservative cash management policy. The Group conducts its core business transactions mainly in Hong Kong and United States dollars. The greater part of these cash and bank balances are in either Hong Kong or United States dollars, hence the Hong Kong dollar peg to the United States dollar provides a natural hedge against short-term currency fluctuations under normal trading circumstances.

Prospects

According to IDC's Worldwide Mobile Phone Tracker, the mobile phone market exhibited unusually low growth in the last quarter of 2011, which shows the sector is not immune to weaker macroeconomic conditions worldwide. The introduction of high-growth products such as the iPhone 4S, which shipped in the fourth quarter, bolstered smartphone growth. Yet the research firm alerted the market that overall handset shipment growth fell to its lowest point since the third quarter of 2009 when the global economic recession was in full bloom.

The mobile phone market declined 1.5% further worldwide in the first quarter of 2012. Mobile phone vendors shipped 398.4 million handsets during the quarter, compared to 404.3 million units in the first quarter of 2011.

Worldwide, smartphones are the communications accessory of choice, including in emerging markets where consumers are taking up more basic models as this device moves from being a luxury item to a necessary lifestyle aid. In the coming year, smartphones are reaching out to the lower end of the mass market. Mobile applications (apps) are expected to reflect this in their further development.

Gartner has identified the top trends for the app world. Increased smartphone use is leading to greater consumer interest in location-based deals. The total user base of consumer location-based services is expected to reach 1.4 billion users by 2014. Mobile social networking is the fastest-growing consumer mobile app category. Apps that bring mobile search to the next level, allowing users to take actions based on search results, such as making a reservation, buying a ticket, or placing an order, will become increasingly important. The firm also expects the emergence of uniquely mobile functions to further enhance mobile commerce experiences.

Although near field communication payment will not become a mainstream handset function in the near future, payment solution providers are working to bring ease-of-use for users and ease-of-implementation for customers without compromising security. Context-aware apps will continue to be developed to further user experiences by anticipating user needs and proactively serving up the most appropriate content, product or service. High-end devices with an increased sensor and processing capability will also enable sophisticated apps to recognise the user's surroundings, including specific objects of interest.

Gartner expects mobile instant messaging to attract consumers to new types of unified communication clients. At the same time, as smartphones are beginning to drive the mainstream adoption of mobile email through a series of technology enhancements enabling low-cost mobile extensions to existing email service, mobile email users worldwide are expected to increase from 354 million in 2009 to 713 million in 2014, to account for more than one-tenth of the global mobile user base.

Mobile phones with larger screens and media tablets offer the ideal platform for video consumption. Gartner believes that carriers and content providers will drive mobile video usage in the coming years.

As advertisers and brands increasingly recognise the power of connecting themselves to the audience through mobile devices, smartphones will experience explosive growth in mobile advertising utilisation. A lot of big changes are anticipated in 2012 as publishers strive to turn their apps into sustainable income generators. For one, the standardisation of platforms will bring agency spend into the market at scale. Another contributing trend will be real-time bidding (RTB) which allows publishers more opportunities for monetisation by selling advertising space through competitive auctions. Advertisers will likely be more willing to buy as they are able to set their own price by RTB.

Gartner's 2012 Cool Vendors research series highlighted cloud, social, mobile and information as the four key information technology forces for innovative companies, products and services to successfully shape business and consumer strategies in the future. The four forces, along with consumerisation, have essentially set the stage for a next generation of capabilities. Cloud computing provides the delivery of new capabilities, while social collaboration is expanding the ways in which people interact with one another and businesses. Beyond that, the use of mobile devices has extended the reach of users and their involvement with information from many sources.

The smartphone sphere will fuel US$20 billion in aftermarket accessory revenues in 2012, accounting for more than half of total accessories sales, according to ABI Research. By 2017, smartphone accessories are forecast to grow to US$38 billion in revenues. Increasing capabilities and expectations of consumers and their devices are changing the way accessories are designed. ABI Research suggests that in order to address this shift in consumer behaviour, accessories must focus on delivering tighter integration with smartphone functionality and features offering a smarter accessory.

Within this rapidly evolving environment, while adhering to its prudent financial management and low-inventory policies, the Group will make selective additions to the existing product mix to address market trends and to add new revenue streams. It will also continue to explore new business opportunities with new vendors of telecommunications products and other electronic consumables.

The Group expects that tight controls over expenditure on after-sales service will continue to be imposed by vendors. Its repair services will therefore face increased challenges from squeezed vendor subsidies on the one hand, and rising staff expenses on the other. The Group will exercise caution in operating this business further in the current challenging operating environment. Regular reviews will be undertaken to evaluate the feasibility and continuance of this operation.

The world is bracing for the impact from the eurozone financial turmoil. Its spillover effects and the chain of consequences are currently difficult to assess, but continued turbulence is expected across global economies for the remainder of the year. Subject to a variety of macroeconomic and business risks, the Group will strictly abide by its risk management policies to ensure that key company risks and their impacts are identified and evaluated in a timely manner and that strategies are devised to mitigate such risks.

Employee Information

At 31 March 2012, the Group employed a workforce of 104 (31 March 2011: 78). Staff costs, including salaries and bonuses, for the Period were approximately HK$12.3 million (31 March 2011: HK$10.2 million).

The Group maintains a competitive remuneration policy to motivate, retain and attract talent. The remuneration packages mainly comprise salary payments, group medical insurance plans and discretionary bonuses awarded on a performance basis. The Group provides pension schemes for employees as part of the staff benefits.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the period of the six months ended 31 March 2012, the Company has complied with the code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, except for the following deviations:-

1. Code Provision A.2.1

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

2. Code Provision A.4.2

Code Provision A.4.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to Article 116 of the articles of association of the Company, all directors of the Company (except the CEO) shall retire by rotation at the annual general meeting of the Company at least once every three years. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the CEO and, therefore, the Board is of the view that the CEO should be exempt from this arrangement at the present time.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the unaudited consolidated interim results of the Group for the Period.

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 30 May 2012

As at the date of this announcement, the Board comprises 6 directors, of which 2 are executive directors, namely Mr. SY Ethan, Timothy and Mr. SUNG Yee Keung, Ricky, 1 is a non-executive director, namely Mr. KO Wai Lun, Warren and 3 are independent non-executive directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON.