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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 2013

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 2013 (the "Period") together with the comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**Unaudited For the six months ended 31 March** **2013** **HK$'000**	2012 HK$'000
Turnover	2	**58,147**	43,830
Cost of sales		**(41,368)**	(33,046)
Gross profit		**16,779**	10,784
Other revenue	3	**57**	176
Other income		**823**	2,640
Selling and distribution expenses		**(748)**	(1,377)
Administrative expenses		**(22,337)**	(21,092)
Other operating expenses		**(2,725)**	(64)
Loss from operations	4	**(8,151)**	(8,933)
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		**-**	517
Loss before taxation		**(8,151)**	(8,416)
Income tax expense	5	**-**	-
Loss for the period		**(8,151)**	(8,416)
Dividends	6	**-**	-
Loss for the period attributable to owners of the Company		**(8,151)**	(8,416)
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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited For the six months ended 31 March	
	2013	2012
	HK$'000	HK$'000
Loss for the period	(**8,151**)	(8,416)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
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
Exchange difference on translating foreign operations	**2,178**	(1,622)
Other comprehensive income/(loss) for the period, net of income tax	**2,178**	(1,372)
Total comprehensive loss for the period	(**5,973**)	(9,788)
Total comprehensive loss for the period attributable to owners of the Company	(**5,973**)	(9,788)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 March 2013 HK$'000 (unaudited)	At 30 September 2012 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**3,851**	4,510
Available-for-sale financial assets		**5,950**	5,950
		9,801	10,460
Current assets			
Inventories		**8,379**	9,122
Trade receivables	8	**24,315**	28,036
Prepayments, deposits and other receivables		**8,714**	10,591
Cash and bank balances		**45,434**	48,429
		86,842	96,178
Current liabilities			
Trade payables	9	**1,831**	2,005
Accrued charges and other payables		**6,014**	9,862
Tax payables		**52,993**	52,993
		60,838	64,860
Net current assets		**26,004**	31,318
Total assets less current liabilities		**35,805**	41,778
Net assets		**35,805**	41,778
Equity			
Capital and reserves attributable to owners of the Company			
Share capital		**51,659**	51,659
Reserves		**(15,854)**	(9,881)
Total equity		**35,805**	41,778

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 2012 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information require 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 (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 2012. 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 2012 with addition for the following amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which have become effective.

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

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

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed as the 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the 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. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2014.
[3] 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 2013 and 2012 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 2013			
TURNOVER	**12,458**	**45,689**	**-**	**58,147**
SEGMENT RESULTS	**(3,430)**	**2,497**	**-**	**(933)**
Interest income				**5**
Unallocated corporate income				**830**
Unallocated corporate expenses				**(8,053)**
Loss before taxation				**(8,151)**
Income tax expense				**-**
Loss for the period attributable to owners of the Company				**(8,151)**

	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)

Turnover reported above represents turnover generated from external customers. There were no inter-segment sales for the six months ended 31 March 2013 (2012: Nil).

3. OTHER REVENUE

	Unaudited For the six months ended 31 March	
	2013	2012
	HK$'000	HK$'000
Interest income	**5**	147
Others	**52**	29
	57	176

4. LOSS FROM OPERATIONS

	Unaudited For the six months ended 31 March	
	2013	2012
	HK$'000	HK$'000
Loss from operations has been arrived at after charging/(crediting):		
Cost of trading inventories sold	**8,049**	10,447
Depreciation	**891**	899
Employee benefit expenses (including directors' emoluments)	**13,084**	11,803
Retirement benefit costs (including directors' retirement benefit costs)	**593**	523
Deposit forfeited	**311**	-
Loss on disposal of property, plant and equipment	**-**	3
Reversal on written down of obsolete inventories	**(101)**	-
Written down of obsolete inventories	**408**	59
Write off on inventories	**101**	2

