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# SHK 新工投資有限公司 Hong Kong Industries Limited

(formerly known as Yu Ming Investments Limited)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

## 2009 INTERIM RESULTS ANNOUNCEMENT

### INTERIM RESULTS

The Board of Directors (the “Board”) of SHK Hong Kong Industries Limited (formerly known as Yu Ming Investments Limited) (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June, 2009 as set out below:

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2009

		<b>Unaudited</b>	
		<b>Six months ended 30th June,</b>	
	<i>Notes</i>	<b>2009</b>	<b>2008</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	3	12,221	8,818
<b>Other net income/(loss)</b>	4	221,318	(163,305)
<b>Administrative and other operating expenses</b>		<u>(28,042)</u>	<u>(10,996)</u>
<b>Operating profit/(loss)</b>		<b>205,497</b>	<b>(165,483)</b>
Finance costs	6	<u>(35)</u>	–
<b>Profit/(loss) before income tax</b>	7	<b>205,462</b>	<b>(165,483)</b>
Income tax expense	8	<u>–</u>	<u>–</u>
<b>Profit/(loss) for the period</b>		<u><b>205,462</b></u>	<u><b>(165,483)</b></u>
<b>Profit/(loss) for the period attributable to equity holders of the Company</b>		<u><b>205,462</b></u>	<u><b>(165,483)</b></u>
<b>Earnings/(loss) per share (HK cents)</b>	9		
– Basic		<u><b>7.96</b></u>	<u><b>(8.85)</b></u>
– Diluted		<u><b>7.86</b></u>	<u><b>N/A</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June, 2009

	Unaudited	
	Six months ended 30th June,	
	2009	2008
	HK\$'000	HK\$'000
Profit/(loss) for the period	205,462	(165,483)
<b>Other comprehensive income</b>		
Change in fair value of available-for-sale financial assets	35,240	(4,491)
Released on disposal of available-for-sale financial assets	<u>–</u>	<u>810</u>
Other comprehensive income for the period, net of tax	<u>35,240</u>	<u>(3,681)</u>
Total comprehensive income for the period	<u><b>240,702</b></u>	<u><b>(169,164)</b></u>
Total comprehensive income attributable to equity holders of the Company	<u><b>240,702</b></u>	<u><b>(169,164)</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June, 2009

	<i>Notes</i>	<b>Unaudited 30th June, 2009 HK\$'000</b>	<b>Audited 31st December, 2008 HK\$'000</b>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Available-for-sale financial assets	<i>11</i>	<b>310,544</b>	75,756
Held-to-maturity investments	<i>12</i>	<b>49,855</b>	7,648
		<b>360,399</b>	83,404
<b>Current assets</b>			
Trade and other receivables and prepayment	<i>13</i>	<b>49,593</b>	77,930
Financial assets at fair value through profit or loss	<i>14</i>	<b>478,610</b>	305,276
Other restricted deposit paid		–	20,049
Cash and cash equivalents		<b>253,089</b>	135,159
		<b>781,292</b>	538,414
<b>Current liabilities</b>			
Trade and other payables and accrued expenses	<i>15</i>	<b>21,441</b>	4,347
Borrowings		<b>52,043</b>	–
Financial liabilities at fair value through profit or loss	<i>16</i>	<b>46,175</b>	18,089
Taxation payable		<b>1,210</b>	1,210
		<b>120,869</b>	23,646
<b>Net current assets</b>		<b>660,423</b>	514,768
<b>Total assets less current liabilities</b>		<b>1,020,822</b>	598,172
<b>Net assets</b>		<b>1,020,822</b>	598,172
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>373,835</b>	186,917
Reserves		<b>646,987</b>	411,255
<b>Total equity</b>		<b>1,020,822</b>	598,172

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

SHK Hong Kong Industries Limited (formerly known as Yu Ming Investments Limited) (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of the Company’s registered office is Room 1901B, 19th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong and, its principal place of business is in Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Principal activities of the Company and its subsidiaries (the “Group”) include the investments in listed and unlisted financial instruments.

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies adopted in the interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2008, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include individual Hong Kong Financial Reporting Standards, HKAS and Interpretations) as disclosed below.

