Goldlion®
金利來

GOLDLION HOLDINGS LIMITED
金 利 來 集 團 有 限 公 司

(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)

(Stock code: 533)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2014

RESULTS

The Board of Directors announces the unaudited condensed consolidated results of Goldlion Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 30th June 2014 as follows:

Condensed Consolidated Income Statement
For the six months ended 30th June 2014

		Unaudited	
		Six months ended	
	Note	**30.6.2014**	**30.6.2013**
		HK$'000	HK$'000
Turnover	2	737,904	818,240
Cost of sales	4	(304,908)	(343,794)
Gross profit		432,996	474,446
Other gains, net	3	137,687	52,953
Selling and marketing costs	4	(154,542)	(157,815)
Administrative expenses	4	(108,271)	(92,868)
Operating profit		307,870	276,716
Interest income		15,687	14,376
Profit before income tax		323,557	291,092
Income tax expense	5	(75,307)	(65,184)
Profit for the period attributable to owners of the parent		248,250	225,908
Earnings per share		*HK cents*	*HK cents*
- Basic and diluted	6	25.28	23.00

Details of dividends payable to owners of the parent attributable to the profit for the period are set out in note 7.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30th June 2014

	Unaudited Six months ended 30.6.2014 HK$'000	Unaudited Six months ended 30.6.2013 HK$'000
Profit for the period	248,250	225,908
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Revaluation of investment property upon reclassification from land use rights, and property, plant and equipment	7	-
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of overseas subsidiaries	(36,693)	31,333
Other comprehensive income for the period	(36,686)	31,333
Total comprehensive income for the period attributable to owners of the parent	211,564	257,241

Condensed Consolidated Balance Sheet
As at 30th June 2014

	Note	As at 30.6.2014 (Unaudited) HK$'000	As at 31.12.2013 (Audited) HK$'000
ASSETS			
Non-current assets			
Land use rights		29,927	32,488
Property, plant and equipment		221,573	240,066
Investment properties		2,249,263	2,194,161
Deferred income tax assets		76,116	68,048
		2,576,879	2,534,763
Current assets			
Inventories		186,574	237,839
Trade receivables	8	70,030	119,338
Prepayments, deposits and other receivables		221,499	163,377
Bank deposits		733,061	855,100
Cash and cash equivalents		472,692	440,586
		1,683,856	1,816,240
Assets classified as held for sale		-	61,802
		1,683,856	1,878,042
Total assets		**4,260,735**	**4,412,805**
EQUITY			
Capital and reserve attributable to owners of the parent			
Share capital	9	1,101,358	98,211
Reserves		2,294,367	3,164,519
Proposed dividend		78,569	176,781
Total equity		3,474,294	3,439,511
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		362,772	363,319
Current liabilities			
Trade payables	10	26,072	69,631
Other payables and accruals		346,780	510,271
Current income tax liabilities		50,817	30,073
		423,669	609,975
Total liabilities		786,441	973,294
Total equity and liabilities		**4,260,735**	**4,412,805**
Net current assets		1,260,187	1,268,067
Total assets less current liabilities		3,837,066	3,802,830

Notes:

1. Principal accounting policies

This condensed consolidated interim financial information for the six months ended 30th June 2014 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and applicable requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2013.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st December 2013, as described in those annual financial statements.

There are no amended standards or interpretations that are effective for the first time for this interim period that are relevant to the Group.

2. Turnover and segment information

The Group is principally engaged in the distribution and manufacturing of garments, leather goods and accessories, licensing of the brand name, and property investment and development. Turnover recognized during the period is as follows:

	Six months ended	
	30.6.2014	**30.6.2013**
	HK$'000	HK$'000
Sales of goods	608,433	696,898
Gross rental income from investment properties	72,353	67,112
Building management income	21,091	20,176
Licensing income	36,027	34,054
	737,904	818,240

2. Turnover and segment information *(continued)*

An analysis of the Group's segment information by operating segment is as follows:

	Six months ended 30.6.2014 Segment turnover HK$'000	Six months ended 30.6.2013 Segment turnover HK$'000	Six months ended 30.6.2014 Segment results HK$'000	Six months ended 30.6.2013 Segment results HK$'000
Operating segments				
Apparel in China Mainland and Hong Kong SAR	575,669	653,294	158,122	201,108
Apparel in Singapore and Malaysia	68,791	77,658	2,672	5,919
Property investment and development	97,504	90,655	195,829	104,319
Inter-segment sales	(4,060)	(3,367)	-	-
	737,904	818,240	356,623	311,346
Unallocated costs			(33,066)	(20,254)
Profit before income tax			323,557	291,092
Income tax expense			(75,307)	(65,184)
Profit for the period			248,250	225,908

