HUNG HING

HUNG HING PRINTING GROUP LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 0450)

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

The directors of Hung Hing Printing Group Limited ("the Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries ("the Group") for the six months ended 30 September 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 September	
		2008	2007
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
REVENUE	2	**2,207,706**	1,934,840
Cost of sales		**(1,815,816)**	(1,593,070)
Gross profit		**391,890**	341,770
Other income and gains		**38,398**	33,065
Distribution costs		**(50,194)**	(46,072)
Administrative and selling expenses		**(156,505)**	(131,434)
Write-down of inventories to net realisable value		**(11,432)**	-
Other expenses		**(7,705)**	(7,360)
		204,452	189,969
Fair value gain on derivative financial instruments not qualified as hedges, net	3	**103,422**	-
Fair value loss on structured borrowings, net	4	**(14,741)**	-
Fair value gain on derivative component of convertible bonds	5	**-**	10,200
Finance costs	6	**(43,968)**	(31,090)
Share of losses of an associate		**(213)**	-
PROFIT BEFORE TAX	7	**248,952**	169,079
Tax	8	**(27,295)**	(30,899)
PROFIT FOR THE PERIOD		**221,657**	138,180
ATTRIBUTABLE TO:			
Equity holders of the parent		**221,890**	124,795
Minority interests		**(233)**	13,385
		221,657	138,180
INTERIM DIVIDEND	9	**36,971**	45,059
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	10		
Basic		**HK 29.6 cents**	HK 20.8 cents

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**30 September 2008 (Unaudited) HK$'000**	31 March 2008 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,670,394**	1,619,897
Prepaid land lease payments		**150,468**	150,784
Goodwill		**3,041**	3,041
Interests in an associate		**1,347**	-
Available-for-sale investments		**11,810**	15,067
Properties under construction		**44,983**	40,844
Deferred tax assets		**6,140**	7,735
Total non-current assets		**1,888,183**	1,837,368
CURRENT ASSETS			
Inventories		**735,273**	855,800
Accounts and bills receivable	11	**1,168,173**	891,195
Prepayments, deposits and other receivables		**72,260**	61,398
Derivative financial instruments		**5,467**	5,389
Tax recoverable		**15,161**	8,264
Pledged time deposits		**327,011**	322,492
Cash and cash equivalents		**1,092,534**	811,310
Total current assets		**3,415,879**	2,955,848
CURRENT LIABILITIES			
Accounts and bills payable	12	**271,765**	264,133
Tax payable		**42,025**	19,360
Other payables and accrued liabilities		**207,211**	164,975
Derivative financial instruments		**4,762**	126,682
Structured borrowings		**-**	22,655
Convertible bonds		**-**	11
Interest-bearing bank and other borrowings		**658,317**	785,353
Total current liabilities		**1,184,080**	1,383,169
NET CURRENT ASSETS		**2,231,799**	1,572,679
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,119,982**	3,410,047
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**545,351**	893,485
Structured borrowings		**-**	42,163
Deferred tax liabilities		**38,564**	40,802
Total non-current liabilities		**583,915**	976,450
Net assets		**3,536,067**	2,433,597

EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	**92,428**	60,078
Reserves	**3,017,286**	1,981,389
Proposed dividend	**36,971**	9,243
	3,146,685	2,050,710
Minority interests	**389,382**	382,887
Total equity	**3,536,067**	2,433,597

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation and Accounting Policies

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure requirements as set out in Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rule"), and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in the annual financial statements for the year ended 31 March 2008, except that in relation to the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Finanical Reporting Standards, HKASs and Interpretations), which are effective for the Group's accounting periods beginning on or after 1 April 2008 and are adopted for the first time for the current period's financial statements.

The adoption of the new and revised HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated interim financial statements.

2. Segment Information

Business Segments

The principal activities of the Group consisted of the printing and manufacturing of paper and carton boxes, the manufacturing of paper, the manufacturing of corrugated cartons and the trading of paper.