### **New and amended HKFRSs**

From 1st January, 2009, the Group has applied for the first time all the new and amended HKFRSs which are relevant to and effective to the Group’s financial statements for the annual financial period beginning on 1st January, 2009.

Other than as noted below, the adoption of these new and revised HKFRSs did not result in significant changes in the Group’s accounting policies.

### *HKAS 1 (Revised 2007) Presentation of financial statements*

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group’s assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 affects the presentation of changes in equity and introduces a “Statement of Comprehensive Income”. Comparatives have been restated to conform with the revised standard.

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>1</sup>
HKAS 39 (Amendment)	Eligible Hedged Item <sup>1</sup>
HKFRS 1 (Revised)	First-time Adoption of HKFRSs <sup>1</sup>
HKFRS 2 (Amendment)	Share-based Payment – Group Cash-settled Share-based Payment Transactions <sup>2</sup>
HKFRS 3 (Revised)	Business Combinations <sup>1</sup>
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners <sup>1</sup>
HK(IFRIC) – Int 18	Transfers of Assets from Customers <sup>3</sup>
Various	Annual Improvements to HKFRS 2009 <sup>4</sup>

Notes:

- <sup>1</sup> Effective for annual periods beginning on or after 1st July, 2009.
- <sup>2</sup> Effective for annual periods beginning on or after 1st January, 2010.
- <sup>3</sup> Effective for transfers received on or after 1st July, 2009.
- <sup>4</sup> Generally effective for annual periods beginning on or after 1st January, 2010 unless otherwise stated in the specific HKFRS.

### 3. REVENUE

The principal activities of the Group include the investments in listed and unlisted financial instruments.

	<b>Unaudited</b>	
	<b>Six months ended 30th June,</b>	
	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income from available-for-sale financial assets and held-to-maturity investments	<b>8,388</b>	–
Dividend income from listed financial instruments	<b>3,514</b>	4,016
Interest income from bank deposits	<b>319</b>	4,802
	<u><b>12,221</b></u>	<u>8,818</u>

### 4. OTHER NET INCOME/(LOSS)

	<b>Unaudited</b>	
	<b>Six months ended 30th June,</b>	
	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fair value gain/(loss) on financial assets/liabilities at fair value through profit or loss	<b>174,800</b>	(192,671)
Receipts on interests in Grand China Shares ( <i>Note</i> )	<b>50,000</b>	30,000
Loss on disposal/redemption of other available-for-sale financial assets	<b>(3,563)</b>	(793)
Sundry income	<b>81</b>	159
	<u><b>221,318</b></u>	<u>(163,305)</u>

Note:

On 15th April, 2008, a third party independent of the Group (the “Buyer”) entered into an agreement (“Grand China Agreement”) with a subsidiary of the Group, according to which the Buyer agreed to pay for the Group’s interests in the shares of Grand China Air Co., Ltd. (“Grand China Shares”) at a total consideration of HK\$110 million to that subsidiary. During the year ended 31st December, 2008, the Group received HK\$60 million non-refundable amount in cash from the Buyer and that amount was recognised as income in 2008. The Group received the remaining HK\$50 million balance payment in cash from the Buyer in April 2009. The amount is recognised as income in the unaudited condensed consolidated income statement during the period.

## 5. SEGMENT INFORMATION

Under HKFRS 8, reported segment information is based on internal management reporting information that is regularly reviewed by the Executive Directors. The Executive Directors assess segment profit or loss using a measure of operating profit. The measurement policies the Group uses for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

On adoption of HKFRS 8, based on the regular internal financial information reported to the Group's Executive Directors for their decisions about resources allocation to the Group's business components and review of these components' performance, the Group has identified only one operating segment, financial instruments investments. Accordingly, segment disclosures are not presented.

## 6. FINANCE COSTS

	<b>Unaudited</b>	
	<b>Six months ended 30th June,</b>	
	<b>2009</b>	<b>2008</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank borrowings wholly repayable within five years	<b>35</b>	–

## 7. PROFIT/(LOSS) BEFORE INCOME TAX

	<b>Unaudited</b>	
	<b>Six months ended 30th June,</b>	
	<b>2009</b>	<b>2008</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit/(loss) before income tax is arrived at after charging:		
Write-off of trade receivable	<b>18,008</b>	–
Employee benefit expenses (including Directors' emoluments)	<b>1,322</b>	1,471

## 8. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided for the six months ended 30th June, 2009 as the assessable profits of the Group were wholly offset by tax losses brought forward.