3. Other gains, net

	Six months ended 30.6.2014 HK$'000	Six months ended 30.6.2013 HK$'000
Fair value gains on investment properties	47,366	53,016
Fair value loss on assets classified as held for sale	-	(63)
Gain on disposal of assets classified as held for sale	90,321	-
	137,687	52,953

4. Expenses by nature

	Six months ended 30.6.2014 HK$'000	Six months ended 30.6.2013 HK$'000
Cost of inventories sold	259,672	301,566
Provision for impairment for inventories	22,652	18,672
Direct operating expenses arising from investment properties that generated rental income	19,964	21,411
Amortization of land use rights	1,001	1,013
Depreciation of property, plant and equipment	16,441	13,723
Staff costs including directors' emoluments	118,994	107,708
Other expenses	128,997	130,384
	567,721	594,477
Representing:		
Cost of sales	304,908	343,794
Selling and marketing costs	154,542	157,815
Administrative expenses	108,271	92,868
	567,721	594,477

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the period.

Taxation on profits generated in the PRC has been calculated on the estimated assessable profit for the period at the rate of 25% (2013: 25%). Taxation on profits outside Hong Kong and the PRC has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax charged to the condensed consolidated income statement represents:

	Six months ended	
	30.6.2014	**30.6.2013**
	HK$'000	HK$'000
Current tax		
- Hong Kong	760	380
- PRC enterprise income tax	78,346	70,024
- Overseas taxation	453	1,006
Deferred income tax	(4,252)	(6,226)
Total income tax expense	75,307	65,184

6. Earnings per share

The calculation of earnings per share is based on profit attributable to owners of the parent of HK$248,250,000 (six months ended 30th June 2013: HK$225,908,000) and the number of ordinary shares in issue of 982,114,035 (six months ended 30th June 2013: 982,114,035) during the period.

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares in issue during the six months ended 30th June 2014 and 2013.

7. Dividend

	Six months ended	
	30.6.2014	**30.6.2013**
	HK$'000	HK$'000
Interim dividend of 8.0 HK cents (2013: 9.0 HK cents) per ordinary share	78,569	88,390

8. Trade receivables

The Group grants credit terms to customers ranging from cash on delivery, letter of credit or 30 to 90 days after delivery. An analysis of the trade receivables, net of provision, by age is as follows:

	As at 30.6.2014 HK$'000	**As at 31.12.2013** HK$'000
1-30 days	47,232	96,699
31-90 days	20,584	19,873
Over 90 days	2,214	2,766
	70,030	119,338

9. Share capital

Under the new Hong Kong Companies Ordinance (Cap. 622) which commenced operation on 3rd March 2014, the concept of authorized share capital no longer exists and the Company's shares no longer have a par or nominal value. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

In addition, in accordance with the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), on 3rd March 2014, any amounts standing to the credit of the share premium account and capital redemption reserve account have become part of the Company's share capital.

10. Trade payables

Trade payables are aged as follows:

	As at 30.6.2014 HK$'000	**As at 31.12.2013** HK$'000
1-30 days	18,679	53,350
31-90 days	7,003	5,493
Over 90 days	390	10,788
	26,072	69,631

INTERIM DIVIDEND

The Directors have recommended the payment of an interim dividend of 8.0 HK cents per share (2013: 9.0 HK cents per share) for the year ending 31st December 2014, totaling HK$78,569,000 (2013: HK$88,390,000), which is expected to be payable on or about 22nd September 2014 to shareholders whose names appear on the Register of Members as at 12th September 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

Turnover and gross profit

The Group recorded a turnover of HK$737,904,000 in the six months ended 30th June 2014, or a drop of 10%, over the same period last year. The drop in turnover was mainly due to the unsatisfactory apparel sales in the China Mainland and the Singapore markets. A drop of 13% in turnover of the Mainland apparel operation was recorded over the same period last year, particularly serious in the wholesale business to distributors. For other operations, including income from rental of properties, building management and licensing of brand name, the turnover were all higher than the same period last year.

Gross profit for the period was HK$432,996,000, representing a drop by 9% from HK$474,446,000 of the same period last year. For the overall gross profit margin, it slightly increased by 0.7 percentage point to 58.7%, mainly due to the decrease in direct operating expenses on investment properties during the period.

Operating expenses and operating profit

In light of the market uncertainties, the Group has implemented stringent cost controls during the period. Selling and marketing costs for the period decreased by 2% to HK$154,542,000. Due to the drop in turnover during the period, percentage to the overall turnover increased from 19% to 21% compared to the same period last year.