5. INCOME TAX EXPENSE

	Unaudited For the six months ended 31 March	
	2013	2012
	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 2013 (2012: 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$8,151,000 (2012: HK$8,416,000) and on 5,165,973,933 (2012: 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 end of the reporting periods, the aging analysis of the trade receivables is as follows:

	At 31 March 2013 HK$'000 (unaudited)	At 30 September 2012 HK$'000 (audited)
Current	**3,784**	8,112
One to three months overdue	**1,359**	805
More than three months but less than twelve months overdue	**119**	127
Over twelve months overdue	**138,916**	138,855
	144,178	147,899
Less: Impairment loss recognised	**(119,863)**	(119,863)
	24,315	28,036

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 end of the reporting periods, the aging analysis of the trade payables is as follows:

	At 31 March 2013 HK$'000 (unaudited)	At 30 September 2012 HK$'000 (audited)
Current and within one month	**1,610**	1,804
One to three months overdue	**108**	26
Over three months overdue	**113**	175
	1,831	2,005

10. OPERATING LEASE COMMITMENTS

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

	At 31 March 2013 HK$'000 (unaudited)	At 30 September 2012 HK$'000 (audited)
Within one year	**3,543**	4,026
In the second to fifth years, inclusive	**1,569**	986
	5,112	5,012

BUSINESS REVIEW AND OUTLOOK

Business Review

2013 was termed by the International Monetary Fund as a period of "uneven recovery", while the Fund downgraded its growth forecast for the world economy for the year. The downward revision was shared among emerging and advanced economies. The Fund outlined high medium-term risks stemming from doubts over the euro zone's ability to claw its way out of its crisis, and the ability of the United States to cut public sector deficits and debt.

The Group's gross profit for the six months ended 31 March 2013 (the "Period") was approximately HK$16.8 million (31 March 2012: HK$10.8 million), an increase of approximately 56% compared with the corresponding period in 2012. Turnover for the Period was approximately HK$58.1 million (31 March 2012: HK$43.8 million), up year on year by approximately 33%. Net loss for the Period was reduced to approximately HK$8.2 million compared with the loss of approximately HK$8.4 million in the corresponding period last year. The loss incurred was mainly attributable to operating expenses, in particular staff and rental costs.

As the Group continued its sales base in other telecommunications products in addition to handsets, the telecommunications products trading segment recorded sales of approximately HK$12.5 million (31 March 2012: HK$12.9 million) for the Period.

Revenue for the provision of repair services during the Period grew by 48% year on year to approximately HK$45.7 million (31 March 2012: HK$30.9 million), as a result of increased demand for services in upgrading smartphones. While complementing the Group's trading business, the services provision segment also helps to build a steady stream of recurrent income into the Group's revenue base.

With smartphone penetration already at 55-60% in Hong Kong by the end of 2012 and unlimited data plans unlikely to drive average revenue per user (ARPU) uplift in the next couple of years, analysts expect slowing mobile revenue growth for local telecommunications operators. The Group will constantly assess, and adjust if deemed appropriate, the competitive positions of its business segments.

Market Overview

Total mobile phone sales to end users totalled nearly 426 million units in the first quarter of 2013, a slight increase of 0.7% from the same period last year, according to Gartner, Inc. Worldwide smartphone sales totalled 210 million units in the same quarter, up 42.9% from the first quarter of 2012. However, the Asia Pacific region was the only market to show growth in mobile phone sales during the quarter, with a 6.4% increase year on year.

More than 226 million mobile phones were sold in Asia Pacific in the first quarter, which helped the region increase its share of global mobile phones to 53.1%. China also saw its mobile phone sales increase 7.5% in the first quarter, and its sales represented 25.7% of global mobile phone sales.

Gartner warned that a slowdown in the feature phone upgrade cycle could strain the mobile phone market in 2013. Its analyst remarked that feature phone users across the world are either finding their existing phones good enough or are waiting for smartphone prices to drop further; either way the prospect of longer replacement cycles is certainly not good news for both vendors and carriers looking to move users forward.

