



CARDLINK TECHNOLOGY GROUP LIMITED

錯聯科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8066)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

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This announcement, for which the directors (the “Directors”) of Cardlink Technology Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

SUMMARY

- The Group recorded an unaudited turnover of about HK\$70,431,000 for the six months ended 30 June 2008, representing an increase of about 20.5% as compared with that of the corresponding period in 2007.
- The unaudited profit attributable to shareholders for the six months ended 30 June 2008 was about HK\$7,014,000.
- For the three months and the six months ended 30 June 2008, the basic earnings per share were about HK\$0.0085 and about HK\$0.0157 respectively.
- The Board does not recommend any payment of an interim dividend for the six months ended 30 June 2008.

INTERIM RESULTS

The board (the “Board”) of Directors announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and the six months ended 30 June 2008 together with the comparative figures for the corresponding periods in 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	Three months ended 30 June		Six months ended 30 June	
		2008 <i>HK\$</i>	2007 <i>HK\$</i>	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Turnover	2	35,402,419	29,296,072	70,431,277	58,454,208
Cost of sales		(23,138,115)	(20,764,033)	(46,555,486)	(41,030,174)
Gross profit		12,264,304	8,532,039	23,875,791	17,424,034
Other revenue	3	54,734	38,228	261,506	118,065
Selling and distribution costs		(2,064,976)	(1,886,982)	(3,862,628)	(3,944,852)
Administrative expenses		(5,644,491)	(4,236,109)	(11,518,146)	(8,610,536)
Finance costs	4	(91,921)	(50,665)	(202,395)	(220,738)
Profit before taxation	4	4,517,650	2,396,511	8,554,128	4,765,973
Taxation	5	(709,622)	(66,000)	(1,540,612)	(416,000)
Profit attributable to equity holders		<u>3,808,028</u>	<u>2,330,511</u>	<u>7,013,516</u>	<u>4,349,973</u>
Basic earnings per share	7	<u>0.85 cents</u>	<u>0.61 cents</u>	<u>1.57 cents</u>	<u>1.20 cents</u>

CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		44,458,626	38,722,685
Available-for-sale financial assets	8	2,158,058	2,158,058
		<u>46,616,684</u>	<u>40,880,743</u>
Current assets			
Inventories	9	8,985,417	9,171,072
Trade and other receivables	10	44,814,154	30,538,801
Pledged bank deposits	11	924,879	919,931
Bank balances and cash		37,694,891	54,178,958
Taxation		–	122,910
		<u>92,419,341</u>	<u>94,931,672</u>
Current liabilities			
Trade and other payables	12	20,262,335	21,472,719
Taxation		825,090	–
Current portion of interest-bearing borrowings	13	8,853,680	8,776,634
		<u>29,941,105</u>	<u>30,249,353</u>
Net current assets		<u>62,478,236</u>	<u>64,682,319</u>
Total assets less current liabilities		<u>109,094,920</u>	<u>105,563,062</u>
Non-current liabilities			
Long term interest-bearing borrowings	13	6,812,646	5,184,794
Deferred tax liabilities		323,461	323,461
		<u>7,136,107</u>	<u>5,508,255</u>
Net assets		<u><u>101,958,813</u></u>	<u><u>100,054,807</u></u>
CAPITAL AND RESERVES			
Share capital		44,600,000	44,600,000
Reserves		57,358,813	55,454,807
		<u><u>101,958,813</u></u>	<u><u>100,054,807</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$	Contributed surplus HK\$	Other reserves HK\$	Exchange difference HK\$	Accumulated profits HK\$	Total HK\$
At 1 January 2007	32,000,000	13,985,669	7	1,041,504	2,131,055	49,158,235
Placing of new shares	6,400,000	–	–	–	–	6,400,000
Share issue expenses	–	(149,500)	–	–	–	(149,500)
Profit for the period	–	–	–	–	4,349,973	4,349,973
At 30 June 2007	<u>38,400,000</u>	<u>13,836,169</u>	<u>7</u>	<u>1,041,504</u>	<u>6,481,028</u>	<u>59,758,708</u>
At 1 January 2008	44,600,000	42,555,169	7	2,768,523	10,131,108	100,054,807
Dividend paid	–	(6,690,000)	–	–	–	(6,690,000)
Profit for the period	–	–	–	–	7,013,516	7,013,516
Exchange difference on translation of financial statements of overseas subsidiaries	–	–	–	1,580,490	–	1,580,490
At 30 June 2008	<u>44,600,000</u>	<u>35,865,169</u>	<u>7</u>	<u>4,349,013</u>	<u>17,144,624</u>	<u>101,958,813</u>

