瀋陽公用發展股份有限公司

Shenyang Public Utility Holdings Company Limited

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 747)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL HIGHLIGHTS

- Turnover for the year ended 31 December 2009 was approximately RMB3,651,000, representing a decrease of 90.78% as compared with last year. The decrease was attributable to the fact that basically no new sales income from properties sales was recognized in 2009 while sales income from properties sales arising from prior years was recognized in 2008.

- Loss attributable to owners of the Company for the year ended 31 December 2009 was approximately RMB14,974,000.

- Loss per share has substantially narrowed from RMB4.76 cents for the year ended 31 December 2008 to RMB1.47 cents for the year ended 31 December 2009.

- The Board resolved that no dividend would be declared for the year ended 31 December 2009.

- Trading in the H shares of the Company has been suspended since 15 December 2004 and has resumed at 9:30 a.m. on 1 April 2010.

The board of directors (the "Board") of Shenyang Public Utility Holdings Company Limited (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2009 (the "Year"), which have been reviewed by the Audit Committee of the Company.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2009

	Notes	**2009** *RMB'000*	2008 *RMB'000* (restated)
Turnover	*5*	**3,651**	39,617
Sales taxes on turnover		**(198)**	(2,179)
Cost of sales		**(149)**	(40,237)
Other income		**805**	16,329
Gain on disposal of subsidiaries		**–**	204,123
Gain on disposal of an associate		**400**	–
Gain (loss) on disposal of property, plant and equipment		**195**	(851)
Depreciation of property, plant and equipment		**(1,716)**	(2,061)
Staff costs		**(2,429)**	(4,359)
Impairment loss recognised in respect of available-for-sale financial assets		**(3,000)**	–
Net change in fair value of investment properties		**(2,000)**	(483)
Impairment loss recognised in respect of other receivables		**(561)**	(4,034)
Impairment loss recognised in respect of properties held for sale		**–**	(216,438)
Impairment loss recognised in respect of investment in an associate		**–**	(200)
Other operating expenses		**(9,928)**	(20,686)
Finance costs	*7*	**(798)**	(17,876)
Loss before taxation	*8*	**(15,728)**	(49,335)
Income tax credit (expenses)	*9*	**300**	(73)
Loss for the year		**(15,428)**	(49,408)
Loss for the year attributable to:			
Owners of the Company		**(14,974)**	(48,553)
Non-controlling interests		**(454)**	(855)
		(15,428)	(49,408)
Loss per share	*11*		
– Basic (cents)		**(1.47)**	(4.76)
– Diluted (cents)		**N/A**	N/A
Dividends	*10*	**–**	–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009 *RMB'000*	2008 *RMB'000* (restated)
Loss for the year	**(15,428)**	(49,408)
Other comprehensive loss		
Exchange differences arising on translation	**–**	–
Total comprehensive loss for the year	**(15,428)**	(49,408)
Total comprehensive loss attributable to:		
Owners of the Company	**(14,974)**	(48,553)
Non-controlling interests	**(454)**	(855)
	(15,428)	(49,408)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2009

	Notes	At 31 December 2009 RMB'000	At 31 December 2008 RMB'000 (restated)	At 1 January 2008 RMB'000 (restated)
NON-CURRENT ASSETS				
Goodwill	12	**–**	–	–
Property, plant and equipment		**5,674**	7,256	133,227
Investment properties		**307,520**	298,000	297,000
Prepaid lease payments on land use rights		**–**	–	86,752
Available-for-sale financial assets		**17,000**	20,000	20,000
Investment in an associate		**–**	–	–
Other long term receivables		**–**	32,745	–
		330,194	358,001	536,979
CURRENT ASSETS				
Prepaid lease payments on land use rights		**–**	–	2,564
Properties held for sale		**193,941**	205,735	484,987
Inventories		**–**	–	341
Trade receivables	13	**–**	–	–
Amount due from a former customer		**–**	–	–
Amount due from a former controlling shareholder		**–**	–	54,268
Prepayments		**2,000**	1,572	3,039
Other receivables		**36,731**	80,692	31,914
Bank balances and cash		**23,536**	6,803	4,478
		256,208	294,802	581,591
CURRENT LIABILITIES				
Trade payables	14	**5,735**	5,875	43,080
Other payables and accruals		**40,521**	33,333	412,989
Receipts in advance		**13,708**	12,759	44,089
Provision for potential liabilities		**1,041**	1,041	2,043
Bank borrowings		**9,000**	14,000	62,000
Amount due to a former shareholder		**29,328**	–	–
		99,333	67,008	564,201
NET CURRENT ASSETS		**156,875**	227,794	17,390
TOTAL ASSETS LESS CURRENT LIABILITIES		**487,069**	585,795	554,369

		At 31 December		At 1 January
		2009	2008	2008
	Notes	***RMB'000***	*RMB'000*	*RMB'000*
			(restated)	(restated)
CAPITAL AND RESERVES				
Share capital		**1,020,400**	1,020,400	1,020,400
Reserves		**(590,297)**	(575,323)	(526,419)
Equity attributable to owners of the Company		**430,103**	445,077	493,981
Non-controlling interests		**39,574**	40,028	42,769
TOTAL EQUITY		**469,677**	485,105	536,750
NON-CURRENT LIABILITIES				
Deferred taxation		**17,392**	17,692	17,619
Other non-current liabilities		**–**	82,998	–
		17,392	100,690	17,619
		487,069	585,795	554,369

