



# UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED

環球實業科技控股有限公司\*

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8091)

## THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2008

### CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which these companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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*This announcement, for which the directors (the “Directors”) of Universal Technologies Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the requirement of the Rules Governing the Listing of Securities on GEM (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 the basis and assumptions that are fair and reasonable.*

\* For identification purpose only

## SUMMARY

- Turnover for the nine-month period ended 30 September 2008 amounted to approximately HK\$57.30 million (2007: HK\$39.44 million), representing an increase of approximately 45% over the corresponding period in the last financial year.
- Net profits attributable to shareholders of the Company for the nine-month period ended 30 September 2008 amounted to approximately HK\$17.58 million (2007: HK\$9.88 million), representing an increase of approximately 78% over the corresponding period in the last financial year.
- Basic and diluted earnings per share for the nine-month period ended 30 September 2008 amounted to approximately HK1.20 cents and HK1.20 cents respectively (2007: HK0.90 cents and HK0.89 cents).
- The Board does not recommend payment of any dividend for the nine-month period ended 30 September 2008 (2007: Nil).

## UNAUDITED RESULTS

The board of Directors (the “Board”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three-month and nine-month periods ended 30 September 2008 together with the comparative unaudited figures for the corresponding periods in 2007 as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

		<b>For the nine-month period ended 30 September 2008</b>	For the nine-month period ended 30 September 2007	<b>For the three-month period ended 30 September 2008</b>	For the three-month period ended 30 September 2007
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
Turnover	2	57,304	39,440	19,872	12,972
Other revenue	2	762	504	220	222
		<b>58,066</b>	39,944	<b>20,092</b>	13,194
Cost of sales		(5,938)	(10,007)	(2,918)	(3,377)
Staff costs		(16,048)	(7,483)	(4,325)	(3,211)
Depreciation and amortisation of prepaid land lease premium		(2,622)	(1,082)	(992)	(393)
Minimum operating lease rentals		(2,903)	(2,341)	(1,537)	(820)
Other operating expenses		(12,252)	(9,147)	(4,147)	(2,490)
Profits from operations	3	18,303	9,884	6,173	2,903
Finance costs		(733)	–	(285)	–
Share of results of an associate		(3)	–	(3)	–
Profits before taxation		17,567	9,884	5,885	2,903
Income tax expense	4	–	–	–	–
Profits for the period		<b>17,567</b>	9,884	<b>5,885</b>	2,903
Attributable to:					
Shareholders of the Company		17,586	9,884	5,904	2,903
Minority interests		(19)	–	(19)	–
		<b>17,567</b>	9,884	<b>5,885</b>	2,903
Earnings per share (in HK cent)					
Basic	5	1.20	0.90	0.39	0.23
Diluted	5	1.20	0.89	0.39	0.23

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2008

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 27 March 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. The address of the registered office is Unit 231-233, Building 2, Phase I, No. 1 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

Pursuant to the reorganisation to rationalise the structure of the Company and its subsidiaries in the preparation for the listing of the Company's shares on The Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in October 2001, the Company became the holding company of the companies now comprising the Group. The shares of the Company were listed on GEM on 26 October 2001.

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which also includes Hong Kong Accounting Standards ("HKAS") and Interpretations approved by the HKICPA, and are prepared under the historical cost convention.

The principal accounting policies and methods of computation used in the preparation of the third quarterly financial statements are consistent with those used in the annual audited financial statements for the year ended 31 December 2007.

### 2. TURNOVER AND REVENUE

The Group is principally engaged in investment holding, provision of online and mobile payment and related services, timber manufacturing and trading. Turnover for the period represents revenue recognised from the provision of online payment handling income net of business tax, net invoiced amount from manufacturing and trading. An analysis of the Group's turnover and other revenue is set out below:

	<b>For the nine-month period ended 30 September 2008 HK\$'000</b>	For the nine-month period ended 30 September 2007 HK\$'000	<b>For the three-month period ended 30 September 2008 HK\$'000</b>	For the three-month period ended 30 September 2007 HK\$'000
Online and mobile payment and related services income	<b>51,103</b>	27,008	<b>16,506</b>	8,584
Timber manufacturing and trading	<b>6,201</b>	12,432	<b>3,366</b>	4,388
Turnover	<b>57,304</b>	39,440	<b>19,872</b>	12,972
Interest on bank deposits	<b>543</b>	468	<b>188</b>	211
Others	<b>219</b>	36	<b>32</b>	11
Total revenue	<b>58,066</b>	39,944	<b>20,092</b>	13,194