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June	
	2008	2007
	HK\$	HK\$
Net cash generated from (used in) operating activities	(87,904)	1,263,524
Net cash used in investing activities	(6,814,876)	(1,126,259)
Net cash generated from (used in) financing activities	(9,576,339)	2,110,171
Net increase (decrease) in cash and cash equivalents	(16,479,119)	2,247,436
Cash and cash equivalents brought forward	<u>55,098,889</u>	<u>13,504,800</u>
Cash and cash equivalents carried forward	<u>38,619,770</u>	<u>15,752,236</u>
Analysis of the balances of cash and cash equivalents		
Pledged bank deposits	924,879	907,896
Bank balances and cash	<u>37,694,891</u>	<u>14,844,340</u>
	<u>38,619,770</u>	<u>15,752,236</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group's unaudited interim financial statements have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The accounting policies adopted and methods of computation are consistent with those followed in the preparation of the Company's audited financial statements for the year ended 31 December 2007.

The Group's unaudited results for the three months and the six months ended 30 June 2008 have been reviewed by the audit committee.

2. TURNOVER

The principal activities of the Group are the manufacturing and sales of smart cards and plastic cards, and the provision of customised smart card application systems.

Turnover recognised by category are as follows:

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$
Sales of smart cards and plastic cards	35,359,383	29,050,374	70,303,384	57,364,579
Sales of smart card application systems	9,620	192,723	59,680	1,031,679
Service and other income	33,416	52,975	68,213	57,950
	<u>35,402,419</u>	<u>29,296,072</u>	<u>70,431,277</u>	<u>58,454,208</u>

3. OTHER REVENUE

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$
Interest Income	50,756	34,512	239,393	80,796
Sundry Income	3,978	3,716	22,113	37,269
	<u>54,734</u>	<u>38,228</u>	<u>261,506</u>	<u>118,065</u>

4. PROFIT BEFORE TAXATION

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$
This is arrived at after charging:				
(a) Finance costs				
Interest on bank loans, overdrafts and other borrowings wholly repayable within five years	91,921	50,665	202,395	76,657
Finance charges on obligations under finance leases	—	—	—	144,081
	<u>91,921</u>	<u>50,665</u>	<u>202,395</u>	<u>220,738</u>
(b) Other items				
Cost of inventories	23,138,115	20,764,033	46,555,486	41,030,174
Staff costs	6,073,880	5,059,889	12,187,458	10,299,466
Depreciation	2,908,139	2,526,979	5,909,565	5,013,664
Research and development costs	46,380	400,000	46,380	400,000
Operating lease payments on premises	<u>699,512</u>	<u>790,069</u>	<u>1,655,468</u>	<u>1,431,073</u>

5. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% (2007: 17.5%) on the Group's estimated assessable profits arising from Hong Kong during the period. Taxation for subsidiaries incorporated in the People's Republic of China ("PRC") is charged at the appropriate current rates of taxation ruling in the PRC.

Pursuant to the income tax rules and regulations of the PRC, the companies comprising the Group in the PRC are liable to PRC Enterprise Income Tax ("EIT") as follows:

Beijing Venus Technology Limited is exempted from EIT for three years ending 31 December 2005 and was granted a 50% reduction in EIT for the period from 1 January 2006 to 31 December 2008.