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Equity attributable to owners of the Company						
	Share capital *RMB'000*	Share premium *RMB'000* *(Note a)*	Statutory surplus reserve *RMB'000* *(Note b)*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 31 December 2007 as originally stated	1,020,400	323,258	103,582	(977,825)	469,415	34,357	503,772
Effect of change in accounting policies (Note 4)	–	–	–	24,566	24,566	8,412	32,978
At 1 January 2008 as restated	1,020,400	323,258	103,582	(953,259)	493,981	42,769	536,750
Loss for the year and total comprehensive loss for the year	–	–	–	(48,553)	(48,553)	(855)	(49,408)
Disposal of subsidiaries	–	–	(351)	–	(351)	(1,886)	(2,237)
At 31 December 2008 and 1 January 2009	1,020,400	323,258	103,231	(1,001,812)	445,077	40,028	485,105
Loss for the year and total comprehensive loss for the year	–	–	–	(14,974)	(14,974)	(454)	(15,428)
At 31 December 2009	1,020,400	323,258	103,231	(1,016,786)	430,103	39,574	469,677

Notes:

(a) Share Premium

Share premium comprises surplus between the value of net assets acquired and the nominal value of state shares issued as a result of the incorporation of the Company as a joint stock limited company and the share premium from the issuance of H shares.

(b) Statutory Surplus Reserve

The Group is required to set aside 10% of its profit after taxation prepared in accordance with the PRC accounting regulations to the statutory surplus reserve until the balance reaches 50% of their respective paid up capital or registered capital, where further appropriation will be at the directors' recommendation. Such reserve can be used to reduce any losses incurred or to increase the capital. As the Group recorded a loss for the year, no appropriation was made.

(c) Distributable Reserve

Pursuant to the relevant PRC regulations, distributable reserve shall be the lower of the accumulated distributable profits determined in accordance with PRC accounting standards and regulations as stated in the PRC statutory audited financial statements and the accumulated distributable profits determined in accordance with accounting principles generally accepted in Hong Kong. The Group did not have reserve available for distribution as at 31 December 2008 and 31 December 2009.

NOTES:

1. GENERAL INFORMATION

Shenyang Public Utility Holdings Company Limited (the "Company") is a joint stock limited company incorporated in the People's Republic of China (the "PRC"). The address of the principal place of business of the Company is 14/F, Jinmao International Apartment, Da Dong District, Shenyang, the PRC. The address of the registered office of the Company is No. 1-4, 20A, Central Street, Shenyang Economic and Technological Development Zone, the PRC.

Shenyang Public Utility Group Company Limited ("SPUG") ceased to be the controlling shareholder of the Company upon SPUG disposed all of its equity interest of the Company to Beijing Mingde Guangye Investment Consultant Company Limited ("Beijing Mingde") on 20 March 2009 and Beijing Mingde became the controlling shareholder of the Company thereafter. Both SPUG and Beijing Mingde are limited company incorporated in the PRC. Detail of the shareholder change had been set out under the section of significant events to this announcement.

The consolidated financial statements are presented in Renminbi ("RMB") which is the same as functional currency of the Company and its subsidiaries (collectively known as the "Group").

The Company is an investment holding company and the principal activities of its subsidiaries are (i) development and sales of properties and (ii) investment and management of education projects. There were no significant changes for the Group's principal activities during the year.

The Company's H shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 December 1999. As requested by the Company, trading in H shares of the Company on the Stock Exchange has been suspended since 15 December 2004. Subsequent to the end of reporting period, trading in H shares was resumed since 9:30 a.m. of 1 April 2010.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group as the Group sustained continuous operating losses and incurred loss of approximately RMB15,428,000 for the year ended 31 December 2009. In view of the substantial losses in consecutive years and the liquidity position of the Group, the directors of the Company have adopted the following measures with a view to maintain the Group's existence as a going concern and to improve the Group's overall financial and cash flow position:

- The directors of the Company are considering to strengthen the capital base of the Company and provide immediate cash flow through various financing activities and capital restructuring, including, but not limited to, private placement of the Company's shares.

- The directors of the Company continue to take action to strengthen cost control in respect of various administrative and other operating expenses, and is actively seeking new investment and business opportunities to pursue profitable businesses that would bring positive cash flow.

- The controlling shareholder of the Company has changed from SPUG to Beijing Mingde on 20 March 2009. Beijing Mingde has indicated in a letter to the Company on 20 April 2009 that they would fully support the resumption of trading of H shares of the Company and they would provide a fund up to HK$45,000,000 to the Company for working capital before 20 April 2011, if necessary.

- The directors of the Company are of the opinion that the completion of disposal of Beijing Diye, CY Acquisition and JBMOE Acquisition would enhance the cash position and improve the financial position of the Group thereafter. Detail had been set out under the section of business review to this announcement.

In the opinion of the directors of the Company, if the measures described above accomplish the expected results, the directors are satisfied that the Group will be able to have sufficient working capital to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the directors of the Company considered that it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's financial position and tight cash flows as at 31 December 2009.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORT STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, all the revised HKFRSs, Hong Kong Accounting Standards ("HKASs"), Amendments to Standards and Interpretations ("INT(s)") (hereinafter collectively referred to as "New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which become effective for the Group's financial year beginning on 1 January 2009.