In the smartphone category, the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker revealed that Android smartphone vendors and Apple shipped a total of 199.5 million units worldwide during the first quarter, up 59.1% from the 125.4 million units shipped during the same period last year. These top two ranked smartphone operating systems (OS) combined to account for more than 90% of all smartphone shipments during the first quarter of 2013, while Windows Phone crept past BlackBerry to take third place.

The constantly shifting OS landscape was in fact cited by IDC as the factor underpinning the worldwide smartphone market. While Android and iOS accounted for the lion’s share of smartphones in the first quarter, some other platforms have also demonstrated turnaround. Windows Phone, for example, has benefited from Nokia’s participation, and BlackBerry’s new BB10 devices have already hit a million units shipped in their first quarter of availability.

With 82 million smartphones sold in the first quarter, China is now by far the world’s largest market for the devices and an important battleground for the smartphone industry.

The comparative weakness in terms of purchasing power of the average Chinese consumer, though, means that the market is most open to lower cost handsets. Given its penchant for offering a wide array of phones from low-level to premium, Samsung is particularly suited to address the Chinese market, as evidenced by its strong market position. Apple, meanwhile, has seen increasingly strong quarters in the market through an increasingly aggressive pricing strategy. In the first quarter, Apple’s iPhone garnered 8% of China’s smartphone market despite still trailing Samsung by a large margin in the country.

The Chinese manufacturers have been exemplary at addressing the demands of buyers by offering affordable devices with optimum features such as 2.5-generation (2.5G) (EDGE) instead of third-generation (3G) in a smartphone. Leveraging the Android OS, Chinese vendors have been meeting growing demand for medium and entry-level devices.

Expectations of China’s plans to issue fourth-generation (4G) mobile licenses may change the market’s competitive landscape. China Mobile, the country’s largest telecommunications operator, is widely expected to be the first to be awarded a 4G license, giving it an important edge of up to half a year over its rivals China Unicom and China Telecom in the 4G space. However, it is also speculated that the other two carriers will be allowed to develop 4G networks using mature, globally developed technologies, while China Mobile will continue to build its 4G network on the home-grown Time-Division Long-Term Evolution (TD-LTE) technology.

After years of smart device convergence, a trend of divergence is taking place as users begin to go for multiple devices for different functions. Worldwide tablet shipments have therefore continued to surge, growing 142.4% year over year to 49.2 million units in the first quarter of 2013, as indicated in the IDC Worldwide Quarterly Tablet Tracker. Tablet shipments in the first quarter surpassed that of the entire first half of 2012 with growth fuelled by increased demand for smaller screen devices.

In Hong Kong, up to September 2012, the number of mobile service subscribers totalled 15.95 million, representing one of the highest penetration rates in the world at about 223%. Among these 15.95 million subscribers, 8.86 million were 3G/4G service customers. As at September 2012, local mobile data usage recorded a remarkable surge to 6,347 Terabytes (i.e. 6,347,228 Gigabytes), or an average of 666.9 Mbytes per 2.5G/3G/4G mobile user. This represents a doubling of mobile data usage over the same period in 2011.

The Hong Kong SAR Government's intention to put the 3G spectrum up for auction upon expiry of licenses in 2016 has led to worries that costs may spiral up for network operators and ultimately for consumers. The operators have also warned of possible degradation of mobile network services following the 3G spectrum reassignment.

Financial Review

At 31 March 2013, the overall inventory level remained at a relatively low level of approximately HK$8.4 million (30 September 2012: HK$9.1 million). No fixed deposit was pledged to grant any banking facility during the Period (30 September 2012: Nil). The current ratio was approximately 1.43 (30 September 2012: 1.48) while the liquid ratio was approximately 1.29 (30 September 2012: 1.34).