Topwise Technology (SZ) Limited is exempted from EIT for two years ending 31 December 2007 and was granted a 50% reduction in EIT for the period from 1 January 2008 to 31 December 2010.

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$
Current tax				
Hong Kong Profits Tax	527,000	66,000	948,000	416,000
PRC Enterprise Income Tax	225,080	—	592,612	—
Total tax charge for the period	752,080	66,000	1,540,612	416,000
Deferred tax recognized in the income statement				
Types of temporary differences:				
Depreciation allowances	(42,458)	—	—	—
	709,622	66,000	1,540,612	416,000

6. DIVIDEND

The Board does not recommend any payment of an interim dividend for the six months ended 30 June 2008 (2007: NIL).

The final dividend of HK\$0.015 (2006: nil) per share for the year ended 31 December 2007 had been approved and was paid before 16 May 2008.

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months and the six months ended 30 June 2008 is based on the unaudited profit attributable to equity holders of the Company for the three months and the six months ended 30 June 2008 of HK\$3,808,028 and HK\$7,013,516 (three months and six months ended 30 June 2007: HK\$2,330,511 and HK\$4,349,973 respectively) and the weighted average number of 446,000,000 shares (three months and six months ended 30 June 2007: 384,000,000 shares and 361,016,575 shares respectively) in issue during the periods.

Diluted earnings per share for the three months and the six months ended 30 June 2008 have not been presented as the Company has no dilutive potential ordinary shares during the periods. Diluted earnings per share for the three months and the six months ended 30 June 2007 have not been presented as the exercise price of the share options granted by the Company was higher than the average market price of the Company's shares during the relevant periods.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
Unlisted equity securities, at cost	4,458,058	4,458,058
Less: Impairment loss	(2,300,000)	(2,300,000)
	<u>2,158,058</u>	<u>2,158,058</u>

Unlisted equity securities represent 11.33% equity interest in Guangzhou Tecsun Golden Card Ltd.(廣州德生金卡有限公司), a company registered in the PRC with paid up registered capital of RMB41,700,000.

9. INVENTORIES

	Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
Raw materials	5,558,970	4,664,731
Work-in-progress	922,147	1,165,073
Finished goods	2,504,300	3,341,268
	<u>8,985,417</u>	<u>9,171,072</u>

10. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
Trade receivables		
From third parties	33,554,153	23,961,217
Other receivables		
Deposits, prepayment and other debtors	11,260,001	6,577,584
	<u>44,814,154</u>	<u>30,538,801</u>

The credit term granted by the Group to its trade customers normally ranges from 30 days to 90 days. The ageing analysis of trade receivables that are not impaired is as follows:

	Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
Neither past due nor impaired	19,295,041	14,057,222
1 – 30 days past due	8,267,403	5,500,197
31 – 90 days past due	2,928,266	782,152
Over 90 days past due	3,063,443	3,621,646
	<u>33,554,153</u>	<u>23,961,217</u>

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on the past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

11. PLEDGED BANK DEPOSITS

At 30 June 2008, a bank deposit of HK\$924,879 (31 December 2007: HK\$919,931) was pledged by a Company's subsidiary as collateral to secure certain bank loans for general working capital.

12. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
Trade payables		
To third parties	14,263,196	16,558,682
Other payables		
Accrued charges and other creditors	5,999,139	4,914,037
	<u>20,262,335</u>	<u>21,472,719</u>

The ageing analysis of the trade payables as at the balance sheet date is as follows:

	Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
Current – 30 days	10,158,333	11,510,464
31 – 60 days	86,429	926,636
61 – 90 days	12,450	207,622
Over 90 days	4,005,984	3,913,960
	<u>14,263,196</u>	<u>16,558,682</u>

13. INTEREST-BEARING BORROWINGS

	Unaudited 30 June 2008 HK\$	Audited 31 December 2007 HK\$
Secured bank loans	11,075,088	13,961,428
Obligations under finance leases	4,591,238	–
	<u>15,666,326</u>	<u>13,961,428</u>
Current portion	8,853,680	8,776,634
Non-current portion	6,812,646	5,184,794
	<u>15,666,326</u>	<u>13,961,428</u>

At the balance sheet date, the bank loans have an effective interest rate of 4.2% per annum and are repayable from four months to three years. The above bank loans and finance lease arrangement were secured by a pledged deposit of HK\$924,879 (note 11), pledged plant and machinery of HK\$14,844,154, corporate guarantee provided by the Company and its subsidiaries and personal guarantee provided by an equity holder of the Company.

14. SEGMENT REPORTING

The Group comprises the following main business segments:

	Sales of smart cards and plastic cards Six months ended 30 June		Sales of smart card application systems Six months ended 30 June		Others Six months ended 30 June		Consolidated Six months ended 30 June	
	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$
Turnover								
External sales	<u>70,303,384</u>	<u>57,364,579</u>	<u>59,680</u>	<u>1,031,679</u>	<u>68,213</u>	<u>57,950</u>	<u>70,431,277</u>	<u>58,454,208</u>
Result								
Segment result	<u>19,931,600</u>	<u>17,233,946</u>	<u>13,350</u>	<u>132,138</u>			<u>19,944,950</u>	<u>17,366,084</u>
Unallocated operating income and expenses							<u>(11,188,427)</u>	<u>(12,379,373)</u>
Finance costs							<u>(202,395)</u>	<u>(220,738)</u>
Profit before taxation							<u>8,554,128</u>	<u>4,765,973</u>
Taxation							<u>(1,540,612)</u>	<u>(416,000)</u>
Profit attributable to the equity holders							<u>7,013,516</u>	<u>4,349,973</u>
Assets and liabilities								
Segment assets	<u>79,285,745</u>	<u>54,450,169</u>	<u>1,597,169</u>	<u>1,716,353</u>			<u>80,882,914</u>	<u>56,166,522</u>
Unallocated assets							<u>58,153,111</u>	<u>29,378,193</u>
Total assets							<u>139,036,025</u>	<u>85,544,715</u>
Segment liabilities	<u>23,002,658</u>	<u>16,473,910</u>	<u>1,827,407</u>	<u>1,704,748</u>			<u>24,830,065</u>	<u>18,178,658</u>
Unallocated liabilities							<u>12,247,147</u>	<u>7,607,349</u>
Total liabilities							<u>37,077,212</u>	<u>25,786,007</u>
Other information								
Capital expenditure incurred during the period	<u>10,924,094</u>	<u>964,966</u>	<u>–</u>	<u>–</u>	<u>721,412</u>	<u>242,088</u>	<u>11,645,506</u>	<u>1,207,054</u>
Depreciation for the period	<u>5,345,244</u>	<u>4,397,555</u>	<u>–</u>	<u>–</u>	<u>564,321</u>	<u>616,109</u>	<u>5,909,565</u>	<u>5,013,664</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

For the six months ended 30 June 2008, the unaudited turnover of the Group was about HK\$70.5 million, representing an increase of about HK\$12 million, or about 20.5%, as compared to the corresponding period in 2007 of about HK\$58.5 million. Turnover also increased slightly by about 1.1% as compared to the first quarter of 2008. The increase in 2008 was due to the increase in the market sales of the Group's product.

During the period under review, the manufacturing and sales of smart cards and plastic cards continued to be the main focus of the Group's business. Out of the total turnover for the period, about HK\$70.3 million or about 99.8% was generated from the manufacturing and sales of smart cards and plastic cards, and about HK\$0.2 million or about 0.2% was generated from the sale of smart card application systems and other income. Profit attributable to shareholders for the six months ended 30 June 2008 was about HK\$7 million (six months ended 30 June 2007: about HK\$4.3 million).