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

An analysis by business segments is as follows:

	For the six months ended 30 September 2008			
	SEGMENT REVENUE			**SEGMENT RESULTS**
	Sales to external customers (Unaudited) HK'$000	**Inter-segment sales (Unaudited) HK'$000**	**Total sales (Unaudited) HK'$000**	**(Unaudited) HK'$000**
Paper and carton box printing and manufacturing	**1,196,143**	**34,301**	**1,230,444**	**132,070**
Paper manufacturing	**421,761**	**87,007**	**508,768**	**(36,375)**
Corrugated carton manufacturing	**342,170**	**102,696**	**444,866**	**52,583**
Paper trading	**247,632**	**204,074**	**451,706**	**48,616**
Eliminations	**-**	**(428,078)**	**(428,078)**	**3,686**
	2,207,706	**-**	**2,207,706**	**200,580**
Interest, dividend income and other gains				**15,397**
Corporate and unallocated expenses				**(11,525)**
				204,452
Fair value gain on derivative financial instruments not qualified as hedges, net				**103,422**
Fair value loss on structured borrowings, net				**(14,741)**
Fair value gain on derivative component of convertible bonds				**-**
Finance costs				**(43,968)**
Share of losses of an associate				**(213)**
Profit before tax				**248,952**
Tax				**(27,295)**
Profit for the period				**221,657**

	For the six months ended 30 September 2007			
	SEGMENT REVENUE			SEGMENT RESULTS
	Sales to external customers (Unaudited) HK'$000	Inter-segment sales (Unaudited) HK'$000	Total sales (Unaudited) HK'$000	(Unaudited) HK'$000
Paper and carton box printing and manufacturing	970,796	20,728	991,524	98,872
Paper manufacturing	394,197	92,168	486,365	26,487
Corrugated carton manufacturing	320,766	69,355	390,121	27,549
Paper trading	249,081	204,767	453,848	35,792
Eliminations	-	(387,018)	(387,018)	(1,662)
	1,934,840	-	1,934,840	187,038
Interest, dividend income and other gains				17,590
Corporate and unallocated expenses				(14,659)
				189,969

Fair value gain on derivative component of convertible bonds	10,200
Finance costs	(31,090)
Profit before tax	169,079
Tax	(30,899)
Profit for the period	138,180

Geographical Segments

In determining the Group's geographical segments, revenue are attributed to the segments based on the location of the customers.

An analysis of segment revenue by geographical segments is as follows:

	For the six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK'$000	HK'$000
Sales to external customers:		
Hong Kong	**678,645**	771,532
Mainland China	**856,080**	676,768
United Kingdom	**266,893**	232,460
Europe other than United Kingdom	**107,560**	46,918
United States of America	**191,824**	139,513
Others	**106,704**	67,649
	2,207,706	1,934,840

3. Fair Value Gain On Derivative Financial Instruments Not Qualified As Hedges, Net

The Group has entered into various forward currency contracts and structured forward currency contracts to manage its exchange rate exposures which did not meet the criteria for hedge accounting. The net fair value gain on non-hedging currency derivatives amounting to HK$103,422,000 were credited to the consolidated income statement during the period (2007: loss of HK$3,982,000) (Note 7).

4. Fair Value Loss On Structured Borrowings, Net

The structured borrowings, which contain embedded derivatives, are managed in accordance with documented risk management and are evaluated on fair value basis. The embedded derivatives are closely related to the host contracts, and hence the contracts were designated as financial liabilities at fair value through profit and loss upon initial recognition. The net fair value loss amounting to HK$14,741,000 was charged to the income statement upon termination of these structured borrowings contracts during the period (2007: gain of HK$1,494,000) (Note 7).

5. Fair Value Gain on Derivative Component of Convertible Bonds

On 29 March 2006, Greatest Joy Investments Limited, a subsidiary of the Company, issued five-year zero coupon guaranteed convertible bonds with a nominal value of HK$750,000,000. The net proceeds received from the issue of the convertible bonds have been split between the derivative and liability components. The derivative component is measured at fair value using an option pricing model and the change in fair value of that component is recognised in the income statement. During the period ended 30 September 2007, the share price of the Company decreased, the fair value of the derivative component of the convertible bonds decreased accordingly, resulting in a fair value gain of HK$10,200,000. As of 28 April 2008, all the outstanding convertible bonds were fully redeemed.

6. Finance Costs

	For the six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on convertible bonds	**-**	20,056
Interest on bank loans	**43,968**	11,034
	43,968	31,090

7. Profit Before Tax

The Group's profit before tax is arrived at after charging or crediting the following items:

	For the six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
After charging -		
Depreciation	**72,054**	66,225
Recognition of prepaid land lease payments	**2,049**	1,915
Employee benefits expenses (including directors' remuneration)	**326,707**	279,224
Fair value loss on derivative financial instruments not qualified as hedges, net (Note 3) *	**-**	3,982
Fair value loss on short-term note, net	**-**	979
Fair value loss on structured borrowings, net (Note 4) **	**14,741**	-
After crediting -		
Dividend income from available-for-sale investments	**208**	232
Gain on disposal of available-for-sale investments	**-**	225
Bank interest income	**14,849**	9,715
Fair value gains on derivative financial instruments not qualified as hedges, net (Note 3) *	**103,422**	-
Fair value gains on structured deposits, net	**-**	5,356
Fair value gains on structured borrowings, net (Note 4) **	**-**	1,494

* The net fair value gain on derivative financial instruments not qualified as hedges, for the period ended 30 September 2008 is separately presented on the face of the consolidated income statement since, in the opinion of the directors, it is individually significant. The comparative balance for the period ended 30 September 2007 was included in "Other expenses" on the face of the consolidated income statement.