No Hong Kong profits tax has been provided for the six months ended 30th June, 2008 as the Group had no assessable profits.

## 9. EARNINGS/(LOSS) PER SHARE

### Basic

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company of approximately HK\$205,462,000 (2008: loss of approximately HK\$165,483,000) and on the weighted average of approximately 2,581,732,000 (2008: approximately 1,869,172,000) ordinary shares in issue during the period.

The calculation of basic and diluted earnings/(loss) per share attributable to the equity holders of the Company is based on the following:

	<b>Unaudited</b>	
	<b>Six months ended 30th June,</b>	
	<b>2009</b>	<b>2008</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Earnings/(loss)</b>		
Earnings/(loss) for the purpose of basic earnings/(loss) per share (profit/(loss) for the period attributable to equity holders of the Company)	<b>205,462</b>	(165,483)
Effect of dilutive potential ordinary shares:		
Adjustment to earnings in respect of the effect of dilutive potential ordinary shares arising from warrants of the Company	—	—
Earnings/(loss) for the purposes of diluted earnings/(loss) per share	<b><u>205,462</u></b>	<b><u>(165,483)</u></b>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<b>2,581,732</b>	1,869,172
Effect of dilutive potential ordinary shares for warrants	<b><u>32,887</u></b>	—
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<b><u>2,614,619</u></b>	<b><u>1,869,172</u></b>

#### **Diluted**

No diluted loss per share was calculated for the six months ended 30th June, 2008 as the exercise price of the Company's warrants was higher than the average market price of the Company's shares for the period.

#### **10. DIVIDENDS**

At a Board meeting held on 28th August, 2009, the Board of Directors resolved not to declare an interim dividend for the period (2008: Nil).

#### **11. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30th June,</b>	<b>31st December,</b>
	<b>2009</b>	<b>2008</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Listed equity and debt securities		
– in Hong Kong	<b>58,370</b>	28,375
– outside Hong Kong	<b><u>222,694</u></b>	<u>25,376</u>
Unlisted equity securities	<b>281,064</b>	53,751
	<b><u>29,480</u></b>	<u>22,005</u>
	<b><u>310,544</u></b>	<b><u>75,756</u></b>
Market value of listed equity and debt securities	<b><u>281,064</u></b>	<b><u>53,751</u></b>

## 12. HELD-TO-MATURITY INVESTMENTS

	<b>Unaudited 30th June, 2009 HK\$'000</b>	Audited 31st December, 2008 HK\$'000
Listed debt securities	<b>49,855</b>	7,648

## 13. TRADE AND OTHER RECEIVABLES AND PREPAYMENT

	<b>Unaudited 30th June, 2009 HK\$'000</b>	Audited 31st December, 2008 HK\$'000
Trade receivables	<b>20,339</b>	58,305
Other receivables	<b>28,504</b>	19,440
Prepayment	<b>750</b>	185
	<b>49,593</b>	77,930

The ageing analysis of the trade receivables, which are included in trade and other receivables and prepayment, was as follows:

	<b>Unaudited 30th June, 2009 HK\$'000</b>	Audited 31st December, 2008 HK\$'000
Within one year	<b>20,339</b>	58,305

For trade receivables, there are no specific credit terms granted and the Group allows a credit period up to the settlement dates of their respective transactions.

## 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>Unaudited 30th June, 2009 HK\$'000</b>	Audited 31st December, 2008 HK\$'000
Equity securities held for trading		
– listed in Hong Kong	<b>373,879</b>	228,565
– listed outside Hong Kong	<b>57,792</b>	56,336
Market value of listed equity securities	<b>431,671</b>	284,901
Unlisted structured financial products	–	14,168
Conversion options embedded in convertible bonds	<b>8,306</b>	3,483
Other derivative financial instruments		
– unlisted warrants	<b>38,529</b>	2,724
– equity forward contract	<b>104</b>	–
	<b>478,610</b>	305,276



The above financial assets are classified as held for trading.

Fair values for the listed equity securities have been determined by reference to their quoted bid prices at the balance sheet date.

