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## **CHEUNG WO INTERNATIONAL HOLDINGS LIMITED**

**長和國際實業集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock code: 00009)**

### **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013**

The board (the “Board”) of directors (the “Directors”) of Cheung Wo International Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2013, together with the comparative figures as follows:

#### **CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Note</i>	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
<b>Revenue</b>	4	<b>26,801</b>	34,813
Cost of sales	6	<u>(7,662)</u>	<u>(40,909)</u>
<b>Gross profit (loss)</b>		<b>19,139</b>	(6,096)
Other income	4	<b>1,132</b>	11,182
Fair value loss on an investment property		<b>(18,809)</b>	–
Administrative expenses	6	<u>(81,866)</u>	<u>(31,127)</u>
<b>Operating loss</b>		<b>(80,404)</b>	(26,041)
Finance income	5	<b>640</b>	883
Finance costs	5	<b>(285)</b>	(5,717)
Share of loss of an investment accounted for using the equity method		<u>(16)</u>	<u>(58)</u>
<b>Loss before income tax</b>		<b>(80,065)</b>	(30,933)
Income tax credit	7	<u>14,489</u>	<u>13,590</u>
<b>Loss for the year</b>		<b><u>(65,576)</u></b>	<b><u>(17,343)</u></b>

	<i>Note</i>	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
<b>Loss attributable to:</b>			
Equity holders of the Company	9	<b>(65,576)</b>	(17,422)
Non-controlling interests		<u>—</u>	<u>79</u>
		<b><u>(65,576)</u></b>	<b><u>(17,343)</u></b>
		<b>2013</b>	2012
<b>Loss per share attributable to equity holders of the Company</b>			
	9		
Basic		<b><u>HK(6.84) cents</u></b>	<u>HK(2.96) cents</u>
Diluted		<b><u>HK(6.84) cents</u></b>	<u>HK(2.96) cents</u>

Details of the dividends are disclosed in note 8 to this results of announcement.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
<b>Loss for the year</b>	<u>(65,576)</u>	<u>(17,343)</u>
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences arising on translation of foreign operations	<u>30,484</u>	<u>1,205</u>
<b>Other comprehensive loss for the year, net of tax</b>	<u><u>30,484</u></u>	<u><u>1,205</u></u>
<b>Total comprehensive loss for the year</b>	<u><u>(35,092)</u></u>	<u><u>(16,138)</u></u>
<b>Attributable to:</b>		
Equity holders of the Company	<u>(35,092)</u>	<u>(16,217)</u>
Non-controlling interests	<u>-</u>	<u>79</u>
<b>Total comprehensive loss for the year</b>	<u><u>(35,092)</u></u>	<u><u>(16,138)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	<i>Note</i>	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		<b>199,589</b>	194,453
Property, plant and equipment		<b>227,432</b>	84,478
Land use rights		<b>317,548</b>	317,856
Investment property		<b>342,474</b>	352,130
Investment accounted for using the equity method		<b>69,988</b>	65,980
Prepayments and deposits paid	<i>11</i>	<b>63,341</b>	55,768
Film rights		<b>102</b>	102
Deferred income tax assets		<b>86</b>	–
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>1,220,560</b>	1,070,767
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current assets</b>			
Film production in progress		–	530
Properties development in progress		<b>1,003,211</b>	441,821
Inventories		<b>5</b>	474
Trade receivables	<i>10</i>	<b>8,137</b>	12,037
Other receivables, prepayments and deposits paid	<i>11</i>	<b>107,485</b>	157,899
Tax recoverable		<b>69</b>	13
Cash and cash equivalents		<b>163,161</b>	66,089
		<hr/>	<hr/>
<b>Total current assets</b>		<b>1,282,068</b>	678,863
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and land payables	<i>12</i>	<b>345,322</b>	6,418
Other payables, accruals and deposits received		<b>25,418</b>	27,223
Interest-bearing bank and other borrowings	<i>13</i>	<b>58,109</b>	32,211
Obligations under finance leases	<i>14</i>	<b>1,241</b>	1,189
Loans from a shareholder	<i>16</i>	–	14,640
Tax payable		<b>36</b>	6,115
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>430,126</b>	87,796
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Net current assets</b>		<b>851,942</b>	591,067
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Total assets less current liabilities</b>		<b>2,072,502</b>	1,661,834
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

	<i>Note</i>	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Convertible bonds	<i>15</i>	<b>22,620</b>	42,070
Deposits received		<b>3,199</b>	3,055
Deferred income tax liabilities		<b>247,412</b>	249,044
Interest-bearing bank borrowings	<i>13</i>	<b>290,661</b>	135,435
Obligations under finance leases	<i>14</i>	<b>2,470</b>	3,710
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>566,362</b>	433,314
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net assets</b>		<b>1,506,140</b>	1,228,520
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital		<b>11,116</b>	6,866
Share premium		<b>749,281</b>	523,467
Contributed surplus		<b>459,047</b>	459,047
Equity component of convertible bonds		<b>51,274</b>	15,064
Other reserves		<b>146,351</b>	69,429
Retained profits		<b>89,071</b>	154,647
		<hr/>	<hr/>
<b>Total equity</b>		<b>1,506,140</b>	1,228,520
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

## **1 CORPORATE INFORMATION**

Cheung Wo International Holdings Limited (the “Company”) was incorporated in Bermuda on 9 May 2001 as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The registered office of the Company is located at Room 4101, 41st Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The Company acts as an investment holding company. The principal activities of the Company and its subsidiaries (together, the “Group”) consist of film distribution and licensing, film processing, rental of property, and property and hotel development.

