



WARDERLY INTERNATIONAL HOLDINGS LIMITED

匯多利國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 607)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

The board (the "Board") of directors (the "Directors") of Warderly International Holdings Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 October 2007 (the "Period"), together with the comparative figures for the previous corresponding period prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

Condensed Consolidated Income Statement

For the six months ended 31 October 2007

		Six months ended 31 October	
		2007	2006
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Turnover	3	–	154,291
Cost of sales		–	(114,349)
Gross profit		–	39,942
Other income		42	573
Administrative expenses		(2,963)	(22,701)
Distribution costs		–	(9,405)
Gain on deconsolidation of a subsidiary	4	23,929	–
Finance costs	5	(6,770)	(6,204)
Profit before taxation	6	14,238	2,205
Taxation	7	–	(11)
Profit for the period attributable to equity holders of the Company		14,238	2,194
Dividend	8	–	–
Earnings per share	9		
– Basic		HK3.37 cents	HK0.52 cents
– Diluted		N/A	N/A

* for identification purpose only

Condensed Consolidated Balance Sheet

At 31 October 2007

	Notes	31 October 2007 (Unaudited) HK\$'000	30 April 2007 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,870	117,539
Prepaid lease payments		<u>–</u>	<u>616</u>
		2,870	118,155
CURRENT ASSETS			
Prepaid lease payments		–	14
Trade and other receivables	10	–	6,023
Bank balances and cash		3,489	<u>7,006</u>
		3,489	13,043
CURRENT LIABILITIES			
Trade and other payables	11	37,718	135,712
Guarantor's liability	12	2,596	–
Bank borrowings		304,893	307,346
Bank overdrafts		10,827	10,440
Taxation payable		31,970	<u>44,858</u>
		388,004	498,356
NET CURRENT LIABILITIES		(384,515)	(485,313)
TOTAL ASSETS LESS CURRENT LIABILITIES		(381,645)	(367,158)
NON-CURRENT LIABILITY			
Deferred tax liabilities		222	<u>222</u>
NET LIABILITIES		(381,867)	(367,380)
CAPITAL AND RESERVES			
Share capital		4,220	4,220
Reserves		(386,126)	<u>(371,639)</u>
Capital deficiencies attributable to equity holders of the Company		(381,906)	(367,419)
Minority interest		39	<u>39</u>
Capital deficiencies		(381,867)	(367,380)

Notes:

1. BASIS OF PREPARATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, as modified for leasehold buildings which are measured at revalued amounts.

The accounting policies and methods of computation followed in the preparation of the condensed consolidated financial statements are the same as those followed in the preparation of the Group’s annual audited consolidated financial statements for the year ended 30 April 2007.

In the Period, the Group has applied, for the first time, a number of new standards, amendment and interpretations (“new HKFRSs”) issued by the HKICPA. The adoption of the new HKFRSs had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new or revised standards, amendments and interpretations in issue at the date of authorisation of these condensed consolidated financial statements that are not yet effective. The Directors anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 12	Service Concession Arrangements ¹
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ¹
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁵

¹ Effective for annual periods beginning on or after 1 January 2008

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods beginning on or after 1 July 2008

⁵ Effective for annual periods beginning on or after 1 October 2008

In preparing the condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of its net liabilities of approximately HK\$382 million as at 31 October 2007.

Trading in the shares of the Company (the "Shares") on the Stock Exchange has been suspended since 14 May 2007 at the request of the Securities and Futures Commission in Hong Kong (the "SFC") pursuant to sub-Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (subsidiary legislation V of Chapter 571 of the Laws of Hong Kong). The Company submitted the proposal (the "Resumption Proposal") in relation to the resumption of trading in the Shares to the Stock Exchange and the SFC on 30 September 2008.

As part of the Resumption Proposal, the Company proposed to settle all amounts due to the creditors of the Company (the "Creditors") by way of the schemes of arrangement to be made between the Company and the Creditors (the "Schemes"). To fulfil the funding needs for the implementation of the Schemes and to provide general working capital for the Group's operations, the Company proposed to raise HK\$84.4 million, before expenses, by way of the open offer of zero coupon convertible notes (the "Offer Convertible Notes") with an aggregate principal amount of HK\$84.4 million (the "Open Offer"). If the conversion rights attaching to the Offer Convertible Notes are fully exercised at the conversion price of HK\$0.05 per Share, an aggregate of 1,688,000,000 new Shares will be allotted and issued.