Except as described below, the adoption of the New HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

i. HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

ii. HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see Note 6).

iii. Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements and liquidity risk. The Group has not presented comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The Group has not early applied the following new and revised standards, amendments or INTs that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 (Amendment)	Classification of Rights Issues[5]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[4]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share based Payment Transactions[6]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 9	Financial Instruments[7]
HK (IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[3]
HK (IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[4]
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[8]

[1] Effective for annual periods beginning on or after 1 July 2009.
[2] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
[3] Effective for annual periods beginning on or after 1 January 2011.
[4] Effective for annual periods beginning on or after 1 July 2009.
[5] Effective for annual periods beginning on or after 1 February 2010.
[6] Effective for annual periods beginning on or after 1 January 2010.
[7] Effective for annual periods beginning on or after 1 January 2013.
[8] Effective for annual periods beginning on or after 1 July 2010.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. In addition, under the Standard, changes in fair value of equity investments are generally recognised in other comprehensive income, with only dividend income recognised in profit or loss. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs (2009), HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land at revalued amount.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or INTs will have no material impact on the consolidated financial statements.

4. **SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES**

HKAS 40 "Investment property" requires an investment property to be accounted for using either the cost model or the fair value model. In previous years, the Group applied the cost model which requires investment properties to be stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. In current year, the Group decided to change from the cost model to the fair value model to account for its investment properties, which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the consolidated income statement for the period in which they arise.

The Group changed to adopt fair value model for the reasons stated below:

- The fair value model is a widely adopted method to account for investment properties. It can reflect the value of the business more objectively and enable the investors understand the financial conditions and results more comprehensively;

- The directors of the Company are of the view that the change in accounting method for investment properties can provide reliable and more relevant, comparable information of its investment properties on the Group's financial position and financial performance.

The change in accounting policy has been applied retrospectively to the Group's consolidated financial statements. The following is a summary of the impact to the Group's consolidated financial statements as a result of the above-mentioned change in accounting policy:

Consolidated income statement (extracts)	**For the year ended 31 December 2009 (Before the change)**	**Adjustment**	**For the year ended 31 December 2009 (After the change)**
	RMB'000	*RMB'000*	*RMB'000*
Net change in fair value of investment properties	**–**	**(2,000)**	**(2,000)**
Decrease in deferred tax liabilities relating to investment properties	**613**	**(313)**	**300**
Decrease in depreciation for investment properties	**(4,121)**	**4,121**	**–**
Effect on consolidated income statement	**(3,508)**	**1,808**	**(1,700)**
Loss for the year attributable to:			
Owners of the Company	**(16,239)**	**1,265**	**(14,974)**
Non-controlling interests	**(997)**	**543**	**(454)**
	(17,236)	**1,808**	**(15,428)**
Loss per share			
– Basic (cents)	**(1.59)**	**0.12**	**(1.47)**

Consolidated income statement (extracts)	For the year ended 31 December 2008 (Before the change) *RMB'000*	Adjustment *RMB'000*	For the year ended 31 December 2008 (After the change) *RMB'000*
Net change in fair value of investment properties	–	(483)	(483)
Decrease in deferred tax liabilities relating to investment properties	613	(686)	(73)
Decrease in depreciation for investment properties	(10,155)	10,155	–
Effect on consolidated income statement	(9,542)	8,986	(556)
Loss for the year attributable to:			
Owners of the Company	(54,638)	6,085	(48,553)
Non-controlling interests	(3,756)	2,901	(855)
	(58,394)	8,986	(49,408)
Loss per share			
– Basic (cents)	(5.35)	0.59	(4.76)

	At 31 December 2009 (Before the change) *RMB'000*	**Adjustment** *RMB'000*	**At 31 December 2009 (After the change)** *RMB'000*
Consolidated statement of financial position (extracts)			
Investment properties	**267,685**	**39,835**	**307,520**
Deferred taxation	**(21,329)**	**3,937**	**(17,392)**
Total effects on assets and liabilities	**246,356**	**43,772**	**290,128**
Accumulated losses	**(1,048,702)**	**31,916**	**(1,016,786)**
Non-controlling interests	**27,718**	**11,856**	**39,574**
Total effects on accumulated losses and equity	**(1,020,984)**	**43,772**	**(977,212)**

	At 31 December 2008 (Before the change) *RMB'000*	Adjustment *RMB'000*	At 31 December 2008 (After the change) *RMB'000*
Consolidated statement of financial position (extracts)			
Property, plant and equipment	19,200	(11,944)	7,256
Investment properties	248,342	49,658	298,000
Deferred taxation	(21,942)	4,250	(17,692)
Total effects on assets and liabilities	245,600	41,964	287,564
Accumulated losses	(1,032,463)	30,651	(1,001,812)
Non-controlling interests	28,715	11,313	40,028
Total effects on accumulated losses and equity	(1,003,748)	41,964	(961,784)

	At 1 January 2008 (Before the change) *RMB'000*	Adjustment *RMB'000*	At 1 January 2008 (After the change) *RMB'000*
Consolidated statement of financial position (extracts)			
Property, plant and equipment	146,795	(13,568)	133,227
Investment properties	255,390	41,610	297,000
Deferred taxation	(22,555)	4,936	(17,619)
Total effects on assets and liabilities	379,630	32,978	412,608
Accumulated losses	(977,825)	24,566	(953,259)
Non-controlling interests	34,357	8,412	42,769
Total effects on accumulated losses and equity	(943,468)	32,978	(910,490)

5. TURNOVER

Turnover represents the amounts received and receivable for (i) development, sale, rental and management of properties less sale returns, discounts and sales related taxes and (ii) revenue from education projects. The Group's turnover for the year is as follows:

	2009	2008
	RMB'000	*RMB'000*
Development, sale, rental and management of properties	**651**	36,617
Education projects (rental income)	**3,000**	3,000
	3,651	39,617

6. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Details of the business segments are summarised as follows:

Property development	–	development, sale, rental and management of properties
Education projects	–	leasing of campus and equipment, investment and management of education projects

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The chief operating decision maker considers the business from product perspective. From a product perspective, the chief operating decision maker assesses the performance of (i) property development (ii) education projects.