** The net fair value loss on structured borrowings for the period ended 30 September 2008 is separately presented on the face of the consolidated income statement since, in the opinion of the directors, it is individually significant. The comparative balance for the period ended 30 September 2007 was included in "Other income and gains" on the face of the consolidated income statement.

8. Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

		For the six months ended 30 September	
		2008	2007
		(Unaudited)	(Unaudited)
		HK$'000	HK$'000
Current	- Hong Kong	**13,723**	7,252
	- Mainland China	**14,851**	16,627
Deferred tax		**(1,279)**	7,020
Total tax charge for the period		**27,295**	30,899

9. Interim Dividend

	For the six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interim dividend of HK4 cents (2007: HK7.5 cents) per ordinary share	**36,971**	45,059

10. Earnings Per Share Attributable to Equity Holders of the Parent

The calculation of basic earnings per share amount is based on the profit for the period attributable to equity holders of the parent of HK$221,890,000 (2007: HK$124,795,000) and the weighted average of 749,272,536 (2007: 600,780,529) shares in issue during the period.

Diluted earnings per share amount for the period ended 30 September 2008 has not been presented as there were no dilutive potential ordinary shares in existence during the period.

Diluted earnings per share amount for the period ended 30 September 2007 has not been presented as the convertible bonds had an anti-dilutive effect on the basic earnings per share for the period.

11. Accounts and Bills Receivable

The Group's trading terms with customers are mainly on credit. Invoices are normally payable between 30 to 90 days of issuance. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's accounts and bills receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Accounts and bills receivable are non-interest-bearing.

	30 September 2008 (Unaudited) HK$'000	31 March 2008 (Audited) HK$'000
Accounts receivable	**1,172,811**	818,911
Impairment	**(44,188)**	(38,746)
	1,128,623	780,165
Bills receivable	**39,550**	111,030
	1,168,173	891,195

An aged analysis of accounts receivable at the balance sheet date, based on invoice date and net of provision, is as follows:

	30 September 2008 (Unaudited) HK$'000	31 March 2008 (Audited) HK$'000
Within 30 days	**422,539**	355,498
31 to 60 days	**331,832**	158,898
61 to 90 days	**194,052**	139,143
Over 90 days	**180,200**	126,626
	1,128,623	780,165

The carrying amounts of the accounts and bills receivable approximate to their fair values.

12. Accounts and Bills Payable

An aged analysis of accounts and bills payable as at the balance sheet date, based on invoice date, is as follows :

	30 September 2008 (Unaudited) HK$'000	31 March 2008 (Audited) HK$'000
Within 30 days	**184,399**	184,073
31 to 60 days	**65,058**	55,491
61 to 90 days	**11,862**	11,294
Over 90 days	**10,446**	13,275
	271,765	264,133

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, Hung Hing delivered consistent performance despite challenging macro economic circumstances to achieve revenue growth of 14%.

The revenue growth was attributable to increase in business from both existing and new customers, particularly during the first quarter of the period under review. Revenue in the China domestic market grew more than 26%. Strong revenue growth of 129% was also recorded in the European markets excluding the UK.

The Group benefited from the involvement of its new investor, Asia Packaging Company Limited, not only through enhanced financial stability, but also strengthened management with the addition of new directors to the Board who are seasoned professionals in the financial and packaging industries.

During the period under review, the Group's performance was affected by several macro-economic factors. Oil price adjustments and continuous increases in labour cost impacted the industry as a whole. While the appreciation of the RMB further impacted export-oriented manufacturers in China, the Group was able to partially offset these cost increases by relocating certain labour-intensive processes to its new Heshan plant.

The Paper Manufacturing division was affected by increases in the cost of raw materials and coal prices, and oversupply as a result of new capacity in the market did not allow the division to raise prices. The drop in paper prices towards the end of September 2008 and the need to write down its inventory increased the division's operating loss to HK$36 million. However improved operating profits in other divisions from effective cost control and prudent inventory management helped the Group increase profit from operating activities by 8%.