## 15. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	<b>Unaudited 30th June, 2009 HK\$'000</b>	Audited 31st December, 2008 HK\$'000
Trade payables	15,909	–
Other payables and accrued expenses	5,532	4,347
	<u>21,441</u>	<u>4,347</u>

The ageing analysis of the trade payables, which are included in trade and other payables and accrued expenses, was as follows:

	<b>Unaudited 30th June, 2009 HK\$'000</b>	Audited 31st December, 2008 HK\$'000
Within one year	<u>15,909</u>	<u>–</u>

## 16. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>Unaudited 30th June, 2009 HK\$'000</b>	Audited 31st December, 2008 HK\$'000
Derivative financial instruments		
– call options embedded in bonds	46,175	–
– equity forward contracts	–	18,089
	<u>46,175</u>	<u>18,089</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group's major income for the six months ended 30th June, 2009 (the "2009 Interim Period") was derived from fair value gain on investments in financial instruments, balance payment received for the Group's interests in the shares of Grand China under Grand China Agreement, bond interest income and bank interest received.

The Group recorded a net profit of approximately HK\$205.5 million for the 2009 Interim Period as compared with a net loss of approximately HK\$165.5 million in 2008. The net profit was mainly appreciation of fair value of financial asset and liabilities of approximately HK\$148.6 million, compared to a revaluation loss of approximately HK\$208.6 million in 2008. In addition, the receipt of the final payment of HK\$50 million from the buyer of the share of Grand China also contributed to the net profit for the period.

The Group's net assets increased by 71% to HK\$1,020.8 million during 2009 Interim Period (or an increase of about 40% before the effect of the rights issue, compared to a 28% increase in Hang Seng Index, and a 39% increase in Hang Seng China Enterprises Index over the same period).

## INVESTMENT REVIEW

As at 30th June, 2009, the Group's major investments and their carrying value, other than its cash holding, were as follows:

<b>Investments</b>	<b>Description</b>
Listed Equities	HK\$469.4 million of a portfolio of 41 listed shares
Bonds	HK\$255.3 million of bonds issued by 14 companies listed in Hong Kong and overseas
Unlisted Warrants	HK\$38.5 million of 60,000 warrants in J. Bridge Corp., a company listed on the 2nd Section of Tokyo Stock Exchange
Investment Funds	HK\$29.5 million in two investment funds
Equity Forward Contract	HK\$0.1 million in one equity forward contract, the underlying stock of which is Bank of Communications Co., Ltd.

The Group's portfolio of investment comprises securities in Hong Kong, United States, Malaysia, Australia, Japan, Taiwan and China. The value of our portfolio increased significantly during the 2009 Interim Period in the rebound of the global stock market, especially the Hong Kong stock market in the second quarter.

Also, we have added significant investment in our bond portfolio in the first half, which saw an appreciation beyond our anticipation and some at an unjustified level. About HK\$49.9 million of our investment in bonds are treated as "held-to-maturity" investments, and therefore not marked to market. Had all the bonds been stated at market value as at 30th June, 2009, the value of our bond portfolio would have been HK\$260.7 million compared to cost of HK\$237.4 million.

In April 2009, the buyer of the shares of Grand China had paid the final balance of HK\$50 million.

Our investment in OCL remains fully impaired as the receivable of OCL remained at an alarmingly high level. As the first half of the year is usually the low season of cashmere garment business, OCL reported a loss in the first half.

## RIGHTS ISSUE AND BONUS WARRANTS

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 24th March, 2009, the Company raised net proceeds of approximately HK\$181.9 million by issuing 1,869,172,517 new shares of HK\$0.10 each of the Company and 373,834,503 bonus warrants of the Company (exercisable from 23rd April, 2009 to 22nd April, 2011) ("2011 Warrant") on 23rd April, 2009 by way of a rights issue to qualifying shareholders on the basis of one rights share for every one share held at the subscription price of HK\$0.10 per rights share and one 2011 Warrant (at an initial subscription price of HK\$0.10 per share) for every five rights shares taken up.

All the remaining bonus warrants of the Company issued in 2008 ("2009 Warrant") expired on 27th May, 2009. The holders of 2009 Warrants were entitled to subscribe in cash for one fully paid share at an initial subscription price of HK\$0.33 per share, subject to adjustment, at any time from 29th May, 2008 to 28th May, 2009.