Since all of the Group's businesses were taken place in the PRC, no geographical segment information is used by chief operating decision maker for further evaluated.

The following is an analysis of the Group's revenue and results by reportable segment:

	Property development		Education projects		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Turnover	**651**	36,617	**3,000**	3,000	**3,651**	39,617
Segment results	**(921)**	(11,544)	**968**	2,552	**47**	(8,992)
Gain on disposal of subsidiaries					**–**	204,123
Gain on disposal of an associate					**400**	–
Impairment loss recognised in respect of available-for-sale financial assets					**(3,000)**	–
Net change in fair value of investment properties					**(2,000)**	(483)
Impairment loss recognised in respect of properties held for sale					**–**	(216,438)
Impairment loss recognised in respect of investment in an associate					**–**	(200)
Finance costs					**(798)**	(17,876)
Interest income					**27**	33
Unallocated corporate income and expenses					**(10,404)**	(9,502)
Loss before taxation					**(15,728)**	(49,335)
Income tax credit (expenses)					**300**	(73)
Loss for the year					**(15,428)**	(49,408)
Segment assets	**229,768**	214,237	**302,758**	304,695	**532,526**	518,932
Unallocated corporate assets					**53,876**	133,871
Total assets					**586,402**	652,803
Segment liabilities	**21,476**	23,034	**27,233**	32,709	**48,709**	55,743
Unallocated corporate liabilities					**68,016**	111,955
Total liabilities					**116,725**	167,698

	Property development		Education projects		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Other information						
Capital expenditure	**–**	–	**50**	1,521	**50**	1,521
Unallocated capital expenditure					**–**	–
Total capital expenditure					**50**	1,521
Depreciation of property, plant and equipment	**376**	114	**1,294**	1,825	**1,670**	1,939
Unallocated depreciation of property, plant and equipment					**46**	122
Total depreciation of property, plant and equipment					**1,716**	2,061
Loss on disposal of property, plant and equipment	**–**	–	**3**	851	**3**	851
Unallocated gain on disposal of property, plant and equipment					**(198)**	–
Total (gain) loss on disposal of property, plant and equipment					**(195)**	851
Impairment loss recognised in respect of other receivables	**270**	2,987	**1**	–	**271**	2,987
Unallocated impairment loss recognised in respect of other receivables					**290**	1,047
Total impairment loss recognized in respect of other receivables					**561**	4,034

Information about major customers

Included in turnover approximately RMB3,377,000 (2008: RMB4,924,000) are revenues of approximately 92.50% (2008: 12.43%) which arose from sales to the Group's largest customer.

7. FINANCE COSTS

	2009	2008
	RMB'000	*RMB'000*
Interest expenses on bank borrowings wholly repayable within one year	**798**	1,797
Other interest expenses	**–**	16,079
	798	17,876

8. LOSS BEFORE TAXATION

	2009	2008
	RMB'000	*RMB'000*
Loss before taxation is arrived at after charging (crediting):		
Directors' and supervisors' emoluments	**679**	195
Staff salaries, allowances and bonuses	**1,319**	3,492
Contributions to retirement and other benefits schemes	**431**	672
	2,429	4,359
Auditor's remuneration	**500**	700
Under provision on auditor's remuneration	**–**	800
Depreciation of property, plant and equipment	**1,716**	2,061
Impairment loss recognised in respect of properties held for sale	**–**	216,438
Impairment loss recognised in respect of investment in an associate	**–**	200
Impairment loss recognised in respect of other receivables	**561**	4,034
Impairment loss recognised in respect of available-for-sale financial assets	**3,000**	–
(Gain) loss on disposal of property, plant and equipment	**(195)**	851
Net change in fair value of investment properties	**2,000**	483
Gain on disposal of an associate	**(400)**	–
Gain on disposal of subsidiaries	**–**	(204,123)
Rental income from investment properties, net	**(3,279)**	(3,000)

9. INCOME TAX CREDIT (EXPENSES)

	2009	2008
	RMB'000	*RMB'000*
PRC enterprise income tax	**–**	–
Deferred taxation	**300**	(73)
	300	(73)

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong profits tax has been made as the Group's income neither arises in, nor is derived from Hong Kong for the years ended 31 December 2008 and 2009.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 issued by the Tenth National People's Congress. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New law. Pursuant to the New Law and Implementation Regulations, the Enterprise income Tax for both domestic and foreign-invested enterprises will be unified at 25% effective from 1 January 2008. There will be a transitional period for PRC subsidiaries that currently entitled to preferential tax treatments granted by the relevant tax authorities. PRC subsidiaries currently subject to an enterprise income tax rate lower than 25% will continue to enjoy the lower tax rate and be gradually transitioned to the new unified rate of 25% within five years after 1 January 2008.