For the six months ended 30 June 2008, gross profit margin was about 33.9%, representing an increase of about 4.1% as compared to about 29.8% for the same period in 2007. The increase was due to higher value sales mix, as well as better utilization of the Group's assets.

Despite turnover has increased by 20.5%, there was no material fluctuation in selling and distribution costs for the six months ended 30 June 2007 and 2008, which were about HK\$3.9 million. This was attributable to the savings in freight charges which was partly offset by increase in other sales-related expenses like overseas travelling, staff salary and commission. On the other hand, administrative expenses has increased by about HK\$2.9 million, or about 33.8%, from about HK\$8.6 million for the six months ended 30 June 2007, to about HK\$11.5 million for the same period in 2008. The increase was mainly due to the increase in exchange loss as a result of the appreciation of Renminbi, staff costs and various expenses.

LIQUIDITY AND FINANCIAL RESOURCES

For the six months ended 30 June 2008, the Group financed its business operations with cash revenue generated from operating activities, bank loans and finance lease arrangements. As at 30 June 2008, the Group had cash and bank balances of about HK\$38.6 million, secured bank loans of about HK\$11.1 million and finance lease payable of about HK\$4.6 million.

As at 30 June 2008, the Group had current assets of about HK\$92.4 million and current liabilities of about HK\$29.9 million. The current ratio, expressed as current assets over current liabilities, was maintained at the strong level of about 3.1.

GEARING RATIO

The gearing ratio of the Group, expressed as a percentage of total bank borrowings to total tangible assets of the Group, was 11.3% as at 30 June 2008 (31 December 2007: 10.3%). Accordingly, the financial position of the Group has remained very liquid.

EMPLOYEE INFORMATION

As at 30 June 2008, the Company employed a total of 558 employees, of which 15 were located in Hong Kong and the rest were located in the PRC. Employee cost, including directors' remuneration, was about HK\$12.2 million for the period under review. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. In addition to basic salaries and participation in mandatory provident fund scheme, staff benefits include medical scheme and share options.

SIGNIFICANT INVESTMENTS

With the exception of the investment disclosed in note 8 under "Notes to the Unaudited Interim Financial Statements", there were no other significant investments for the period ended 30 June 2008.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 June 2008.

SEGMENTAL INFORMATION

Details have been set out in note 14 under "Notes to the Unaudited Interim Financial Statements" and are further elaborated under "Business and Financial Review" section.

CHARGES ON GROUP ASSETS AND CONTINGENT LIABILITIES

At 30 June 2008, a bank deposit and certain plant and machinery with the carrying amounts of HK\$924,879 and HK\$14,844,154 respectively were pledged by the Company's subsidiaries as collaterals to secure general banking facilities granted to the Group.

The Company and a subsidiary have provided guarantees of repayment in respect of bank loans and finance leases obligations of other subsidiaries amounting to HK\$21,591,238 (31 December 2007: HK\$17,000,000) of which HK\$15,666,326 (31 December 2007: HK\$13,961,428) was outstanding as at 30 June 2008.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to consolidate its existing businesses while exploring new business opportunities that will complement and enhancing its existing businesses.

On 5 July 2008, Fine Wise Holdings Limited, a subsidiary of the Company, has completed the subscription of Series A Preferred Shares in Hota (USA) Holding Corp.. Please refer to the Company's announcements dated 23 June 2008 and 7 July 2008 for further details.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The functional currency of BJ Venus Technology Limited and Topwise Technology (SZ) Limited, the subsidiaries of the Company, is Renminbi. They are exposed to foreign currency risk in Hong Kong Dollar primarily arising from the trade receivable from a subsidiary of the Company in Hong Kong, Intercard Limited. To manage the risk, the Group took steps to ensure that the intra-group settlements are to be done at the appropriate timing.