## **PROSPECTS**

The global financial markets have recovered to our amazement, and economies worldwide have crossed the state of panic and the worst seems to be behind us. Though it is generally believed that financial markets can move independently from the real economies, we will remain cautious in the remaining half of 2009 before the real economies show any sign of strength and recovery.

During the last quarter of 2008 and first half of 2009, we continued to invest in corporate bonds issued by listed companies and the total cost was about HK\$237.4 million as at 30th June, 2009. Those bonds were expected to contribute a good return to the Group in the coming years.

Following the completion of rights issue in April 2009, the Group is in a strong position to make investments that offer attractive terms.

## **FINANCIAL POSITION**

As at 30th June, 2009, the Group had cash and cash equivalents of HK\$253.1 million and investments (including embedded options in contracts) of approximately HK\$792.8 million. During the 2009 Interim Period, bank borrowings denominated in British pound equivalent to approximately HK\$52.0 million had been taken out in order to reduce the Group's foreign exchange exposure due to bond investments in that currency. The Group is well positioned to explore further opportunities that are expected to generate better return for our shareholders.

## **FOREIGN EXCHANGE EXPOSURE**

As at 30th June, 2009, the majority of the Group's investments was either denominated in Hong Kong dollar or United States dollar. Exposures to currency exchange rates still arise as the Group has certain investments, which are primarily denominated in Japanese yen, Malaysian ringgit, Australian dollars, New Taiwan dollars, British pound and China yuan Renminbi. Other than the British-pound denominated bank loans, the Group at present does not have any contracts to hedge against its foreign exchange risks. Should the Group consider its exposure and fluctuation in foreign currency justify hedging, the Group may use forward or hedging contracts to reduce the risks.

## **INTERIM DIVIDEND**

The Board does not declare an interim dividend for the 2009 Interim Period (2008: Nil).

## **GUARANTEE**

The Company has given guarantees to financial institutions to secure borrowing facilities available to its wholly-owned subsidiaries in the amount not exceeding US\$20 million (as at 31st December, 2008: US\$20 million). There was no such guaranteed indebtedness outstanding as at 30th June, 2009 and 31st December, 2008.

## **STAFF COSTS**

The Group's total staff costs (including Directors' emoluments) for the 2009 Interim Period amounted to approximately HK\$1.3 million (2008: approximately HK\$1.5 million).

## **AUDIT COMMITTEE**

The Company has established an audit committee in accordance with rule 3.21 of the Listing Rules.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the interim report (including unaudited interim financial results for the six months ended 30th June, 2009). In carrying out this review, the audit committee has obtained explanations from management. At the request of the Directors, the Group's external auditors have carried out a review of the unaudited interim financial report in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has met with the code provisions of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Listing Rules, during the accounting period covered by the interim report except the following deviation:

### **Code provision A.2.1**

The code provision A.2.1 states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

After Mr. Lee Seng Hui resigned as Executive Director and the Chairman of the Board on 5th December, 2008, there was no Chairman of the Board and Mr. Warren Lee Wa Lun, then Managing Director of the Company, had to play the role of chairman at times of Board meetings and general meetings. On 16th March, 2009, Mr. Warren Lee Wa Lun was appointed as the Chairman of the Board and ceased to act as the Managing Director of the Company. Afterwards, the Company has not appointed an individual managing director. The Company is being managed by its investment manager, Yu Ming Investment Management Limited, pursuant to the terms of the written investment management agreement. This constitutes a deviation from the code provision A.2.1 of the CG Code up to 15th March, 2009.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the Code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the period.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES**

The Company has not redeemed 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.

By order of the Board  
**Warren Lee Wa Lun**  
*Chairman*

Hong Kong, 28th August, 2009

*As at the date of this announcement, the Executive Directors are Mr. Warren Lee Wa Lun (Chairman), Mr. Edwin Lo King Yau and Mr. Mark Wong Tai Chun; the Non-executive Directors are Mr. Arthur George Dew and Mr. Peter Lee Yip Wah; and the Independent Non-executive Directors are Mr. Ambrose So Shu Fai, Mr. Albert Ho and Ms. Lam Tak Yee.*