The taxation for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2009	2008
	RMB'000	*RMB'000*
Loss before taxation	**(15,728)**	(49,335)
Income tax at applicable tax rates	**(3,752)**	(13,914)
Tax effect of expenses not deductible for tax purpose	**1,525**	5,682
Tax effect of income not taxable for tax purpose	**(247)**	–
Tax effect of unrecognised tax losses	**2,774**	8,159
Income tax credit (expenses)	**300**	(73)

10. DIVIDENDS

No dividend was paid or proposed during 2009, nor has any dividend been proposed since the end of the reporting period (2008: Nil).

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the consolidated loss for the year attributable to the owners of the Company of RMB14,974,000 (2008: RMB48,553,000) and the weighted average of 1,020,400,000 (2008: 1,020,400,000) ordinary shares of the Company in issue during the year.

No diluted loss per share has been presented as there was no dilutive potential ordinary share for the years ended 31 December 2008 and 2009.

12. GOODWILL

	RMB'000
Cost	
At 1 January 2008, 31 December 2008 and 31 December 2009	59,376
Accumulated impairment	
At 1 January 2008, 31 December 2008 and 31 December 2009	59,376
Carrying values	
At 31 December 2009	–
At 31 December 2008	–

Goodwill arose on acquisition of a subsidiary, Shanghai Beida Jade Bird Education Investment Company Limited ("Shanghai Beida"). As Shanghai Beida ceased the business during the year ended 31 December 2005, the directors of the Company are of the opinion that a full impairment has been recognised in the consolidated income statement during the year ended 31 December 2005.

13. TRADE RECEIVABLES

	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**200**	200
Accumulated impairment	**(200)**	(200)
	–	–

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables, net of impairment losses at the end of reporting period:

	2009	2008
	RMB'000	*RMB'000*
61 – 365 days	**–**	–
1 – 2 years	**–**	–
	–	–

Movement in impairment losses of trade receivables is as follows:

	2009	2008
	RMB'000	*RMB'000*
At 1 January 2008, 31 December 2008 and 31 December 2009	**200**	200

The impairment recognised in respect of trade receivables is individually impaired. Impairment is made for debtors who are either been placed under liquidation or in severe financial difficulties.

None of the trade receivables that were past due but not impaired at 31 December 2008 and 2009.

14. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2009	2008
	RMB'000	*RMB'000*
Over 2 years	**5,735**	5,875

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Analysis of Property Development Business

On 31 December 2008, the Company entered into the Share Transfer Agreement with Beijing Zhong Yi Chong Yi Technology Development Company ("Zhong Yi"), with an aim to rationalize the Group's business structure and procure resumption of trading of shares. Pursuant to the agreement, the Company has agreed to sell 80% equity interests in Beijing Diye Real Estate Development Company Limited ("Beijing Diye") to Zhong Yi (details of this share transfer were provided in the announcement of the Company dated 10 August 2009). This transaction could improve the Company's cash flow and support the reorganization of the Company and the resumption of trading in the Company's share. Given that Beijing Diye has not acquired the proper title of the land, the disposal of Beijing Diye will contribute to a clearer delineation of the assets under the Group. Detail information has been set out in the Company's circular dated 28 December 2008 (the "Circular"), the resolution as set out in the Circular were duly passed on 12 February 2010. The disposal of Beijing Diye has been completed with all conditions complied as stated in the announcement dated 31 March 2010.

On 5 January 2009, the Company entered into the Share Transfer Agreement with Beijing Beida Jade Bird Company Limited ("Beida Jade Bird"), Shenzhen Beida Jade Bird Sci-tech Company Limited ("Shenzhen Jade Bird") and Beijing Tianqiao Beida Jade Bird Sci-tech Company Limited ("Beijing Tanqiao"), with an aim to rationalize the Group's business structure, procure the resumption of trading of the Company's shares, and to increase income and cash flow to the Company. Pursuant to the agreement, the Company agreed to purchase the Beida Jade Bird Building located at Keyuan Road in Shenzhen by way of acquisition of Shenzhen Jade Bird Optoelectronic Co, Ltd (details of which were contained in the Company's announcement dated 16 September 2009). The property is located at Shenzhen Hi-tech Development Zone. It is expected that the property will generate stable cash and rental income for the Company. Detail information has been set out in the Company's Circular, the resolution as set out in the Circular were duly passed on 12 February 2010. The acquisition of property has been completed with all conditions complied as stated in the announcement dated 31 March 2010.

On 5 January 2009, the Company entered into the Asset Purchase Agreement with Zhong Yi, with an aim to rationalizing the Group's business structure, procuring the resumption of trading of the Company's shares, and increasing income and cash flow to the Company. Pursuant to the agreement, it is agreed that the Company shall acquire the property located at 1st floor and 2nd floor, No.112, Jianguo Road, Chaoyang District, Beijing, the PRC from Zhong Yi (details of which were contained in the Company's announcement dated 9 November 2009). As the property is located at the prime area in Beijing, and the existing tenants are banking and public utilities enterprises with strong financial background and stable income, it is expected that the acquisition of the property will bring stable cash income for the Company. Detail information has been set out in the Company's Circular, the resolution as set out in the Circular were duly passed on 12 February 2010. The acquisition of property has been completed with all conditions complied as stated in the announcement dated 31 March 2010.

Analysis of Education Investment Business

The existing gross floor area of Zhuhai Beida Education Science Park Company Limited ("Zhuhai Education") was approximately 71,000 sq meters. Zhuhai Beida Subsidiary Experiment School ("Zhuhai School") enrolled approximately 580 public school students and private school students for the 2009 autumn school term, while the total number of students in Zhuhai School was approximately 1,270. Zhuhai School has paid Zhuhai Education a rental fee amounting to approximately RMB3,000,000 during the year.