### 3. PROFITS FROM OPERATIONS

	Nine-month period ended 30 September		Three-month period ended 30 September	
	2008	2007	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profits from operations are stated after charging:–				
Cost of sales	<b>5,938</b>	10,007	<b>2,918</b>	3,377
Depreciation and amortisation of prepaid land lease premium	<b>2,622</b>	1,082	<b>992</b>	393
Minimum operating lease rentals – Land and buildings	<b>2,903</b>	<b>2,341</b>	<b>1,537</b>	<b>820</b>

### 4. INCOME TAX EXPENSE

- (a) No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the period. The Company's subsidiaries operating in the PRC are subject to Mainland China enterprise income tax at a rate of 25%.
- (b) The tax expense represents the sum of the current tax and deferred tax and is made up as follows:

	For the nine-month period ended 30 September 2008 <i>HK\$'000</i>	For the nine-month period ended 30 September 2007 <i>HK\$'000</i>	For the three-month period ended 30 September 2008 <i>HK\$'000</i>	For the three-month period ended 30 September 2007 <i>HK\$'000</i>
Current tax:				
Overseas taxation	–	–	–	–
Deferred taxation:				
Current period	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

## 5. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the periods is based on the following data:–

	Nine-month period ended 30 September		Three-month period ended 30 September	
	2008	2007	2008	2007
Earnings for the periods used in the calculation of basic and diluted earnings per share (in HK\$'000)	<u>17,586</u>	<u>9,884</u>	<u>5,904</u>	<u>2,903</u>
<i>Number of shares</i>				
Weighted average number of shares in issue, used for the purpose of calculation of basic earnings per share	<u>1,469,874,113</u>	<u>1,093,984,499</u>	<u>1,503,928,858</u>	<u>1,252,286,141</u>
<i>Effect of dilutive potential ordinary shares: share options</i>	<u>–</u>	<u>10,692,293</u>	<u>–</u>	<u>18,250,389</u>
Weighted average number of shares in issue for calculation of diluted earnings per share	<u>1,469,874,113</u>	<u>1,104,676,792</u>	<u>1,503,928,858</u>	<u>1,270,536,530</u>

## 6. CHANGES IN SHAREHOLDER'S EQUITY

	Attributable to shareholders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Special reserve HK\$'000	Exchange reserve HK\$'000	Share options reserve HK\$'000	Statutory reserve HK\$'000	Accumulated profits (losses) HK\$'000	Sub-total HK\$'000	Minority interests HK\$'000	Total HK'000
At 1 January 2007	9,808	76,528	1,093	10,754	1,095	1,934	1,147	(43,026)	59,333	–	59,333
Issue of new shares	1,993	38,026	–	–	–	–	–	–	40,019	–	40,019
Exercise of share options	1,056	22,827	–	–	–	(1,586)	–	–	22,297	–	22,297
Transferred to accumulated losses	–	–	–	–	–	(348)	–	348	–	–	–
Equity settled share-based transaction	–	–	–	–	–	428	–	–	428	–	428
Exchange differences arising on translation of financial statements of subsidiaries established in the PRC	–	–	–	–	(69)	–	–	–	(69)	–	(69)
Profit for the period	–	–	–	–	–	–	–	9,884	9,884	–	9,884
At 30 September 2007	<u>12,857</u>	<u>137,381</u>	<u>1,093</u>	<u>10,754</u>	<u>1,026</u>	<u>428</u>	<u>1,147</u>	<u>(32,794)</u>	<u>131,892</u>	<u>–</u>	<u>131,892</u>
At 1 January 2008	12,869	138,025	1,093	10,754	(93)	674	2,642	(29,939)	136,025	–	136,025
Issue of new shares	2,170	67,270	–	–	–	–	–	–	69,440	–	69,440
Equity settled share-based transactions	–	–	–	–	–	3,679	–	–	3,679	–	3,679
Exchange differences arising on translations of financial statements of subsidiaries established in the PRC	–	–	–	–	8,223	–	–	–	8,223	–	8,223
Profit (loss) for the period	–	–	–	–	–	–	–	17,586	17,586	(19)	17,567
At 30 September 2008	<u>15,039</u>	<u>205,295</u>	<u>1,093</u>	<u>10,754</u>	<u>8,130</u>	<u>4,353</u>	<u>2,642</u>	<u>(12,353)</u>	<u>234,953</u>	<u>(19)</u>	<u>234,934</u>

## **7. INTERIM DIVIDEND**

The Board does not recommend payment of an interim dividend for the nine-month period ended 30 September 2008 (2007: Nil).