The proceeds from the Open Offer of HK\$84.4 million will be used as to (i) approximately HK\$37 million for the full settlement of all amounts due to the Creditors pursuant to the Schemes; (ii) approximately HK\$7.7 million for the repayment of shareholder's loan due to Mr. Kan Che Kin, Billy Albert ("Mr. Kan"), a controlling shareholder of the Company, which were/will be used as general working capital of the Group and settlement of professional fees and costs in relation to the Schemes and the Open Offer; and (iii) the remaining amount for the general working capital of the Group.

The Open Offer is only available to the shareholders (the "Qualifying Shareholders") on the register of members of the Company on the date for the determination of the entitlements under the Open Offer (the "Record Date") and whose registered addresses as shown on such register on the Record Date are in Hong Kong.

Mr. Kan, who is beneficially interested in approximately 36.03% of the entire issued share capital of the Company as at 30 April 2008, is the underwriter to the Open Offer. Pursuant to the underwriting agreement dated 8 October 2008 entered into between the Company and Mr. Kan (the "Underwriting Agreement"), Mr. Kan has conditionally agreed to underwrite those Offer Convertible Notes not having been subscribed by the Qualifying Shareholders.

The Open Offer is conditional and fully underwritten by Mr. Kan. In particular, the Open Offer is conditional upon the lifting of the suspension of trading in the Shares on the Stock Exchange by the SFC, the approval of the Resumption Proposal from the Stock Exchange having been obtained, the Schemes being sanctioned by the Court of First Instance of the High Court of Hong Kong and the Grand Court of the Cayman Islands (as the case may be), the approval of the Open Offer and transactions contemplated thereunder by the independent shareholders of the Company, by way of a poll, at the extraordinary general meeting of the Company, and the Underwriting Agreement becoming unconditional. Accordingly, the Open Offer may or may not proceed.

The Directors consider the conditions precedent to the Open Offer will be satisfied and the Company's liabilities will be settled pursuant to the Schemes. Accordingly, the Directors are satisfied with the financial position of the Group and consider the preparation of the condensed consolidated financial statements on a going concern basis as appropriate.

3. TURNOVER AND SEGMENT INFORMATION

The Group had no turnover during the Period. For the six months ended 31 October 2006, turnover represented the fair value of the amounts received and receivable for goods sold to outside customers less returns and allowances and all of the Group's turnover, assets and liabilities were derived from the manufacturing and trading of household electrical appliances and audio-visual products and trading of kitchenware. The turnover, profit and assets attributable to the manufacturing and trading of audio-visual products and the trading of kitchenware contributed to less than 10% of the Group's turnover, profit and assets. Accordingly, no analysis of financial information by business segment is presented.

By geographical market

An analysis of the Group's turnover and profit for the six months ended 31 October 2006 is as follows:–

	Europe HK\$'000	North America HK\$'000	Asia HK\$'000	Consolidated Total HK\$'000
TURNOVER				
External sales	128,223	15,316	10,752	154,291
RESULTS				
Segment results	33,338	3,829	2,365	39,532
Unallocated corporate expenses				(31,123)
Finance costs				(6,204)
Profit before taxation				2,205
Taxation				(11)
Profit for the period				2,194

4. GAIN ON DECONSOLIDATION OF A SUBSIDIARY

The Group held 100% equity interest in Dongguan Kalee Electrical Co., Ltd. ("Dongguan Kalee") which was established in the People's Republic of China (the "PRC"). The Directors considered that the control over Dongguan Kalee has been lost as the factory of Dongguan Kalee was sealed up and closed down by the People's Court in Dongguan City of Guangdong Province in April 2007 and the Dongguan Intermediate People's Court ordered that Dongguan Kalee be liquidated for settlement of the debts by sale of the factory, land, together with the plant and equipment therein through auction in May 2008.