At 31 March 2013 and 30 September 2012, there were no borrowings within the Group. The gearing ratio, which is expressed as a percentage of total borrowings over total assets, was nil (30 September 2012: 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 its 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

Mobile communication will continue to set new trends and transform how businesses engage consumers, corporations engage stakeholders, governments engage their subjects, and individuals engage a wider spectrum of contacts.

A report published by Global Industry Analyst, Inc. (GIA) suggested that the global telecommunications services industry will reach a massive US$1.8 trillion in three years. The output of smartphones and tablets largely explains this projection. As these devices eclipse shipments of personal computers (PCs), they have also driven a burgeoning demand for mobile content. The rollout of 4G wireless services will accelerate this growth, as it allows consumers to access more sophisticated content at a faster speed.

As the emergence of over-the-top (OTT) services such as WhatsApp threatens the traditional revenue generation model, operators will actively seek collaboration with data and value-added services providers to innovate their service portfolio. The launch of more new and disruptive services can be expected in the mobile sphere.

The International Telecommunication Union (ITU) predicts the number of global mobile subscriptions to nudge past the seven billion mark early in 2014. Figures released in February 2013 by ITU confirmed sustained demand for information and communication technology (ICT) services, with uptake spurred by a steady fall in the price of broadband Internet.

More than half of all mobile subscriptions are now in Asia, which remains the powerhouse of market growth, and by the end of 2013 overall mobile penetration rates will have reached 96% globally – 128% in the developed world, and 89% in developing countries. However, with many markets saturated, mobile-cellular uptake is already slowing substantially, with growth rates falling to their lowest levels ever in both the developed and developing worlds.

Internet access, however, will remain limited in the developing world, with only 31% of the population forecast to be online at the end of 2013, compared with 77% in the developed world. In total, ITU estimates that 39% of the world's population will be using the Internet by the end of 2013.

While the ICT sector facilitates greener connectivity, the industry itself does contribute to greenhouse gas emissions. ITU reported that in 2011 2-2.5% of global emissions were caused by the ICT industry, mainly through the consumption of electrical power for PC use, fixed and mobile telecommunication networks and data centre activity.

Regardless of the total figure, the industry remains a large source of emissions and a big user of energy. How the contribution of the ICT sector to greenhouse gas emissions will evolve remains unclear, as two opposing forces are currently set against each other. On the one hand, the industry is becoming more aware of the importance of making devices and technologies more energy efficient. On the other hand the growing adoption of ICTs will ensure that the greenhouse gas emissions of the sector grow at faster rates, as more users become connected and more devices are making use of always-on connectivity.

Enormous numbers of mobile subscriptions, coupled with more sophisticated, power-hungry applications, may mean an increase in energy consumption at the consumer level if the ICT industry does not implement solutions to use power and spectrum bandwidth as efficiently as possible.

With almost all major economies experiencing sluggish, if not negative, growth, the Group will maintain a prudent position in financial and risk management. It will also exercise caution in business development and hiring activities. However, in order to cope with market trends and consumer preferences, the Group will make selective adjustments to its product portfolio while adhering to its low-inventory policy. It is also constantly seeking out new business opportunities with new vendors of telecommunications products and other electronic consumables.

The Group is aware of the continued tight control of expenditures on after-sales services by vendors, presenting pressures on margins for sales and marketing activities, in particular repair services. In response, the Group will continue to put in efforts to build a sustainable business platform in the long term, while keeping tight control over various cost parameters in the short term.

Economic uncertainties and cost inflations are likely to have a negative impact on the Group's business. Nevertheless, management will work hard to ensure business vitality and sustainability. Long-term value for shareholders remains the management's top priority.

Employee Information

At 31 March 2013, the Group employed a workforce of 110 (31 March 2012: 104). Staff costs, including salaries and bonuses, for the Period were approximately HK$13.7 million (31 March 2012: HK$12.3 million).

The Group maintains a competitive remuneration policy to attract, retain and motivate 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 CORPORATE GOVERNANCE CODE

Throughout the period of the six months ended 31 March 2013, the Company has complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code 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 2013

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.