## **BUSINESS REVIEW AND PROSPECTS**

### **REVIEW**

For the nine months period ended 30 September 2008, the Group was not intervened when facing the turbulent domestic and foreign financial situation and the external economic environment with generally unsatisfactory financial data. A high growth trend was maintained under the well planned steady development strategy and the net profit increased by more than 70% as compared with that of the same period of last year.

During this reporting period, the Group's online payment business achieved outstanding performance in various aspects which made the Group standing firm in the time of adversity. Firstly, the online payment business contributed a very high profit margin to the Group during this reporting period through the customer advancement plan. The Group not only attracted a batch of new quality customers with high transaction volumes but also explored the existing customers' in-depth needs. Key indicators such as transaction volume and transaction income also reached new highs. Secondly, after the advanced intense development, several new products including authorized transaction, accounts distribution system and credit card repayment service have been made applicable to use. These new products have already demonstrated their preliminary market values in this reporting period and they will definitely become the core products in the near future. Meanwhile, these products also acted as a solid foundation for the Group to enter the large-scale or high-threshold industry. During this reporting period, the Group continued focusing on the exploration of the medium-to-long-term strategy. Considerable resources have been put in the in-depth application of E-wallet by ways of adding multi application functions and increasing users' adhesiveness to it. At the same time, the Group was active in cooperating strategically with other parties possessing resources. With the trend of gradually opening finance market in China, the Group attempted to start the government licensed finance business. During this reporting period, the development of our products and services in Hong Kong and overseas was highly appreciated as well. With the geographical advantage of Hong Kong, the online payment business across the border grew rapidly and contributed a high transaction volume and income to the Group. Of course, in addition to the combination of short, middle and long-term strategies, the Group put large effort in the proper allocation of resources, including human resources, financial resources, banking resources and government resources, in order to maximize the effectiveness. Reasonable layout at each level and high effective resources allocation are the keys to fast development in the recessionary economic environment.

During this reporting period, the Group's timber business was affected to a certain extent by the overall economic situation. The sales volume dropped as compared with that of the same period of last year. However, a crisis is often accompanied with an opportunity. During this reporting period, the Group devoted much effort in the advancement of resources industry and strategic development, including improvement of internal control policy, introduction of talents, further taking advantage of cost control on timber resources, strengthening the product's market share and competitive edge. These preparations were solid foundation for rapid development of timber business in suitable time.

During this reporting period, the Group acquired a piece of land located at Xu Hui District, the centre zone of Shanghai city. The Group intended to establish the land as its operating headquarters in China in order to enhance the Group's overall image and reasonably allocate the Group's fixed assets and current assets. The land was under construction at the present.

During this reporting period, the Group still emphasized on the assurance of departmental work efficiency and quality. The Group strongly expanded the channel of talent introduction, training and promotion. By strengthening the Group's policy development and implementation, the Group upgraded internal management standards and optimized the resource allocation's direction and procedure. These powerful actions were the source of confidence and solid backing for the Group to resist the external environmental changes.

## **PROSPECTS**

In the recent few months, the international finance crisis has intensified unceasingly and spread from the financial industry to the energy industry and further to the business industry. International market's confidence crashed gradually. As important components of the global economic integration, Hong Kong and China were affected to a significant extent. The economic recession was getting increasingly fierce and the cold winter for enterprises seems will soon arrive.

Undoubtedly, the overall environment is rigorous but the Group is still optimistic about its own development. Planning and implementation over the previous long period have strengthened the Group's ability to resist risk. In the future, the Group will maintain its consistent strategy and management philosophy to realize a better development.

The Group's main focuses include: increasing business depth and scope by strengthening core business and allocating key resources; exploring potential fast growing collaborative business and diversifying business operation by various means including acquisition and new setup in order to achieve new business growth. The Group's successful experience in the past and the outstanding financial performance in this reporting period have proved the Group's unique ability of allocating resources. By acquiring International Payment Solutions (Shanghai) Limited and transferring various resources for business operation in 2005, the Group's payment service business has developed rapidly as the core business and maintained a high growth rate several years thereafter. In particular, the high growth during this reporting report is creditable.