## **2 BASIS OF PREPARATION**

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

They have been prepared under the historical cost convention, except for an investment property which has been measured at fair value. The financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

As at 31 December 2013, the Group had total current liabilities including outstanding borrowings from banks and others of approximately HK\$430,126,000 that would be due for repayment in the coming twelve months. As at the same date, the Group had cash and cash equivalents of approximately HK\$163,161,000. In addition, the Group recorded a loss before tax of approximately HK\$80,065,000 for the year ended 31 December 2013.

Management has prepared cash flow projections which cover a period of twelve months from the balance sheet date. The directors of the Company have reviewed the Group’s cash flow projections and are of the opinion that, taking into account the following measures and plans, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from the date of the statement of financial position:

- (i) On 5 March 2014, the Company completed a share placement of 214,200,000 ordinary shares of HK\$0.01 each to independent parties at a placing price of HK\$0.56 per placing share, resulting in a net placing proceeds of HK\$120 million.
- (ii) On 11 March 2014, the Company’s subsidiary entered into a RMB 250,000,000 entrusted loan agreement with a bank in the PRC which is interest bearing at the market rate and available for one year effective from the drawn date.

The directors closely monitor the Group's liquidity position and financial performance and have initiated measure to improve the Group's cash flows. These measures include raising additional capital and obtaining additional financing from banks and others. In the opinion of the directors, in light of the above, together with the anticipated cash flows from operations, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from the date of the financial statements. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

**(a) New standards and amendments to standards mandatory for the first time for the periods beginning 1 January 2013:**

Amendment to HKAS 1	Presentation of items of other comprehensive income
HKAS 19 (2011)	Employee benefits
HKAS 27 (2011)	Separate financial statements
HKAS 28 (2011)	Investments in associates and joint ventures
Amendment to HKFRS 1	Government loans
Amendment to HKFRS 7	Disclosure – Offsetting financial assets and financial liabilities
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance
HKFRS 13	Fair value measurement
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine
Annual improvement project	Annual improvements 2009-2011 cycle

The adoption of these new standards and amendments to standards had no significant impact on these consolidated financial statements, except for the impact described below.

Amendment to HKAS 1, 'Presentation of items of other comprehensive income' shows that the main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Group has categorised "Exchange differences arising on translation of foreign operations" under "Items that may be reclassified to profit and loss" in the statement of comprehensive income.

HKFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The adoption of this standard did not have an impact on the Group except that certain new disclosures are introduced.

HKFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRS. The requirements, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRS. The Group has adopted this standard, which additional disclosures required in respect of fair value measurements are introduced. The adoption of this standard has no significant impact on the Group's results and financial position, except that certain new disclosures are introduced.

Amendment to HKAS 36, ‘Recoverable amount disclosures for non-financial assets’, addresses the recoverable amount disclosures for non-financial assets. This amendment removes certain disclosures of the recoverable amount of cash-generating units (“CGUs”) which has been included in HKAS 36 by the issue of HKFRS 13. The amendment is not mandatory for the Group until 1 January 2014, however the Group has decided to early adopt the amendment as of 1 January 2013.

Amendment to HKFRS 7, ‘Disclosure – Offsetting financial assets and financial liabilities’, on asset and liability offsetting. The amendments require new disclosure requirements which focus on quantitative information about recognized financial assets and liabilities that are offset in the consolidated balance sheet, as well as those recognised financial assets and liabilities that are subject to master netting or similar arrangements irrespective of whether they are offset. The Group has adopted the amendment and the new disclosures are introduced.

There are no other new standards or amendments to standards that are effective for the first time for the financial year beginning on or after 1 January 2013 that are expected to have a material impact on the Group.

**(b) New standards, amendments and interpretation that have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted:**

Amendment to HKAS 19 (2011)	Defined benefit plans: Employee contribution <sup>2</sup>
Amendment to HKAS 32	Presentation on asset and liability offsetting <sup>1</sup>
Amendment to HKFRS 10, HKFRS 12 and HKAS 27	Consolidation for investment entities <sup>1</sup>
Amendment to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures <sup>3</sup>
Amendment to HKAS 36	Recoverable amount disclosures for non-financial assets <sup>1</sup>
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting <sup>1</sup>
HK(IFRIC) – Int 21	Levies <sup>1</sup>
Annual improvements project	Annual improvements 2012 – 2013 cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on 1 January 2014

<sup>2</sup> Effective for annual periods beginning on 1 July 2014

<sup>3</sup> Effective for annual periods beginning on 1 January 2015

The Group is in the process of making an assessment of the impact of adoption of the above new standards, amendments and interpretation that have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted, but is not yet in a position to state whether these new standards or amendments would have a significant impact on its results of operations and financial position.



### 3 SEGMENT INFORMATION

For management purposes, the Group is organised into four business units – property rental, film distribution and licensing, film processing and property and hotel development.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss) profit, which is a measure of adjusted (loss) profit before income tax. The (loss) profit before income tax is measured consistently with the Group's (loss) profit before income tax except that finance income, finance costs, as well as head office and corporate expenses, and certain other income are excluded from such measurement.