Administrative expenses for the period were HK$108,271,000, increased by 17% from the same period last year. The depreciation of Renminbi ("RMB") results in an exchange loss (mainly on RMB deposits in Hong Kong) of HK$8,646,000 during the period, while an exchange gain of HK$4,820,000 was recorded for the same period last year. With the new management team joining the Group since last year, an increase in staff costs was also recorded for the period.

During the period, the Group recorded other gains of HK$137,687,000 including fair value gains on investment properties of HK$47,366,000 and gain on disposal of assets classified as held for sale (the properties in Anhua Road, Changning District, Shanghai) of HK$90,321,000. Other net gains for the same period last year included fair value gains on investment properties of HK$53,016,000 and fair value loss on assets classified as held for sale of HK$63,000.

Operating profit for the period amounted to HK$307,870,000 compared with HK$276,716,000 of the same period last year, representing an increase of 11%. The operating profit margin was approximately 41.7% and was higher than same period last year by 7.9 percentage points mainly due to the increase in other gains.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the period was HK$248,250,000, rising by 10% from HK$225,908,000 of the same period last year.

Profit for the period would be HK$204,613,000 if fair value gains after tax on investment properties of HK$43,637,000 were excluded. Such profit marked an increase of 16% from HK$176,361,000 (if the net fair value gains after tax on investment properties and assets classified as held for sale of HK$49,547,000 were excluded) of the same period last year. The profit will otherwise be lower than same period last year by 22% if the gain after tax on disposal of assets classified as held for sale of the period amounting to HK$67,617,000 was also excluded.

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

During the period under review, the Central Government's extravagance curbs and anti-bribery measures have had a great impact on high-end consumption. Demand for mid to high-end consumer products was further dampened by sluggish GDP growth, weak consumer sentiment and downturn in the retail market. After years of rapid expansion, apparel operators in China are generally troubled by stagnant sales and inventory pile-up in the adverse business environment, necessitating a major readjustment for the entire industry.

The Group's apparel operation in China Mainland is primarily conducted through wholesaling to distributors in various cities and provinces, through self-operated retail shops (including factory outlets) located mainly in Guangzhou, Shanghai and Beijing, as well as through e-commerce launched in the third quarter last year.

Struck by the critical market conditions in the period, the Group's distributors continued to be beset with slackened inventory turnover, high inventory levels and tight cash flows. To ensure stable business development for distributors in the long run, the Group advised them to exercise prudence when placing orders besides lowering its relevant wholesale targets. This has led to a significant slowdown in the sale of our 2014 spring and summer collections and in turn a drop in sales to distributors by approximately 21% in RMB during the period. In view of the drop in sales, the Group withheld the extra sales return and exchange measures introduced last year.

The Group has made it a practice to regularly review the performance of local distributors. To further expand sales for the Goldlion brand, distributorship for certain provinces was reassigned during the period to bring in professional operators who are more competitive and ambitious.

Sales of self-operated retail shops (excluding factory outlets) recorded an increase of about 15% in RMB following the Group's takeover of several retail shops previously operated by the "Gold Label" retailer in the middle of last year. The Group's self-operated retail business was also hit by the dampened market, however, and sales of comparable retails shops recorded a decrease of about 4% in RMB.

Business of factory outlets was likewise affected by the unfavourable market conditions and turnover is basically in line with last year same period. At the end of the period, the Group had approximately 1,170 outlets in China, among which about 100 were self-operated. The total number of outlets was slightly smaller than that of last year as the Group had reorganized certain low performers. In association with the enhancement of the Group's brand image, there are plans to further reorganize the less effective outlets.

For the period as a whole, sales achieved by e-commerce launched in the third quarter of last year have lived up to expectations, amounting to HK$24,525,000. Since this mode of business was intended for clearing off-season inventories without compromising offline sales, online sales accounted for only about 5% of the Group's overall apparel sales during the period. Pending strategies to be formulated for further expanding business in the segment, e-commerce is expected to become a driver behind the Group's business growth.

Licensing income for the period amounted to HK$36,027,000, representing an increase of around 6% over same period last year. The growth was mainly attributable to the annual increment of license fees stipulated in the licensing agreements. During the period under review, the Group continued to grant licenses for distribution of shoes, leather goods, undergarments, woollen sweaters and casual wear in the China Mainland market. The Group also strengthened supervision over licensees and provided appropriate support through the designated brand licensing department. The aim was to ensure they are in line with the Group's brand development.