The Group intends to put more effort on world-wide cooperation of equity and business in the near future. Under the overall economic downturn situation, through joint venture, acquisition and investment, the Group aims to acquire fast growing assets with lower consideration and add long lasting value to brand named assets with fewer resources so as to ensure continuing development of the Group's core business. Meanwhile, the Group will not miss any chance of exploration and investment in a new fast growing business.

The Group expects the economic situation will be further weakened in the coming six months and therefore the Group anticipates the result will mainly be steady in the coming few quarters. The Group will grab this opportunity to strengthen the construction of talent program. By way of talent introduction, team cooperation and management improvement, the Group's overall competitive power will be enhanced.



There is a saying that the best time will fade out and so will the worst time. The board of directors believed that the past excellent plan has made the Group capable of resisting the external risks in the coming few quarters and maintaining a steady development. Meanwhile, through the recent acquisition, investment and talent introduction, the Group will certainly take the opportunity in the next economic cycle to realize its long-term continuous development!

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 September 2008, the interests or short positions of the directors and chief executives or their associates of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO")) which (i) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Interests in ordinary shares			Total	Total	Aggregate	% of the
	Personal interests	Family interests	Corporate interests	interests in ordinary shares	interests in underlying shares		
<b>Executive Directors:</b>							
Mr. Lau Sik Suen	-	-	-	-	-	-	-
Mr. Lau Yeung Sang (Note 1)	-	-	401,050,000	401,050,000	-	401,050,000	26.67%
Mr. Liu Rui Sheng (Note 2)	-	-	-	-	5,100,000	5,100,000	0.34%
Madam, Luan Yu Min (Note 2)	-	-	-	-	7,400,000	7,400,000	0.49%
<b>Non-executive Director:</b>							
Mr. Chow Cheuk Lap (Note 3)	-	-	67,540,000	67,540,000	-	67,540,000	4.49%
<b>Independent Non-executive Directors:</b>							
Mr. Wan Xie Qiu	-	-	-	-	-	-	-
Mr. Meng Li Hui	-	-	-	-	-	-	-
Mr. Fong Heung Sang (Note 2)	-	-	-	-	900,000	900,000	0.06%

*Notes:*

1. The corporate interests of Mr. Lau Yeung Sang in the ordinary shares of the Company are held by World One Investments Limited (World One). The entire issued share capital of World One is wholly and beneficially owned by Mr. Lau Yeung Sang. Mr. Lau Yeung Sang is therefore deemed to be interested in these shares.
2. The interests of Mr. Liu Rui Sheng, Madam Luan Yu Min and Mr. Fong Heung Sang in underlying shares of the Company represent the interests in share options granted to them under the share option schemes of the Company.

Details of the interests in the share options of the Company are separately disclosed in the section headed "Share options".

3. Total interest of Mr. Chow Cheuk Lap in issued ordinary shares of the Company include 67,540,000 shares held by Top Nation International Limited ("Top Nation"). Mr. Chow owns 50% beneficial interests in Top Nation and he is deemed to be interested in these ordinary shares held by Top Nation.
4. There were no debt securities nor debentures issued by the Group at any time during the period ended 30 September 2008.

Save as disclosed above, as at 30 September 2008, none of the directors or chief executives or their associates of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) are 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 and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

The directors confirmed that as at 30 September 2008 and for the period ended 30 September 2008,

- (i) the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings according to Rules 5.48 to 5.67 of the GEM Listing Rules; and
- (ii) all the directors complied with the required standard of dealings and the Company's code of conduct regarding directors' securities transactions.

**PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDING**

So far as is known to any director or chief executive of the Company, as at 30 September 2008, persons who have an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

**(a) Long positions in the shares of the Company**

Name of Shareholders	Type of interests	Number of shares	Approximate percentage of interests
World One Investments Limited ( <i>Note 1</i> )	Beneficial owner	401,050,000	26.67%
Every City Industrial Limited ( <i>Note 2</i> )	Beneficial owner	106,000,000	7.05%

*Notes:*

- (1) World One Investments Limited is wholly and beneficially owned by Mr. Lau Yeung Sang.
- (2) Every City Industrial Limited is equally and beneficially owned by Mr. Choi Hung Fai and Mr. Zhou Hang.