Segment assets exclude cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude obligations under finance leases and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

#### Year ended 31 December 2013

	<b>Property rental HK\$'000</b>	<b>Film distribution and licensing HK\$'000</b>	<b>Film processing HK\$'000</b>	<b>Property and hotel development HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue:					
External revenue	<u>21,187</u>	<u>3,235</u>	<u>2,379</u>	<u>–</u>	<u>26,801</u>
Total revenue	<u>21,187</u>	<u>3,235</u>	<u>2,379</u>	<u>–</u>	<u>26,801</u>
Segment results	<u>(3,394)</u>	<u>(11,992)</u>	<u>(3,864)</u>	<u>(6,418)</u>	<u>(25,668)</u>
Unallocated corporate expenses					(54,752)
Finance income					640
Finance costs					<u>(285)</u>
Loss before income tax					(80,065)
Income tax expense					<u>14,489</u>
Loss for the year					<u>(65,576)</u>

**As at 31 December 2013**

	Property rental <i>HK\$'000</i>	Film distribution and licensing <i>HK\$'000</i>	Film processing <i>HK\$'000</i>	Property and hotel development <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets and liabilities						
Segment assets	<u>354,901</u>	<u>73,080</u>	<u>2,818</u>	<u>1,903,345</u>	<u>168,484</u>	<u>2,502,628</u>
Segment liabilities	<u>65,123</u>	<u>7,578</u>	<u>1,261</u>	<u>916,568</u>	<u>5,958</u>	<u>996,488</u>
Other segment information:						
Capital expenditure	2,966	741	146	132,667	–	136,520
Depreciation	<u>464</u>	<u>440</u>	<u>1,050</u>	<u>644</u>	<u>1,596</u>	<u>4,194</u>

**Year ended 31 December 2012**

	Property rental <i>HK\$'000</i>	Film distribution and licensing <i>HK\$'000</i>	Film processing <i>HK\$'000</i>	Property and hotel development <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:						
External revenue	13,926	13,475	7,412	–	–	34,813
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>123</u>	<u>–</u>	<u>(123)</u>	<u>–</u>
Total revenue	<u>13,926</u>	<u>13,475</u>	<u>7,535</u>	<u>–</u>	<u>(123)</u>	<u>34,813</u>
Segment results	<u>15,174</u>	<u>(27,752)</u>	<u>(6,176)</u>	<u>(4,590)</u>	<u>–</u>	<u>(23,344)</u>
Unallocated corporate expenses						(2,755)
Finance income						883
Finance costs						<u>(5,717)</u>
Loss before income tax						(30,933)
Income tax credit						<u>13,590</u>
Loss for the year						<u>(17,343)</u>

**As at 31 December 2012**

	Property rental <i>HK\$'000</i>	Film distribution and licensing <i>HK\$'000</i>	Film processing <i>HK\$'000</i>	Property and hotel development <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets and liabilities						
Segment assets	<u>359,748</u>	<u>74,550</u>	<u>5,534</u>	<u>1,237,400</u>	<u>72,398</u>	<u>1,749,630</u>
Segment liabilities	<u>78,177</u>	<u>7,419</u>	<u>1,119</u>	<u>412,477</u>	<u>21,918</u>	<u>521,110</u>
Other segment information:						
Capital expenditure	4	724	1,504	36,562	–	38,794
Depreciation	<u>332</u>	<u>1,259</u>	<u>487</u>	<u>415</u>	<u>1,596</u>	<u>4,089</u>

**(a) Geographical information**

**2013**

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>2,808</u>	<u>21,187</u>	<u>2,806</u>	<u>26,801</u>
Non-current assets	<u>80,168</u>	<u>1,140,392</u>	<u>–</u>	<u>1,220,560</u>
Capital expenditure	<u>887</u>	<u>135,633</u>	<u>–</u>	<u>136,520</u>

**2012**

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>10,754</u>	<u>21,002</u>	<u>3,057</u>	<u>34,813</u>
Non-current assets	<u>78,354</u>	<u>992,413</u>	<u>–</u>	<u>1,070,767</u>
Capital expenditure	<u>2,228</u>	<u>36,566</u>	<u>–</u>	<u>38,794</u>

**(b) Information about major customers**

Revenue of HK\$14,117,000 (2012: HK\$8,073,000) and HK\$3,897,000 (2012:HK\$2,132,000) were derived from two individual tenants of property rental segment.

#### 4 REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; the value of services rendered; and rental income received and receivable from its investment property less business tax during the year.