Singapore and Malaysia Markets
Singapore's economy as a whole continued to slow down, particularly with GDP growth coming to a standstill in the second quarter. Retail market came under pressure as consumer confidence slumped. Sales were sluggish even in June, which used to be a peak shopping period. When compared with the same period last year, sales for the Singapore market amounted to HK$65,543,000, representing a decrease of approximately 12%.

While the Group's local business remained to be stable at the beginning of the year, slowdown has set in since the second quarter especially when the economy began to decline. The relocation of a major local department store at the beginning of the year was another negative factor impacting the Group's apparel sales in the period.

Sales of comparable outlets decreased by about 5% in local currency over same period last year. At the end of the period, there were a total of 8 Goldlion shops and 23 counters in Singapore, same as at the end of last year.

Given the Group's vigorous efforts in cost control during the period, overall expenses stood at similar level as the corresponding period last year despite high level of local operating costs. Owing to a slide in sales, however, operating profit in Singapore for the period amounted to approximately HK$2,635,000, representing a year-on-year decrease of 52%. Operating profit margin was 4%, dropping from last year's 7%.

The Group's business in the Malaysia market is relatively small in scale. Sales for the period amounted to HK$3,248,000, representing a decrease of approximately 5% when compared with same period last year. At the end of the period, there were a total of 20 counters in the local market. In spite of the adverse market condition, our operation in Malaysia is able to maintain breakeven during the period.

Property Investment and Development

Except for the acquisition of a shop premises in Dongguan at a consideration of RMB18,000,000, the Group's investment property portfolio had no significant changes since the end of last year and business has continued to remain stable during the period. Fair value gains on investment properties recognized by the Group after independent professional valuations amounted to HK$47,366,000. These included gains of HK$32,450,000 from investment properties in Hong Kong, the growth of which was largely attributable to the upward rental trend in the local properties held by the Group. The fair value gains for the corresponding period last year stood at HK$53,016,000.

Rental income and building management fees for the period amounted to HK$72,353,000 and HK$21,091,000 respectively, representing an increase of around 8% and 5% over last year. Leasing of Goldlion Digital Network Centre in Tianhe, Guangzhou, remained stable and occupancy rate was maintained at around 94%. Despite transferal of certain units to the Group's own use and depreciation of the RMB, total rental income and building management fees were largely comparable with those registered for the corresponding period last year.

In Shenyang, leasing of Goldlion Commercial Building was likewise stable, with overall occupancy rate maintained at 100%. Following renewal of a major lease at a higher rental level, rental income and building management fees for the period increased by approximately 8% over same period last year.

During the period, the lease of the Group's property at No. 3 Yuk Yat Street, To Kwa Wan, Hong Kong, was renewed with a substantial increase in rent whereas the Group's investment properties in Hong Kong were fully occupied. As a result, total rental income and building management fees of the Group's properties in Hong Kong increased by approximately 31% over the same period last year. In particular, the increase for Goldlion Holdings Centre was approximately 21%.

In Shanghai, the Group completed delivery of its properties in Anhua Road, Changning District, in June and received the remaining balance of the compensation payment. Accordingly, the relevant gain on disposal of assets classified as held for sale amounted to HK$90,321,000 was recognized under "other gains" during the period.

PROSPECTS

With economic slowdown and extravagance curbs continuing, market conditions continue to be challenging. In this light, the Group expects difficult operation for the apparel business in China Mainland in the second half of 2014. Since distributors need time to resolve problems such as sluggish turnover, high inventory levels and tight liquidity, deliveries of the 2014 fall and winter collections, mainly in the second half of 2014, will continue to slow down.

Nevertheless, the Group believes the downward trend is stabilizing. Initial figures of orders placed at the 2015 spring and summer collections sales fair held in early August indicated for a slight increment over that for the corresponding season last year. The relevant deliveries to distributors will mainly begin early next year.

The prolonged weak retail market in China Mainland is expected to prevent any significant breakthrough in the business of self-operated retail shops and factory outlets in the second half of the year. Remarkable growth, however, is expected for e-commerce during the same period, in view of the rapid surge in online sales in recent years and the peak online shopping season mainly in the second half of the year. This will partly compensate the drop in wholesale business.

While enhancing product quality will continue to be a priority, the Group will gear up product positioning efforts to reinforce its image as young and fashionable. To boost appeal to different customer groups, diversified product designs with a greater emphasis on chicness will be catered for different clientele groups. The media briefing for the 2014 fall and winter collections was conducted in Beijing in July and initial response was encouraging.