In July 2008, all the Group's structured forward currency contracts and structured borrowings have either expired or been terminated. Together with certain forward currency contracts which remained at their open position, the Group recognized an aggregate fair value gain of HK$89 million.

With the inclusion of this gain**,** profit for the period increased 60% to HK$222 million. Net profit attributable to equity holders of the parent increased 78% to HK$222 million. Earnings per share increased 42% to HK 29.6 cents.

The Board of Directors has declared an interim dividend of HK 4 cents per share.

Continued diversification to offset economic uncertainty

In anticipation of volatility in a number of world markets, Hung Hing continued to pursue its policy of diversification. During the period under review, the Group made progress in expanding its product range, customer base and geographic sales coverage.

Products
The Group expanded into a new product area as a result of its joint venture with Graphic Packaging International Japan Limited in March 2008. The joint venture, based in Shanghai, provides multi-pack beverage packages and packing machines for beverage companies in China. The venture started operations during the period under review and has already secured business within the target customer base.

Customer base
With the robust economy in China driving demand for high quality paper and packaging products, the Group adjusted its emphasis from export markets to the domestic market. The Group secured a number of brand-name customers in the domestic market during the period under review. The Group also made further inroads into the information technology and electronics sectors, apart from its traditional areas such as toys, and food and beverage.

Geographic markets
The Group continued to expand its geographic reach beyond its traditional markets of the US and UK. It made satisfactory progress in Europe, where ex-UK revenues increased by 129%. As a result of its aggressive marketing efforts in Europe, the Group secured incremental business in new markets such as Russia, Belgium, Spain and Portugal.

Paper and Carton Box Printing and Manufacturing

The Group's largest division successfully diversified its geographical markets during the period under review. Increases in business from both existing and new customers increased revenue and operating profit respectively by 23% and 34%. There was strong demand for the Group's packaging products from brand-name customers in the food and beverage as well as the electronics sector in the domestic market, while continued demand for children books and greeting cards drove growth in the export market.

The division also benefited from industry consolidation which, apart from easing pricing pressure, drew more orders as customers turned to reliable suppliers like Hung Hing.

The Heshan plant continued to grow, increasing the number of workers employed to 2,500. The Wuxi plant is now in its fifth year of operations with 1,200 workers and achieved an increase in operating profit of 98% as a result of growth in export as well as domestic sales. The two plants will continue to grow and play a key role in the Group's efforts to address the growing demand within China and overseas markets.

Paper Manufacturing

The Group's paper manufacturing division increased its revenues by 7% but was impacted by adjustments in the prices of waste paper and coal. Increased production capacity, particularly in the Pearl River Delta region led to intensified competition and lower prices. In addition, the division wrote down its inventory by HK$11 million. As a result, the division incurred an operating loss of HK$36 million, compared with an operating profit of HK$26 million for the same period last year.

Due to downward adjustments in waste paper and coal prices towards the end of September 2008 it is expected that raw materials costs will decline in the upcoming financial period. However given the lag effect of waste paper, the major raw material for paper manufacturing, already on order and in transit, the division's margins are not expected to improve until late in the second half.

Corrugated Carton Manufacturing

This division took advantage of increases in intra-group sales as well as domestic demand, particularly for colored cartons, to increase revenue and operating profit by 7% and 91% respectively.

The sector continued to mature and consolidation eased the previously intense competition and pricing pressure, allowing the division to pass on some of the paper price increases to its customers. Under the Group's diversification strategy, the division achieved more sales from new market segments such as information technology, office equipment and household products where the emphasis on quality helped increase the division's sales.

Paper Trading

The division benefited from global paper price adjustments and prudent inventory strategies to achieve steady revenue and an increase in operating profit of 36%.

The Group continued its strategy of maintaining a broad range of paper to offer wider choice to customers, but focused its efforts more on high-value items such as wood-free paper, art paper and ivory board which offered better margins. Increased demand from the Group's printing division also helped increase the division's operating profits.

With the decline of paper prices and demand over the immediate term, the division continues to pursue a prudent inventory policy to maintain stocks at optimal levels. To pre-empt any potential issues relating to bad debts driven by the challenging economic situation ahead, the division has adopted a cautious sales strategy.

Environmental achievements

Despite challenging economic times the Group continues to invest in and pursue sustainable business practices. For example, at the Shenzhen plant, further investment was made in energy saving techniques including the installation of an air compressor regulator which can save 110,000kwh of electricity per year. The Group is also installing an air purifier at the Zhongshan paper mill to ensure that emissions remain far below the levels required by national legislative standards.