An analysis of revenue and other income is as follows:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
<b>Revenue</b>		
Property rental income	<b>21,187</b>	13,926
Film distribution and licensing income	<b>3,235</b>	13,475
Film processing income	<b>2,379</b>	7,412
	<u><b>26,801</b></u>	<u>34,813</u>
<b>Other income</b>		
Net compensation received relating to termination of tenancy agreements	<b>230</b>	8,973
Write-back of deposits received	–	307
Scrap sales	–	605
Others	<b>902</b>	1,297
	<u><b>1,132</b></u>	<u>11,182</u>

## 5 FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Finance costs:		
Interest on bank borrowings wholly repayable within five years	<b>14,643</b>	58
Interest on bank borrowings not wholly repayable within five years	–	2,275
Interest on loans from a shareholder	<b>48</b>	146
Interest on finance leases	<b>186</b>	230
Interest on other borrowings	<b>4,702</b>	13,290
Interest on convertible bonds ( <i>note 15</i> )	<b>4,209</b>	3,026
	<hr/> <b>23,788</b>	<hr/> 19,025
Less: amounts capitalised on qualifying assets	<b>(23,503)</b>	(13,308)
	<hr/> <b>285</b>	<hr/> 5,717
Total finance costs	<hr/> <b>285</b>	<hr/> 5,717
Finance income:		
Interest income on short-term bank deposits	<b>(618)</b>	(301)
Foreign exchange difference, net	<b>(22)</b>	(582)
	<hr/> <b>(640)</b>	<hr/> (883)
Total finance income	<hr/> <b>(640)</b>	<hr/> (883)
Net finance (income) costs	<hr/> <b>(355)</b>	<hr/> 4,834

## 6 EXPENSES BY NATURE

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Employee benefit expenses (excluding directors' remuneration):		
Wages and salaries	<b>10,805</b>	12,772
Pension costs – defined contribution plans and social security costs	<b>508</b>	666
Share options granted to employees	<b>33,170</b>	–
	<hr/> <b>44,483</b>	<hr/> 13,438
Directors' remuneration	<b>15,581</b>	1,957
Auditors' remuneration	<b>1,844</b>	1,828
Depreciation	<b>4,194</b>	4,089
Cost of inventories recognised as expenses	<b>1,739</b>	32,369
Operating lease rentals in respect of buildings	<b>6,363</b>	5,710
Direct operating expenses from property that generated rental income	<b>3,225</b>	2,420
Reversal of provision for impairment of trade receivables	<b>(588)</b>	(79)
Uncollectible trade receivables recovered	<b>(5)</b>	(161)
Professional fees	<b>6,693</b>	5,068
(Gain) loss on disposal of property, plant and equipment	<b>(187)</b>	130
Others	<b>6,186</b>	5,267
	<hr/> <b>89,528</b>	<hr/> 72,036
Total cost of sales and administrative expenses	<hr/> <b>89,528</b>	<hr/> 72,036

## 7 INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year.

The applicable tax rate for the Group's operation in the Mainland China is 25%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
Current tax – Hong Kong		
Charge for the year	<b>39</b>	7
(Over) under provision in prior years	<b>(1)</b>	20
Current tax – PRC		
Charge for the year	–	3,468
Overprovision in prior years	<b>(6,294)</b>	(140)
Total current tax	<b>(6,256)</b>	3,355
Deferred tax	<b>(8,233)</b>	(16,945)
Total tax credit	<b>(14,489)</b>	(13,590)

## 8 DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2013 and 2012, nor has any dividend been proposed since the end of the reporting period.

## 9 LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share amount is based on the loss for the year of HK\$65,576,000 (2012: HK\$17,422,000), attributable to equity holders of the Company, and the weighted average number of ordinary shares of 959,291,000 (2012: 588,907,000) in issue during the year.

(a) **Basic**

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Loss attributable to equity holders of the Company	<b>(65,576)</b>	(17,422)
Weighted average number of ordinary shares in issue (thousands)	<b>959,291</b>	588,907

(b) **Diluted**

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has two categories of dilutive potential ordinary shares: convertible bonds and share options. The convertible bonds are assumed to have been converted into ordinary shares, and the net loss is adjusted to eliminate the interest expense less the tax effect. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Potential ordinary shares arising from the assumed conversion of convertible bonds and share options have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current reporting period presented.

**10 TRADE RECEIVABLES**

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade receivables	<b>8,395</b>	12,883
Less: provision for impairment of trade receivables	<b>(258)</b>	(846)
Trade receivables – net	<b>8,137</b>	12,037

The Group has a policy of allowing its trade customers credit periods normally ranging from 90 to 120 days. Before accepting any new customers, the Group uses an internal credit assessment process to assess the potential customers' credit quality and defines credit limits by customers. Credit limits attributed to customers are reviewed regularly.



An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
0 – 90 days	<b>5,943</b>	7,211
91 – 180 days	<b>2,144</b>	3,683
181 – 365 days	<b>50</b>	525
Over 1 year	<b>–</b>	618
	<u><b>8,137</b></u>	<u>12,037</u>

#### **11 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS PAID**

	<i>Note</i>	<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
Other receivables		<b>2,149</b>	495
Prepayments	<i>(i)</i>	<b>18,708</b>	20,917
Deposit for land	<i>(ii)</i>	<b>–</b>	141,593
Deposit for construction costs		<b>147,464</b>	48,443
Others		<b>2,505</b>	2,219
		<u><b>170,826</b></u>	<u>213,667</u>
Carrying amount at 31 December			
Current portion		<u><b>(107,485)</b></u>	<u>(157,899)</u>
		<u><b>63,341</b></u>	<u>55,768</u>

(i) The balance includes an amount of HK\$18,142,000 (2012: HK\$20,548,000) of interest prepaid to a PRC bank.