Save as above, the Group was not exposed to any significant foreign currency risk.

SHARE OPTION SCHEME

Pursuant to the shareholders' resolution passed at the extraordinary general meeting of the Company dated 8 January 2008, a new share option schemes ("New Share Option Scheme") was approved and adopted and the preceding share option scheme was terminated.

Under the New Share Option Scheme, the board of Directors or a duly authorised committee thereof which shall include the independent non-executive Directors may, at its discretion, invite any employee including any executive director of any company in the Group to take up options at HK\$1.00 to subscribe for shares in the Company (the "Shares") at the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediate preceding the date of grant and (iii) the nominal value of a Share on the date of grant, subject to a maximum of 10% of the entire issued share capital of the Company as at the date of the passing of the relevant resolutions.

No share options were granted by the Company under this scheme during the six months ended 30 June 2008.

DIRECTORS' INTERESTS AND CHIEF EXECUTIVE'S INTEREST IN SHARE CAPITAL AND OPTIONS

As at 30 June 2008, the interests or short position of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to Rules 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares of the Company

Name of Director	Personal Interest	Family Interest	Number of Shares		Total	Percentage of interests
			Corporate Interest	Other Interest		
Ho Lut Wa, Anton	4,037,000	–	–	–	4,037,000	0.91

Save as disclosed above, as at 30 June 2008, none of the Directors and chief executives or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to Rules 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2008, the following persons/companies had interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying voting rights to vote in all circumstances at general meetings of any other member of the Group:

Name of shareholders	Notes	Number of shares held	Percentage of interests
Best Heaven Limited	1	83,300,000	18.68
Mr. Chu Chen Lin	1	83,300,000	18.68
Golden Dice Co., Ltd.	2	81,400,000	18.25
Mr. Tsai Chi Yuan	2	81,400,000	18.25
Giant International Asset Group Limited	3	22,500,000	5.04
United International Asset Limited	3	22,500,000	5.04
Ms. Tsai Chen Hui Chen	3	22,500,000	5.04

Notes:

1. Mr. Chu Chen Lin is deemed to be a substantial shareholder of the Company by virtue of his 100% beneficial interest in Best Heaven Limited.
2. Mr. Tsai Chi Yuan is deemed to be a substantial shareholder of the Company by virtue of his 100% beneficial interest in Golden Dice Co., Ltd.
3. Giant International Asset Group Limited is 33.33% held by United International Asset Limited which in turn is 100% held by Ms. Tsai Chen Hui Chen.

Save as disclosed above, as at 30 June 2008, the Directors are not aware of any other persons or corporation (other than the Directors and chief executive of the Company) having an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital rights to vote in all circumstances at general meetings of any other member of the Group.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules throughout the period under review.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in such code of conduct throughout the six months ended 30 June 2008.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system of the Group. The audit committee comprises three independent non-executive Directors, namely, Ms. Wong Ka Wai, Jeanne, Mr. Leung Ka Kui, Johnny and Mr. Chan Siu Wing, Raymond. The chairman of the audit committee is Ms. Wong Ka Wai, Jeanne.

COMPETING INTERESTS

As at 30 June 2008, none of the directors or the management shareholders or any of their respective associates (as defined under the GEM Listing Rules) of the Company had any interest in a business that competed or might compete with the business of the Group directly or indirectly.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 June 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

For and on behalf of the Board
Lily Wu
Chairman

Hong Kong, 12 August 2008

As at the date of this announcement, the Board comprises four executive Directors, Ms. Lily Wu (Chairman), Mr. Ho Lut Wa, Anton (Chief Executive Officer), Ms. Leung Quan Yue, Michelle and Mr. Chang Wei Wen and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Leung Ka Kui, Johnny, and Mr. Chan Siu Wing, Raymond.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days of its posting and the Company's website at www.cardlink.com.hk.