In 2008, the Group disposed of the debt receivable from Shenyang Development Beida Education Science Park Company Limited ("Shenyang Education") amounting to approximately RMB256.6 million and 30% shareholding in Shenyang Education in order to retrieve the preliminary investment and recover funds for the operation of the Group. The Group ceased to hold any equity interest in Shenyang Education thereafter. On 9 July 2009, the first extraordinary general meeting of the Company in 2009 ratified and approved that transaction. During the year, the Company received the proceed from the disposal of the debt receivable from Shenyang Education and this supports the Company's reorganization and resumption of trading. (Details please refer to the announcement of the Company dated 5 February 2009 and the results announcement of the EGM dated 9 July 2009).

FINANCIAL REVIEW

Operating Revenue of the group

Turnover for the year was approximately RMB3,651,000, representing a decrease of 90.78%.

Turnover from property development business for the year was RMB651,000, representing a decrease of 98.22% and is mainly due to the recognition of revenue of all previous sales in 2008 while substantially no new property sales was realized in 2009.

Turnover from education projects comprises the rental income of Zhuhai Education Park of approximately RMB3,000,000.

Loss of the Group

Loss attributable to owners of the Company amounted to approximately RMB14,974,000.

Total assets of the Group

As at 31 December 2009, there was a decrease in the total assets of the Group when compared with that of the previous year. The total assets of the Group decreased to approximately RMB586,402,000 from approximately RMB652,803,000 representing a decrease of approximately RMB66,401,000 or 10.17%.

Current assets of the Group

As at 31 December 2009, the current assets of the Group decreased by approximately RMB38,594,000 to approximately RMB256,208,000 as compared with approximately RMB294,802,000 in the previous year, representing a decrease of approximately 13.09%.

Bank borrowings of the Group

As at 31 December 2009, the Group's bank borrowings totalled approximately RMB9,000,000 (2008: RMB14,000,000). As at 31 December 2009, bank borrowings of approximately RMB9,000,000 (2008: RMB14,000,000) was guaranteed by Beijing Beida Jade Bird Company Limited, a shareholder of Weifang Beida Jade Bird Huaguang Technology Company Limited ("Jade Bird Huaguang") in which Jade Bird Huaguang is a holding company of SPUG.

The bank borrowings bear variable interest at a base rate of the People's China Bank plus 10% (2008: base rate of the People's China Bank plus 20%) ranging from 5.3% to 6.4% (2008: 6.6% to 9.7%) per annum.

EMPLOYEES AND EMPLOYEES' EDUCATION LEVEL

As at 31 December 2009, the Group had 19 employees.

During the year, the aggregate salaries and allowances and termination compensation paid to the employees amounted approximately RMB2,429,000 (2008: RMB4,359,000) and approximately RMB24,000 (2008: RMB117,000). The Group has not established any share option scheme for any of its senior management or employees.

Extract from Independent Auditors' Report

In the independent auditors' report, the auditor has included the following paragraph in the auditor's opinion to draw the shareholders' attention:

"EMPHASIS OF MATTER IN RELATION TO THE GOING CONCERN BASIS FOR PREPARTION OF CONSOLIDATED FINANCIAL STATEMENT

Without qualifying our opinion, we draw attention that the Group sustained continuous operating losses and incurred loss of approximately RMB15,428,000 for the year ended 31 December 2009. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis based on the considerations as set out in Note 2 to the consolidated financial statements, the validity of which primarily depends upon the financial support from the controlling shareholder to cover the Group's operating costs and to meet its financing commitments. The consolidated financial statements do not include any adjustments that would result from a failure to obtain such financial support."

FINAL DIVIDEND

The board of directors of the Company resolved that no final dividend would be declared for the year of 2009.

Significant Events

(1) Suspension of trading and conditional resumption of trading

In November 2008, in response to the decision of the Listing (Review) Committee that insisted on delisting of the Company shares, the Company submitted an application for review of the said decision to the Listing Appeals Committee. On 18 June 2009, the Appeals Committee held a meeting to hear and consider the application for appeal from the Company.

On 22 June 2009, the Stock Exchange informed the Company in writing that it was granted an approval to resume trading in its H shares on the Stock Exchange subject to all the conditions as set out in the Decision Letter have been complied with to the satisfaction of the Listing Division before 28 February 2010 (details of which were contained in the Company's announcement dated 26 June 2009).

In February 2010, due to extra time required for the compliance with the relevant conditions, an application was made to the Stock Exchange by the Company for an extension of time for compliance with the relevant resumption conditions. The Stock Exchange approved the said application and agreed to extend the time for satisfaction of resumption conditions to 31 March 2010 (details of which were contained in the Company's announcement dated 1 March 2010).

On 31 March 2010, the Company issued an announcement on the resumption of trading (details of which were contained in the Company's announcement dated 31 March 2010). On 1 April 2010, the trading of the Company's H shares resumed.