(ii) At 31 December 2012, the balance represented a deposit paid to acquire a piece of land in Hunan for property development purposes. The balance had been subsequently utilised in the current year.

None of the other receivables is either past due or impaired. Other receivables included in the above balances had no recent history of default.

## 12 TRADE AND LAND PAYABLES

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0 – 90 days	<u>10,849</u>	<u>6,418</u>

Included in trade and land payable, HK\$334,473,000 represented a payable to the Hunan Province government of the PRC for acquiring certain land use rights in Xiangtan, Hunan.

## 13 INTEREST-BEARING BANK AND OTHER BORROWINGS

	Effective contractual interest rate %	Maturity	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current				
Bank loan – secured ( <i>note i</i> )	3.75	On demand	1,240	1,430
Bank loan – secured ( <i>note iii</i> )	8.33	2014-2018	25,275	–
Other borrowings – unsecured ( <i>note ii</i> )	15	April 2014	<u>31,594</u>	<u>30,781</u>
			<b>58,109</b>	32,211
Non-current				
Bank loan – secured ( <i>note iii</i> )	8.33	2014-2018	<u>290,661</u>	<u>135,435</u>
			<b>348,770</b>	<b>167,646</b>

At 31 December 2013, The Group's bank loans were repayable as follow:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Within 1 year	26,515	1,430
Between 1-2 years	37,912	24,625
Between 2-5 years	<u>252,749</u>	<u>110,810</u>
	<b>317,176</b>	<b>136,865</b>

(i) At 31 December 2013 and 2012, the Group's bank borrowing of HK\$1,240,000 (2012: HK\$1,430,000) was secured by the Group's leasehold land and buildings with a net carrying amount of HK\$754,000 (2012: HK\$782,000).

(ii) At 31 December 2013, the Group's unsecured other borrowings will mature in April 2014 (2012: matured in April 2013).

- (iii) At 31 December 2013 and 2012, the Group's bank borrowings of HK\$315,936,000 (2012: HK\$135,435,000) were secured by the Group's land use rights with net carrying amount of HK\$317,548,000 (2012: HK\$317,856,000). According to the repayment terms, the bank borrowings will need to be repaid from December 2014 to June 2018.

#### 14 OBLIGATIONS UNDER FINANCE LEASES

During the year, the Group leased its motor vehicles for mature business use. The leases were classified as finance leases and had remaining lease terms of 3 to 4 years. Interest rates underlying all obligations under finance leases were fixed at contract rate of 4.28%. No arrangement had been entered into for contingent rental payments.

	Minimum lease payments		Present value of minimum lease payments	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Amounts payable:				
Within one year	1,375	1,375	1,241	1,189
Between 1 and 2 years	1,375	1,375	1,295	1,240
Between 2 and 5 years	1,200	2,575	1,175	2,470
Total minimum finance lease payments	3,950	5,325	3,711	4,899
Future finance charges	(239)	(426)		
Total net finance lease payables	3,711	4,899		
Portion classified as current liabilities	(1,241)	(1,189)		
Non-current portion	2,470	3,710		

#### 15 CONVERTIBLE BONDS

On 26 January 2011, the Company issued convertible bonds carrying a coupon interest rate of 0.5% per annum up to an aggregate principal amount of HK\$515,128,000. The bonds are convertible at the option of the bondholders into fully paid ordinary shares with a par value of HK\$0.10 each at any time from the date of the issue of the bonds up to and including 26 January 2016 at an initial conversion price of HK\$0.345. According to the terms and conditions of the convertible bonds, the conversion price of the convertible bonds has been adjusted from the initial conversion price of HK\$0.345 per conversion share to HK\$3.45 per conversion share following completion of the capital reorganisation, and then to HK\$2.425 per conversion share as a result of the completion of the open offer on 26 June 2012. The Company may redeem at 100% of the principal amount in cash by giving the bondholders 10 working days' prior written notice. Any convertible bonds not converted will be redeemed on 26 January 2016 at 100% of their principal amount. During the year ended 31 December 2013, the remaining principal amount of the convertible bonds of HK\$52,000,000 was fully converted into 21,443,298 ordinary shares of HK\$0.01 each.

On 24 May 2013, the Company issued convertible bonds carrying zero coupon rate of an aggregate principal amount of HK\$214,640,110. The bonds are convertible at the option of the bondholders into fully paid ordinary shares with a par value of HK\$0.01 each at any time from the date of the issue of the bonds up to and including 24 May 2018 at an initial conversion price of HK\$0.43. Any convertible bonds not converted will be redeemed on 24 May 2018 at face value of the principal amount. During the year ended 31 December 2013, convertible bonds of a total principal amount of HK\$144,000,000 was converted into 334,883,720 ordinary shares of HK\$0.01 each.

