

Appendix B

Appendix B: Kong Hing Trading Limited
Management Accounts at 30 June 2010 - Quarter 3 (Q3)

Revenue	HK\$'000			Year to date (Oct '09 - Jun '10)		Full Year	
	Actual year to date	Budget	Variance	Forecast at end Q3	Budget	Variance	
Sales under "buy-sell" agreements	75,774	78,665	-2,891	99,032	104,874	-5,842	
Agency Contracts and Commission	62,047	67,829	-5,782	82,578	89,792	-7,214	
Legal & Logistical services	16,400	17,471	-1,071	20,899	23,294	-2,395	
Marketing & special event services	10,154	11,947	-1,793	14,000	15,986	-1,986	
Total	164,375	175,912	-11,537	216,509	233,946	-17,437	
Cost of Goods sold	72,743	74,708	1,965	95,012	99,654	4,642	
Cost of services provided							
Directors and operational staff Salaries (incl taxes)	41,670	45,149	3,479	55,560	60,199	4,639	
Associated pension costs	2,083	2,256	173	2,778	3,010	232	
Directors and consultants bonus*	6,250	9,030	2,780	8,834	12,040	3,206	
Client marketing	22,951	20,741	-2,210	29,632	27,654	-1,978	
Other direct costs	6,521	6,117	-404	8,567	8,156	-411	
Total	79,475	83,293	3,818	105,371	111,059	5,688	
Gross profit	12,157	17,911	-5,754	16,126	23,233	-7,107	
Interest received	18	20	-2	26	30	-4	
Expenditure							
Salaries							
Support staff salaries (incl taxes)	3,100	4,132	1,032	4,100	5,510	1,410	
Associated pension costs	155	207	52	180	276	96	
Total	3,255	4,339	1,084	4,280	5,786	1,506	
Premises							
Warehouse rental	2,220	2,220	0	2,960	2,960	0	
Office Rentals	2,597	2,597	0	3,462	3,462	0	
Utilities	2,698	2,248	-450	3,597	2,997	-600	
Other premises expenses (incl mgmt fees)	838	685	-153	1,001	914	-87	
Total	8,353	7,750	-603	11,020	10,333	-687	
Other admin and operating costs	668	672	4	891	897	6	
Depreciation							
Causeway Bay office	578	578	0	771	771	0	
Plant and machinery	281	281	0	375	375	0	
Motor vehicles	360	360	0	480	480	0	
Furniture, fittings and equipment	24	24	0	32	32	0	
Total	1,243	1,243	0	1,658	1,658	0	
Bank charges and interest	273	54	-219	135	72	-63	
Total expenditure	13,792	14,058	266	17,984	18,746	762	
Total profit/(loss)	-1,617	3,873	5,490	-1,832	4,517	6,349	

* a 20% bonus is usually accrued on a quarterly basis for the purposes of management accounts, however due to the performance to Q3 this has been reduced to 15% for forecast purposes