(2) Change of Controlling Shareholder and Mandatory Unconditional General Offer

On 13 February 2009, 58.8% equity interests held by SPUG in the Company were put under an auction ordered by the Intermediate People's Court of Beijing (the "Court"). Such shares were acquired by Beijing Mingde in the said auction (details of which were contained in the Company's announcement dated 24 March 2009). On 24 February 2009, the Company received a copy of [2007] Yi Zhong Zhi Zi No.1192-3, Civil Judgment（民事裁定書(2007) – 中執字第1192-3號）issued by the Court (the "Judgement"). The Judgment indicated that the 600,000,000 domestic shares of the Company should be vested with Beijing Mingde. The procedures of transfer of such shareholdings with the PRC's relevant registration department of administration of industry and commerce have been completed on 20 March 2009. Accordingly, Beijing Mingde has become the holder of 600,000,000 domestic shares of the Company, and thus is a controlling shareholder of the Company.

In accordance with the Code on Takeovers and Mergers, Beijing Mingde and parties acting in concert with it were required to make a mandatory unconditional general offer for all the outstanding Shares other than those already owned or agreed to be acquired by them. In August 2009, Beijing Mingde and Amazing Wealth Development Limited ("Amazing Wealth") have entered into an agreement in respect of the offer. Pursuant to the agreement, Amazing Wealth tendered an mandatory unconditional cash offer to acquire all the issued H shares of the Company at an offer price of HKD0.1939 per share (details of the offer was contained in the Company's composite document jointly issued with Amazing Wealth in respect of the mandatory unconditional cash offer dated 19 October 2009).

The offer closed at 4:00 p.m. on 9 November 2009. Valid acceptances in respect of 7,398,100 H shares (representing 0.73% of the entire issued shares of the Company and 1.76% of the entire H shares) was received (details of which were contained in the Company's announcement jointly issued with Amazing Wealth on 9 November 2009).

(3) Change of Directors and Supervisors

According to the Articles of Association of the Company, each term of service of the directors of the Company is fixed for three years, subject to re-election. The Third Session of the Board of Directors was established on 28 November 2005, which means the term of three years have expired. On 12 February 2009, the Company held the 2007 Annual General Meeting and elected the Forth Session of the Board of Directors and the Committee of Supervisors. Mr. An Mu Zong, Mr. Wang Zai Xing and Mr. Alex Chow Ka Wo were elected as executive directors of the Forth Session of the Board of Directors; Mr. Deng Yan Bin, Mr. Lin Dong Hui and Mr. Wang Hui were elected as non executive directors of the Forth Session of the Board of Directors; Mr. Wong Kai Tat, Mr. Chan Ming Sun, Mr. Cai Lian Jun and Mr. Lam Tsan Wing Alexander were elected as the independent non-executive directors of the Fourth Session of the Board of Directors. Mr. Lam Tsan Wing Alexander resigned the position of independent non-executive director on 19 May 2009, and Mr. Wang Hui was re-designated from a non-executive director to an executive director on 23 June 2009.

(4) Establishment of Beijing Shenfa Property Management Company Limited

In December 2009, the Company established a wholly-owned subsidiary Beijing Shenfa Property Management Company Limited ("Beijing Shenfa") in Beijing to hold the property located at 1st floor and 2nd floor, No.112, Jianguo Road, Chaoyang District, Beijing.

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

(1) 2005 Annual General Meeting

On 12 February 2009, the Company convened the 2005 Annual General Meeting, at which the Company's 2005 report of the directors, consolidated financial statements, auditor's report, and the resolution in respect of profit allocation and dividend distribution were being considered and approved (For further details please refer to the Company's announcement dated 12 February 2009).

(2) 2006 Annual General Meeting

On 12 February 2009, the Company convened the 2006 Annual General Meeting, at which the Company's 2006 report of the directors, consolidated financial statements, auditor's report, and the resolution in respect of profit allocation and dividend distribution were being considered and approved (For further details please refer to the Company's announcement dated 12 February 2009).

(3) 2007 Annual General Meeting

On 12 February 2009, the Company convened the 2007 Annual General Meeting, at which the Company's 2007 report of the directors, consolidated financial statements, auditor's report, and the resolutions in respect of profit allocation and dividend distribution, the succession of the board of directors and board of supervisors, reappointment of auditors, appointment of independent non-executive directors were being considered and approved (For further details please refer to the Company's announcement dated 12 February 2009).

(4) *2008 Annual General Meeting*

On 9 July 2009, the Company convened the 2008 Annual General Meeting, at which the Company's 2008 report of the directors, consolidated financial statements, auditor's report, and the resolutions in respect of reappointment of auditors, profit allocation and dividend distribution were being considered and approved (For further details please refer to the Company's announcement dated 9 July 2009).

(5) *First Extraordinary General Meeting for 2009*

On 9 July 2009, the Company convened the first extraordinary General Meeting for 2009, at which the resolution in respect of the disposal of RMB256.6 million debt receivable from Shenyang Education and 30% shareholding in Shenyang Education by the Group was being considered and approved (For further details please refer to the Company's announcement dated 9 July 2009).

MATERIAL LITIGATION

During the year, the Group was not involved in any new litigation while progress was made in settling the claim by Beida Jade Bird against the Company with respect to outstanding guaranteed amount.

In December 2006, the assets of Beida Jade Bird have been auctioned by the Court and the proceeds were applied to settle the guaranteed amount provided by Liaoning Hua Jin Hua Gong Group Company Limited ("Hua Jin Hua Gong") to the Company due to the litigation over the loan from Dalian Branch of Shenzhen Development Bank. In May 2007, Beida Jade Bird commenced legal action against the Company and SPUG, the guarantors, for the said amount. Up to 31 August 2008, the Company has repaid approximately RMB101,340,000 to Beida Jade Bird. The unpaid balance of the claim of Beida Jade Bird and the interest thereof amount to approximately RMB83,000,000.