To align with our branding enhancement campaign, new concept of renovation design for the Group's new shops will be completed in the fourth quarter. Besides, the Group's wholesale business will shift further to "retail management" operational model in the hope of augmenting the distributors' retail capability.

In Singapore, market conditions are expected to remain gloomy. In order to boost overall profitability through striving for business growth and cost control, the Group will continue to adopt sound business strategies.

As for property investment, the Group will continue to enhance the leasing potential of the properties on hand for maintaining a steady growth in rental income. Towards the end of last year, the Group made a successful bid for a piece of land with a site area of approximately 75,949 square meters in Meixian for RMB102,600,000. Since transfer of title was yet to be completed at the end of the review period, the relevant payment has been recognized as "deposits". The project is currently at the initial planning phase and will be proceeded very consciously.

FINANCIAL POSITION

As at 30th June 2014, the Group had cash and bank balances of approximately HK$1,205,753,000, which was HK$89,933,000 lower than that at the end of last year. During the period, the Group recorded a net cash inflow from operating activities of HK$61,468,000 and received balance of compensation in relation to the surrender of property in Shanghai of HK$51,150,000. However, the Group also paid dividends of HK$176,781,000 and purchased investment properties of HK$24,640,000 during the period. As at 30th June 2014, the Group did not have any bank loans or overdrafts.

As at 30th June 2014, the Group's current assets and liabilities were HK$1,683,856,000 and HK$423,669,000 respectively, with current ratio at approximately 4.0. Total current liabilities were 12% of the average capital and reserves attributable to owners of the parent of HK$3,456,903,000.

As at 30th June 2014, the Group did not have any significant contingent liabilities or capital commitments and there were no charges on any of the Group's assets.

HUMAN RESOURCES

At 30th June 2014, the Group had approximately 1,830 employees. Employees' costs during the first six months of the year including directors' emoluments amounted to HK$118,994,000. The Group ensures that employees' remuneration packages are competitive and are determined mainly on factors including job nature, market conditions, individual performance, qualification and experience. The Group also provides other benefits to its employees and training as and when required.

CLOSURE OF REGISTER OF MEMBER

For the purpose of determining shareholders' entitlement to the proposed dividend, the Register of Members of the Company will be closed on 11th September 2014 and 12th September 2014 (two days), during which period no transfer of shares will be registered.

In order to qualify for the above-mentioned interim dividend, all transfers accompanied by the relevant shares certificates must be lodged by 4:30 p.m. on Wednesday, 10th September 2014 with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the six months ended 30th June 2014 except:

(a) all of the non-executive Directors of the Company (including independent non-executive Directors) have not been appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company, which is not consistent with the requirements of Code Provision A.4.1.

(b) Dr. Wong Ying Ho, Kennedy, a non-executive Director of the Company, was unable to attend the annual general meeting of the Company held on 23rd May 2014 owing to an important engagement at the relevant time, which is not consistent with the requirements of Code Provision A.6.7.

(c) Dr. Tsang Hin Chi, Chairman of the Company's Board of Directors, was unable to attend the annual general meeting of the Company held on 23rd May 2014 owing to an important engagement at the relevant time, which is not consistent with the requirements of Code Provision E.1.2.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. During the six months ended 30th June 2014, all the Directors have complied with the relevant requirements under the Model Code regarding their dealing in the securities of the Company.

AUDIT COMMITTEE

The Company has formed an Audit Committee to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the Audit Committee has five members comprising Mr. Li Ka Fai, David (Chairman), Mr. Nguyen, Van Tu Peter (Deputy Chairman) and Dr. Lau Yue Sun, all of them being independent non-executive Directors, and Mr. Ng Ming Wah, Charles and Dr. Wong Ying Ho, Kennedy, being non-executive Directors of the Company.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended 30th June 2014. At the request of the Board of Directors, the Company's external auditor, PricewaterhouseCoopers, has carried out a review of this unaudited interim financial information in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE COMPANY AND THE STOCK EXCHANGE

The interim results announcement is published on the website of the Company (www.goldlion.com) and the Stock Exchange (www.hkexnews.hk). The 2014 interim report, containing all the information required by Appendix 16 to the Listing Rules, will be despatched to shareholders and make available on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the directors of the Company comprise Dr. Tsang Hin Chi, Mr. Tsang Chi Ming, Ricky and Madam Wong Lei Kuan as executive Directors; Mr. Ng Ming Wah, Charles and Dr. Wong Ying Ho, Kennedy as non-executive Directors; and Dr. Lau Yue Sun, Mr. Li Ka Fai, David and Mr. Nguyen, Van Tu Peter as independent non-executive Directors.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 25th August 2014