- (a) The convertible bonds recognised at initial recognition on 26 January 2011 are calculated as follows:

	<i>HK\$'000</i>
Nominal value of convertible bond issued	515,128
Equity component	<u>(149,228)</u>
Liability component	<u><u>365,900</u></u>

- (b) The convertible bonds recognised at initial recognition on 24 May 2013 are calculated as follows:

	<i>HK\$'000</i>
Nominal value of convertible bond issued	214,640
Equity component	<u>(155,795)</u>
Liability component	<u><u>58,845</u></u>

- (c) Movements of the liability component of the convertible bonds during the year are as follows:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
At 1 January	<b>42,070</b>	39,304
Liability component on initial recognition ( <i>note b</i> )	<b>58,845</b>	–
Conversion of convertible bonds	<b>(82,440)</b>	–
Interest expense	<b>4,209</b>	3,026
Interest payable	<b>(64)</b>	(260)
	<u><u><b>22,620</b></u></u>	<u><u>42,070</u></u>
At 31 December		

## 16 LOANS FROM A SHAREHOLDER

At 31 December 2012, the Group had loan balances of HK\$14,640,000 from Mr. Cheng Keung Fai (“Mr. Cheng”), a controlling shareholder of the Company, which were unsecured, bore interest at 1% per annum and were repayable on or before April 2013, but contained a repayment on demand clause. The outstanding balances were fully settled during the year.

## 17 LITIGATION

On 9 July 2012, a summon was served on 成都中發黃河實業有限公司 (Chengdu Zhongfa Real Estate Development Co. Ltd.) (“Chengdu Zhongfa”), an indirect wholly-owned subsidiary of the Company, as one of the defendants in a civil complaint issued by 四川民族飯店 (the “Plaintiff”). The Plaintiff alleged that 中國中小企業投資有限公司, 成都弘易地產有限責任公司 and Chengdu Zhongfa (together, the “Defendants”) colluded with each other to cheat the Plaintiff of certain land use rights in the PRC, which forms part of the Group’s investment property, by certain contracts made in 1995, 1997 and 2003. The Plaintiff petitioned the Higher People’s Court of Sichuan Province (the “Court”) to declare all those contracts void, to return the land use rights to the Plaintiff and to award damages and costs in favour of the Plaintiff. The Directors have appointed an external PRC lawyer to provide legal advice and handle this matter. The Defendants appeared before the Court on 20 September 2012 and the Court’s judgement was not made up to the date of approval of these financial statements. Management, after taking legal advice from the lawyer and based on the latest information obtained, is of the opinion that the legal proceeding is ongoing and it is not probable to assess the outcome of the case at this stage. Management does not anticipate that any material liabilities will arise from the outcome of this litigation and there would be no material impact to the financial position nor consolidated financial statements of the Group for the years ended 31 December 2012 and 2013.

## 18 EVENTS AFTER THE REPORTING PERIOD

- (a) On 5 March 2014, the Company completed placing of 214,200,000 ordinary shares of HK\$0.01 each to independent parties of the Company at the placing price of HK\$0.56 per placing share. On the same date the Company issued warrants to the placees at nil consideration conferring the rights to subscribe for up to an aggregate of 7,933,333 warrant shares at the subscription price of HK\$0.70 per warrant share. The warrants will be issued to the placees on the basis of 1 warrant to 27 placing shares.
- (b) On 15 March 2014, the Company entered into an amended and restated subscription agreement originally dated 18 September 2013 in respect of the issue of the 20% guaranteed secured notes in the combined amount of up to a maximum principal amount of USD80,000,000.
- (c) On 17 March 2014, a Company's subsidiary entered into an entrusted loan agreement with a PRC bank, obtaining a 1 year term loan amounting to RMB250,000,000 which is interest bearing at the market rate. Under the loan agreement, the borrowing was secured by the newly acquired land suited in Xiangtan, Hunan, for the residential development project and guaranteed by a shareholder, Mr. Cheng and related parties.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2013, the Group continued to stay focused on property development and investment business in the PRC whilst maintaining its film production and related business.

### Financial Highlights

For the year ended 31 December 2013, the Group recorded a turnover of approximately HK\$26,801,000, accounting for a decrease of 23.0% compared to the turnover of HK\$34,813,000 last year.

For the year under review, turnover from property rental contributed approximately HK\$21,187,000 (2012: HK\$13,926,000). Meanwhile, film production and distribution, and film processing business income accounted for approximately 20.9% of the total turnover, amounted to approximately HK\$3,235,000 (2012: HK\$13,475,000) and HK\$2,379,000 (2012: HK\$7,412,000) respectively.

Loss attributed to shareholders was HK\$65,576,000 (2012: loss of HK\$17,422,000) due to operating loss attributed from (i) the expenses of property and hotel development; (ii) loss from film processing business; (iii) share-based payments recognised resulting from the grant of shares under the Group's share option scheme adopted in 2013 and (iv) impairment loss in the fair value of the Group's investment property as at 31 December 2013.

Basic loss per share was HK\$6.84 cent (2012: loss of HK\$2.96 cents). The Board does not recommend dividend payout for the year ended 31 December 2013 (2012: nil). As at 31 December 2013, cash on hand was approximately HK\$163,161,000 (2012: HK\$66,089,000).

### Issue of Notes

On 18 September 2013, the Company as issuer entered into a note subscription agreement (the "Note Subscription Agreement") with Sunny Glory Investments Limited as the subscriber and Mr. Cheng as the guarantor for the issue of the 20.00% guaranteed secured notes in the combined amount of up to a maximum principal amount of USD80,000,000 (the "Note") by two tranches. The Note Subscription Agreement (as amended by a supplemental agreement dated 10 February 2014) was further amended by the parties thereto on 15 March 2014 by entering into the Amended and Restated Subscription Agreement. The Amended and Restated Subscription Agreement replaces and supersedes the Note Subscription Agreement and all previous amendments thereto. The material changes reflected in the Amended and Restated Subscription Agreement include, among others, dividing the Note into three tranches instead of two; removing the requirement of entry into an onshore loan by the Company as one of the conditions precedent to the Note Subscription Agreement; and relaxing restriction on certain undertakings of the Company.