Liquidity and Capital Resources

The Group continued its capital investment program and invested a total of HK$108 million in its plants and machinery, including installation of a book binding production line and the construction of a warehouse at the Group's Heshan plant. In the context of the expected global financial downturn, the Group has reviewed its capital expenditure plan downwards for the second half of the year.

In July 2008 the Group completed the issue of new shares to a new investor Asia Packaging Company Limited. This helped raise fund of HK$867 million and enlarged the capital base of the Group. Part of the proceeds had been used to repay bank loans. During the period under review, the Group had a net loan repayment including the termination of structured borrowings of HK$555 million.

As at 30 September the Group had total bank borrowings of HK$1,204 million, of which HK$658 million was repayable within one year and HK$546 million was repayable within two to five years. Of the Group's total bank borrowings, 73% was borrowed in Hong Kong dollars, 21% in U.S. dollars and 6% in Renminbi.

Tightened liquidity in mainland China increased the borrowing cost of the Group's subsidiaries there during the period under review. Together with charges arising from the early repayment of the Group's U.S. dollar term loan, finance costs increased 41% to HK$44 million.

At 30 September 2008 the Group had total cash on hand (including pledged time deposits) of HK$1,420 million, of which HK$1,246 million was placed in bank deposits. Of the total cash on hand, 49% was in Hong Kong dollars, 40% in Renminbi and 11% in U.S. dollars.

Net cash (cash on hand net of total debt) totaled HK$216 million. The Group's financial position is sound and healthy. It has sufficient funds to meet its working capital and capital expenditure requirements.

Contingent Liabilities and Pledge of Assets

As at 30 September 2008, guarantees amounting to HK$1,742 million were given to banks by the Company for banking and trading facilities granted to the Group's subsidiaries and an associate.

Certain buildings, plant and machinery, prepaid land lease payments and time deposits of the Group with a total carrying value of HK$468 million as at 30 September 2008 have been pledged to secure banking facilities granted to the Group.

Employees

As at 30 September 2008, the Group employed a total of 17,111 people in Hong Kong and China with 390 based in Hong Kong and 16,721 in China. During the period under review the Group continued to provide its employees with a competitive remuneration package, as well as career development opportunities. The Group continues to offer regular training to motivate staff and enhance their skills and facilitate further career development.

Prospects

The challenging macro-economic situation will affect all participants in the sector and time will be required to rebuild confidence in the market. The Group will not be immune to the expected global economic downturn. In addition, the second half is traditionally a low season with fewer orders. Given these adverse factors, we expect the Group's performance will be significantly weaker in the second half of the fiscal year. We will focus on increasing productivity and cost controls to address the challenges ahead.

INTERIM DIVIDEND

The directors have resolved to pay an interim dividend of HK4 cents (2007 : HK7.5 cents) per share. The interim dividend will be paid on 21 January 2009 to shareholders whose names appear on the Register of Members of the Company on 9 January 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 January 2009 to 9 January 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 6 January 2009.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim results, with the exception that under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company's articles of association.

Following the resignation of Mr. Wong Siu Ping as an independent non-executive director and a member of the audit committee of the Company with effect from 28 July 2008, the Company had two independent non-executive directors, which fell below the minimum number of three independent non-executive directors as required under Rule 3.10(1) of the Listing Rule and also the audit committee members did not have the appropriate accounting expertise as required under Rule 3.21 of the Listing Rule. Mr. Luk Koon Hoo has been appointed as an independent non-executive director and a member of the audit committee of the Company to fill the vacancy with effect from 15 August 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the interim results.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors and a non-executive director of the Company.

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the unaudited financial consolidated accounts of the Company for the period ended 30 September 2008.

REMUNERATION COMMITTEE

To comply with the CG Code, a remuneration committee was established with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises three independent non-executive directors, Mr. Yip Yu Bun, Mr. Yap, Alfred Donald and Mr. Luk Koon Hoo and a non-executive director, Mr. Lam Tsz Wang, Alvin .

By Order of the Board
Peter Martin Springford
Chairman

Hong Kong, 16 December 2008

As at the date of this announcement, the Board comprises Mr. Yum Chak Ming, Matthew, Mr. Yam Ho Ming, Michael and Mr. Sung Chee Keung as executive directors; Mr. Peter Martin Springford, Mr. David Murray Lonie, Mr. Ho Chi Kit, and Mr. Lam Tsz Wang, Alvin as non-executive directors; Mr. Yip Yu Bun, Mr. Yap, Alfred Donald and Mr. Luk Koon Hoo as independent non-executive directors.