Later, application was made by Beida Jade Bird to Beijing No. 1 Intermediate People's Court for the implementation of SPUG's assets. In February 2009, Beijing No. 1 Intermediate People's Court had entrusted an auctioneer to hold a legal auction in respect of the 58.8% equity interests held by SPUG in the Company. Beijing Mingde successfully bid for the equity interests. The proceeds were used to settle the guaranteed amount owned to Beida Jade Bird. As such, the guaranteed amount due to Beijing Jade Bird from the Company had been fully settled.

As a result of auction of the SPUG's assets to repay the Company's debts, the Company has an outstanding guaranteed amount due to SPUG of approximately RMB84,000,000. As of March 2010, the Company has financed such amount from various sources and repaid all outstanding guaranteed amount to SPUG.

WORK OF THE AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors, namely Mr. Wong Kai Tat, Mr. Chan Ming Sun Jonathan and Mr. Cai Lian Jun. Mr. Wong Kai Tat is the chairman of the Audit Committee. Mr. Wong Kai Tat has competent professional accounting qualification and expertise in financial management. The duties of the Audit Committee include the review of the accounting policy and practice adopted by the Company, review the matters on internal control and financial reporting, provide recommendation on the appointment and removal of external auditors and consider their remuneration and terms of appointment.

The Audit Committee held two meetings during the year and has reviewed the annual results of the Group for the year ended 31 December 2009 and discussed accounting policy and practice adopted by the Group and matters on financial reporting with the Group's auditor.

COMPETING BUSINESS AND CONFLICTS OF INTERESTS

During the year or as at the end of the year, none of the Directors and substantial shareholders had any interests in any business which compete or may compete with the Group or any other conflicts of interest which any such person may have with the Group.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its jointly controlled entities was a party and in which a Director or Supervisor of the Company had a material interest or is substantially interested, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE PRACTICES

Although the H Shares of the Company were suspended from trading during the year, the Company has still committed to comply with the relevant provisions of the "Code on Corporate Governance Practice" ("Code") as set out in Appendix 14 of the Stock Exchange of Hong Kong Limited and other relevant laws and regulations and endeavor to achieve a higher standard of corporate governance.

The Board shall be responsible for leading the Company and provided effective control over the Company to safeguard the interests of shareholders. The Board will formulate policy and strategies for every business segment of the Group while implementing internal control and monitoring the effectiveness. The execution of the Board's policy and strategies and the day-to-day management are delegated to the executive directors and the management.

On 31 December 2009, the Board of the Directors comprised nine directors, of which four were executive directors, two were non-executive directors and three were independent non-executive directors. The Company disclosed the composition of the Board in all the communications according to the category of directors (including the chairman, executive director, non-executive director and independent non-executive director).

All the directors (including non-executive director and independent non-executive director) have devoted reasonable time and effort in dealing with the affairs of the Company. Every non-executive director and independent non-executive director has appropriate academic and professional qualification and relevant management experience and will provide recommendation to the Board. The Board considers that non-executive directors and independent non-executive directors are capable of providing valuable and independent opinions on the aspects of the Company's strategy, performance, conflict of interests and management procedures, and hence the interests of shareholders are fully considered and safeguarded.

Being the chairman, Mr. An Mu Zong led and supervised the proceeding of the Board meetings to ensure that all directors are allowed to raise questions in the Board meeting and such questions will be properly addressed and that all directors will be provided with complete, appropriate and reliable information. To ensure the effective operation of the Board, all the significant matters shall be discussed in the Board and this helped develop good corporate governance practice and effective communication with shareholders.

Mr. Wang Hui, the Chief Executive Officer of the Company, is responsible for the execution of the financial policy, strategy, targets and plans adopted by the Board and the Chairman and the Chief Executive Officer shall have different responsibilities.

Pursuant to the requirements of Rule 13.3 of the Listing Rules, the Company has appointed three independent non-executive directors and two of whom has appropriate qualification on accounting. All independent non-executive directors have confirmed their independence to the Company and the Company considers that each independent non-executive director is independent.

Five Board meetings were convened during the year and save for Mr. Cai Lian Jun who has attended four meetings, all the directors had attended all of the Board meetings.

The Board is responsible for maintaining the effectiveness of the internal control system to safeguard the assets of the Group and the interests of shareholders. The Board has also closely monitored the implementation of the internal control mechanism and evaluated its implementation with the discussion with the Company's management, auditor and members of the Audit Committee.

SECURITIES TRACTIONS OF DIRECTORS

During the year, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules to govern the purchase and sales of the Company's securities by the directors and supervisors of the Company. The Company has also issued enquiry in writing to each director and supervisor as to whether each of them has fully complied with or violated the Model Code. Each of the directors and supervisors has replied the Company in writing confirming that each of them has fully observed the Model Code and no violation of the Model Code has occurred.

By order of the Board of
Shenyang Public Utility Holdings Company Limited
An Mu Zong
Chairman

Shenyang, PRC, 21 April 2010

As at the date of this announcement, the directors of the Company are as follows:

Executive directors:	Mr. An Mu Zong, Mr. Wang Zai Xing, Mr. Alex Chow Ka Wo and Mr. Wang Hui
Non executive directors:	Mr. Deng Yan Bin and Mr. Lin Dong Hui
Independent non executive directors:	Mr. Cai Lian Jun, Mr. Wong Kai Tat and Mr. Chan Ming Sun Jonathan