Pursuant to the Amended and Restated Subscription Agreement, the Company has undertaken to apply the proceeds from the issue of the Note as to 60% to real estate related projects and as to 40% to as general working capital of the Group. For further details of the Note Subscription Agreement and the Amended Restated Subscription Agreement, please refer to the Company's announcements dated 18 September 2013, 10 February 2014 and 15 March 2014 respectively.

## **Business review**

The Group is principally engaged in property and hotel development and investment in the PRC as well as film production and related businesses.

### ***Property and hotel development and Investment Business***

#### *Property and hotel development*

For the year ended 31 December 2013, the property and hotel development business was at a loss of HK\$6,418,000 before tax (2012: loss of HK\$4,590,000).

The Group started to shift its primary business to property development since 2010 after acquiring the entire interest of Hunan Jiuhua International City Development Construction Company Limited (“Jiuhua”). At present, it is developing a land sized approximately 325,989 square meters into a five-star hotel and low-density residential units located in Jiuhua Economic Zone, Xiangtan, Hunan. The project that is under construction renamed as “湘江國際公館” (Xiang Jiang Guo Ji Gong Guan\*) is consisted of two parts. Part one is a five-star hotel with approximately 350 rooms and with a total floor area of approximately 78,000 square meters. The hotel will provide the guests with an exclusive accommodation experience for it is well equipped with convention and entertainment facilities. The hotel is expected to be launched by the end of 2014 with fully completion of the building works and interior decoration. The other part is residential development. The property is mainly targeting at affluent class of Hunan Province, and is expected to commence pre-sale in the fourth quarter of 2014. The opening of two roads “Binjiang Road” (濱江路) and “Jiuhua Avenue” (九華大道) lying beside the land enhances the edges to convenience of the property for only 20-minute drive to Changsha, the provincial capital city of Hunan Province.

#### *Property rental*

For the year ended 31 December 2013, the property rental revenue was approximately HK\$21,187,000 (2012: HK\$13,926,000), accounting for an increase of approximately 52.1%. It was contributed from a tenant operating a renowned supermarket moved in June 2012.

The property rental provides steady income stream to the Group as well as preserves management cost for the maintaining of the investment property in the coming years. Moreover, the Group will keep on looking for high quality commercial property for investment purpose, with an aim to ensure sustainable growth in the Group’s rental income and further to optimize its sustainability in profitability.

## ***Film Related Business***

### *Film Production and distribution*

During the period under review, the film production *and distribution* business was operated at a loss before tax of HK\$11,992,000 (2012:HK\$27,752,000), representing a decrease of approximately 56.8%. However, upon the release of the 3D Monkey King in Chinese New Year of 2014, it was expected it will bring significant profit contribution into the film production business. “The Monkey King”, a cinematic rendition of Wu Cheng’en’s 16th-century epic tale Journey to the West, has been well received by market for grossing RMB400 million within four days of its opening in the PRC. Its top-notch 3D animation, beautiful illustration and the film’s star-studded cast are believed to play important role in its popularity. It has broken 19 film records in Chinese film history and ranks one of three films that exceeds RMB1 billion box office in the PRC. As the film was released internationally, it will generate profit for the film production and distribution business globally. The respective profit contribution from this film will be expected to reflect in our annual results of 2014.

### *Film Processing*

During the period under review, the film processing business was operated at a loss before tax of HK\$3,864,000 (2012:HK\$6,176,000), representing a decrease of approximately 37.4%. It is mainly due to the digitalization of the film industry and the rise of material cost. In order to keep up with the industry trend, the Group paves its way to digitalization by purchasing digital equipment. Meanwhile, the relocation of film processing factory to a self-owned property will be completed in 2014 and the management will adopt other measures for the purpose of cost control.

## **Prospects**

The central government of PRC put forward a series of new policies in its work report in 2014. Instead of committing to “regulate property price” or “regulate property market, the central government will “regulate differently in different cities in light of local conditions”, which indicates that China will curb housing demand for speculation purpose in the first or second tier cities but encourage and promote sustained and healthy property development in the third or fourth tier cities in the next ten years. This has provided a favorable policy environment for property development in middle-sized cities. Additionally, because of urbanization and the revision of Family Planning Policy, China will embrace “Golden Decade of Real Estate” in the coming years for a new round of population growth and increasing rigid housing demand. Thus, the Group will strive to seize every opportunity to expand property development business, especially in Xiangtan and other second or third tier cities.



Xiangtan City, situated in the heart of Hunan Province, together with Changsha City and Zhuzhou City, are called “Chang-Zhu-Tan City Group” and regarded as the core growth pole of Central China. Thus, a sustainable, promising and competitive industrial chain will be formed with the introduction of a number of leading enterprises. The Group purchased another 240 mu land adjacent to the existing land in October 2013. The newly-acquired land is initially planned for residential and commercial use. As at the date of this announcement, the land use certificates were obtained and the blueprint plan is not being drawn up, the development of the land will commence in the close near future, which demonstrates huge potential to deliver optimum returns to our shareholders.