**(b) Short positions in the shares and underlying shares of equity derivatives of the Company**

So far as the directors are aware, save as disclosed herein, no persons have short positions in the shares or underlying shares of equity derivatives of the Company.

## **SHARE OPTIONS**

Pursuant to the written resolutions passed by all the shareholders of the Company on 12 October 2001, the Company adopted the following share option schemes:–

### **(A) Share Option Scheme**

The purpose of the Share Option Scheme is to advance the interests of the Company and its shareholders by enabling the Company to grant options to attract, retain and reward all the directors (whether executive or non-executive and whether independent or not), the employees (whether full-time or part-time), any consultants or advisers of or to any company in the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid (“Eligible Persons”)), and any other persons who, in the absolute opinion of the Board, have contributed to the Group and to provide to the Eligible Persons a performance incentive for continued and improved service with the Group and by enhancing such persons’ contribution to increase profits by encouraging capital accumulation and share ownership. The directors may at their discretion, invite any Eligible Persons to take up options to subscribe for shares.

The maximum entitlement for any one participant (including both exercised and outstanding options) in any twelve-month period shall not exceed 1% of the total number of shares in issue.

The period within which the shares must be taken up under the option must not be more than ten years from the date of grant of the option. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price for shares in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion may determine save that such price shall not be less than the higher of (i) the closing price per share on GEM as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and (ii) the average of the closing prices per share on GEM as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the option.

A summary of the movements of the share options granted under the Share Option Scheme during the period is as follows:

Grantees	Date of grant	Vesting period	Exercise period	Exercise price	Number of share options				
					Outstanding as at 1 January 2008	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2008
Initial management shareholders and employees	7 February 2002	Fully vested on 7 February 2002	7 February 2002 to 6 February 2012	HK\$1.300	350,000	-	-	-	350,000
Senior management and staff of the Group	9 April 2002	Fully vested on 9 April 2002	9 April 2002 to 8 April 2012	HK\$1.400	70,000	-	-	-	70,000
Director, Senior management and staff of the Group	21 May 2007	Fully vested on 21 May 2007	21 May 2007 to 20 May 2009	HK\$0.228	25,410,000	-	-	120,000	25,290,000
Director, Senior management and staff of the Group	22 February 2008	22 February 2008	33 $\frac{1}{3}$ %: 22 February 2008 to 21 February 2011 33 $\frac{1}{3}$ %: 22 February 2009 to 21 February 2011 Remaining 33 $\frac{1}{3}$ %: 22 February 2010 to 21 February 2011	HK\$0.30	-	90,000,000	-	480,000	89,520,000
					25,830,000	90,000,000	-	600,000	115,230,000

*Notes:*

- (1) The Company received a consideration of HK\$1.00 from each of the grantees of the share option schemes.

As at 30 September 2008, the number of shares in respect of which options had been granted and outstanding under the share option schemes was 115,230,000, representing approximately 7.66% of the issued share capital of the Company.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the nine-month period ended 30 September 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **COMPETING INTERESTS**

During the period under review, none of the Directors, the substantial shareholders or the management shareholders (as defined in the GEM Listing Rules) of the Company had any interest in a business that competes or may compete with the business of the Group.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for the pre-emptive rights under the Company's Article of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## **AUDIT COMMITTEE**

The Company has established an audit committee on 12 October 2001 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules. The principal duties of the audit committee include the review and supervision of the Group's financial reporting process and internal control systems.

The audit committee currently comprises three independent Non-executive Directors, namely Mr. Meng Li Hui, Mr. Wan Xie Qiu and Mr. Fong Heung Sang. Mr. Meng Li Hui is the chairman of the audit committee.

The Group's unaudited results for the nine-month period ended 30 September 2008 have been reviewed by the audit committee, who was of the opinion that the preparation of such results complied with the applicable accounting standard and the requirements of GEM Listing Rules and adequate disclosures had been made.

By order of the Board  
**Lau Yeung Sang**  
*Chairman*

Hong Kong, 7 November 2008

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

*Executive Directors:*

Mr. Lau Yeung Sang (*Chairman*)

Mr. Lau Sik Suen

Mr. Liu Ruisheng

Madam Luan Yumin

*Independent Non-executive Directors:*

Mr. Meng Lihui

Mr. Wan Xieqiu

Mr. Fong Heung Sang

*Non-executive Director:*

Mr. Chow Cheuk Lap

*This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.*