Looking ahead, the Group will continue to identify promising development projects to accumulate land bank. In addition, we will continue to put tremendous effort in responding to market challenges to maximize shareholders’ interests and maintain a healthy balance sheet with stable cash flow.

### **Dividend**

The Directors do not recommend payment of a final dividend for the year ended 31 December 2013 (2012: nil).

### **Liquidity and financial resources**

At 31 December 2013, the Group’s total equity amounted to HK\$1,506,140,000 (2012: HK\$1,228,520,000). The gearing ratio based on interest-bearing bank and other borrowings, loans from a shareholder, obligations under finance leases and convertible bonds over total equity was 0.249 (2012: 0.187).

Net current assets was HK\$851,942,000 (2012: HK\$591,067,000) and current assets was HK\$1,282,068,000 (2012: HK\$678,863,000). Current liabilities were HK\$430,126,000 (2012: HK\$87,796,000), representing a current ratio based on current assets over current liabilities of 2.98 (2012: 7.73).

At 31 December 2013, the Group had cash and bank balances of HK\$163,161,000 (2012: HK\$66,089,000).

### **Borrowing and banking facilities**

At 31 December 2013, the Group had outstanding borrowings from banks and others and convertible bonds were HK\$375,101,000 (2012: HK\$229,255,000).

### **Hedging**

At 31 December 2013, no financial instruments were used for hedging (2012: Nil).

## **Charges on group assets**

At 31 December 2013, the Group's bank borrowings of HK\$315,936,000 (2012: HK\$135,435,000) were secured by the Group's land use right with net carrying amount of HK\$317,548,000 (2012: HK\$317,856,000) and the Group's current bank borrowings of HK\$1,240,000 (2012: HK\$1,430,000) were secured by the Group's leasehold land and buildings with net carrying amount of HK\$754,000 (2012: HK\$782,000) and motor vehicles with a net carrying amount of HK\$4,986,000 (2012: HK\$6,724,000).

## **Material litigation**

Save for those disclosed in note 17, the Group had no material litigation or arbitration.

## **Employees and remuneration policies**

Staff costs for the year ended 31 December 2013 were HK\$59,752,000 (2012: HK\$15,083,000). The significant increase was mainly due to the share-based compensation recognised amounting to HK\$46,438,000 granted to certain directors and employees. The Group employed a workforce of 67 staff members (2012: 56 staff members) as at the end of 2013. Among the 67 staff members, 16 staff members were in the film processing department. Salaries of employees were maintained at competitive levels while bonuses were granted on a discretionary basis.

## **Exposure of foreign exchange**

The Group's asset and liabilities are mainly denominated in Hong Kong Dollars, US Dollars and Renminbi. There is no significant exposure to the fluctuation of foreign exchange rate, but the Group will closely monitor the market and make appropriate adjustment and measures when necessary.

## **Capital expenditures**

For the year ended 31 December 2013, the Group's capital expenditure were HK\$136,520,000 (2012: HK\$38,794,000).

## **Purchase, redemption or sale of listed securities of the Company**

During the year under review, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

## **Compliance with the Code on corporate governance practices of the listing rules**

During the year ended 31 December 2013, the Company had complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange with the exceptions denoted hereunder.

According to the code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings of the Company. Due to other pre-arranged business engagement, Mr. Chu To, Jonathan, an independent non-executive Director, was unable to attend the special general meeting of the Company held on 2 September 2013.

Under the code provision F.1.1 of the Code, the Company engages Mr. Chan Chun Fat as its company secretary. Mr. Chan is a practicing solicitor and in performing his duties as the company secretary of the Company, he reports to the Board and maintains contacts with the chief executive officer of the Company.

### **Audit committee**

The audit committee of the Company has met with the external auditor of the Company, Messrs. PricewaterhouseCoopers, to review the accounting principles and practices adopted by the Group and the consolidated results of the Group for the year ended 31 December 2013, and is of the opinion that the consolidated results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made. The audit committee is composed of three independent non-executive Directors, Mr. Tang Ping Sum, Mr. Tsui Pui Hung and Mr. Chu To, Jonathan. The chairman of the audit committee, Mr. Tang, has professional qualifications and experience in financial matters.

### **Publication of detailed annual results on the Stock Exchange's website**

All the financial and other related information of the Company required by the Listing Rules will be published on the Stock Exchange's website in due course.

### **Acknowledgement**

On behalf of the Board, I would like to extend our sincere gratitude to all management and staff members for their diligence, dedication and contribution as well as the unceasing support from our business partners, bankers, and the Group's shareholders. In the years to come, we will continue to strive for business growth and seize opportunities to bring largest returns to our shareholders.

By order of the Board  
**Cheung Wo International Holdings Limited**  
**Jin Lei**  
*Chairman*

Hong Kong, 27 March 2014

*As at the date of this announcement, the Board comprises six Directors. The executive Directors are Mr. Jin Lei (Chairman), Ms. Law Kee, Alice (Chief Executive Officer), Mr. Hui Wai Lee, Willy; and the independent non-executive Directors are Mr. Tsui Pui Hung, Mr. Tang Ping Sum and Mr. Chu To, Jonathan.*

\* *For identification purpose only*