For the purpose of appropriate presentation and in order to allow the public to evaluate the performance of the Group, Dongguan Kalee was excluded from consolidation with effect from 1 May 2007. The details of gain on deconsolidation of a subsidiary were as follows:–

	HK\$'000 (Unaudited)
Property, plant and equipment	114,669
Prepaid lease payments	630
Amount due from an ultimate holding company	2,274
Bank balances and cash	996
Trade and other payables	(100,885)
Taxation payable	(12,888)
Bank borrowings	(2,522)
Net assets deconsolidated	2,274
Release of translation reserve	(28,725)
	(26,451)
Guarantor's liability (Note)	2,522
Gain on deconsolidation of a subsidiary	(23,929)

Note:–

The Company provided corporate guarantee to a bank to secure the banking facilities granted to Dongguan Kalee. As Dongguan Kalee had net liabilities and was in default on payment of such bank borrowings, the Group recognised a liability of HK\$2,522,000, equivalent to the outstanding bank borrowings and accrued interest thereon of Dongguan Kalee, to reflect its obligation under the guarantee arrangement.

5. FINANCE COSTS

	Six months ended 31 October	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on:–		
Bank borrowings and overdrafts wholly repayable within five years	6,696	6,135
Guarantor's liability	74	–
Finance leases	–	69
	6,770	6,204

6. PROFIT BEFORE TAXATION

	Six months ended 31 October	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	–	28,861
Gain on disposal of property, plant and equipment	–	(1,290)
Interest income	–	(440)

7. TAXATION

No provision for Hong Kong Profits Tax and PRC enterprise income tax has been made in the condensed consolidated financial statements during the Period as the Group did not have any assessable profit.

For the six months ended 31 October 2006, the income tax expense represented provision of PRC enterprise income tax calculated at 27% on the estimated assessable profits of the Company's subsidiaries operating in the PRC.

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 October 2007 (2006: Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per Share attributable to equity shareholders of the Company for the Period is based on the profit for the Period of HK\$14,238,000 (2006: HK\$2,194,000) and the weighted average number of 422,000,000 (2006: 422,000,000) Shares in issue.

The calculation of diluted earnings per Share for both periods did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price of the Share during both periods before the suspension of trading in Shares on the Stock Exchange in May 2007.

10. TRADE AND OTHER RECEIVABLES

	31 October 2007 (Unaudited) HK\$'000	30 April 2007 (Audited) HK\$'000
Trade receivables	654	11,416
Less: Allowance for doubtful debts	(654)	(5,393)
	-	6,023
Other receivables	11,961	28,432
Less: Allowance for doubtful debts	(11,961)	(28,432)
	-	-
	-	6,023

The Group allows its trade customers with a credit period normally ranging from 30 days to 90 days. The aged analysis of trade receivables (based on invoice date and before allowance for doubtful debts) is as follows:-

	31 October 2007 (Unaudited) HK\$'000	30 April 2007 (Audited) HK\$'000
Aged:-		
0 to 90 days (not past due nor impaired)	-	6,023
Over 180 days (past due and impaired)	654	5,393
Total trade receivables	654	11,416

11. TRADE AND OTHER PAYABLES

	31 October 2007 (Unaudited) HK\$'000	30 April 2007 (Audited) HK\$'000
Trade payables	12,319	81,148
Other payables	23,125	51,257
Amounts due to directors	-	3,307
Amount due to a deconsolidated subsidiary	2,274	-
	37,718	135,712

The amount due to a deconsolidated subsidiary is unsecured, interest-free and repayable on demand.

The aged analysis of the Group's trade payables as at 31 October 2007 and 30 April 2007 is as follows:

	31 October 2007 (Unaudited) HK\$'000	30 April 2007 (Audited) HK\$'000
Aged:		
0 to 90 days	–	5,116
91 to 180 days	–	34,201
Over 180 days	12,319	41,831
	12,319	81,148

12. GUARANTOR'S LIABILITY

The amount represents the liability arising from the guarantee arrangement between the Company and Dongguan Kalee of HK\$2,522,000 as disclosed in note 4 to this announcement and the accrued interest of HK\$74,000 on the outstanding bank borrowings of Dongguan Kalee of which the Company acts as a guarantor for the period from the time Dongguan Kalee was excluded from consolidation to October 2007.

13. EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 5 December 2007, the Commissioner of Inland Revenue commenced proceedings in District Court of Hong Kong under DCTC 9371 of 2007 against Tacho Company Limited ("Tacho") for the sum of approximately HK\$62,000, interest and costs. On 18 February 2008, the court granted a judgment against Tacho for approximately HK\$62,000, interest and costs in the sum of approximately HK\$1,000. A writ of fieri facias has been issued against Tacho. The judgment has not been settled as at the date of this announcement and the Group has provided for the liabilities in the consolidated financial statements for the year ended 30 April 2007.
- (b) On 21 January 2008, the Commissioner of Inland Revenue commenced proceedings in District Court of Hong Kong under DCTC 554 of 2007 against Tacho for the sum of approximately HK\$6,089,000, interest and costs. On 19 March 2008, a judgment was granted by the District Court of Hong Kong against Tacho for approximately HK\$6,089,000, interest and costs. A writ of fieri facias has been issued to enforce the judgment. The judgement has not been settled as at the date of this announcement and the Group has provided for the liabilities in the consolidated financial statements for the year ended 30 April 2007.
- (c) On 23 January 2008, the High Court of Hong Kong ordered Housely Industries Limited ("Housely Industries"), a wholly owned subsidiary of the Company, be wound up under the provisions of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), and that the Official Receiver be constituted provisional liquidator of the affairs of Housely Industries. Two individuals were appointed as liquidators of Housely Industries.
- (d) On 14 February 2008, Golden China Industrial Limited commenced proceedings against Housely Industries in the High Court of Hong Kong under HCA 237 of 2008 for approximately HK\$1,840,000, interest and costs.
- (e) On 23 July 2008, the Commissioner of Inland Revenue commenced proceedings in the District Court of Hong Kong under DCTC 5918 of 2008 against Tacho for approximately HK\$3,206,000, interest and costs. The amount of approximately HK\$3,206,000 represented tax surcharge for the unpaid taxes of approximately HK\$32,682,000. The claim has not been settled as at the date of this announcement and the Group will provide for the liabilities in the consolidated financial statements for the year ending 30 April 2008.
- (f) On 8 October 2008, the Company announced the proposed Open Offer of the Offer Convertible Notes in the aggregate principal amount of HK\$84.4 million. Details of the Open Offer are set out in note 2 to this announcement.

Business and Financial Review

Trading in the Shares on the Stock Exchange has been suspended since 14 May 2007 at the request of the SFC.

For the six months ended 31 October 2007, the Group was seriously affected by poor financial performance and the lack of working capital to finance its trading operation. Most of the subsidiaries of the Company ceased operations during the Period. Besides, the Directors considered that the control over Dongguan Kalee has been lost during the Period due to the sealing up and closed down of the factory of Dongguan Kalee. Accordingly, the results, assets and liabilities of Dongguan Kalee was not included into the consolidated financial statements of the Group with effect from 1 May 2007.

The Group had no turnover for the six months ended 31 October 2007. The Group recorded a profit of approximately HK\$14 million for the six months ended 31 October 2007 mainly because of the gain on deconsolidation of a subsidiary of approximately HK\$24 million.

Important Events and Prospects

The Company submitted the Resumption Proposal to the Stock Exchange and the SFC on 30 September 2008. As part of the Resumption Proposal, the Board proposed to undergo the debt restructuring by way of schemes of arrangement with the creditors of the Company to revitalize the Company and settle the Company's indebtedness.

To fulfil the funding needs for implementation of the Schemes and to provide general working capital for the Group's operations, the Company proposed to issue zero coupon convertible notes with an aggregate principal amount of HK\$84.4 million by way of the Open Offer.

Upon the completion of the debt restructuring and the Open Offer, additional working capital will be injected into the Group and the Directors are optimistic about the Group's future prospect. The Directors are looking for new business opportunities that offer better returns for our shareholders and are confident that the Group's business will recover gradually.

Liquidity and Financial Resources

The Group had total cash and bank balances of approximately HK\$3.5 million as at 31 October 2007 (30 April 2007: approximately HK\$7 million). Balance of bank overdrafts, bank borrowings and guarantor's liability were approximately HK\$318 million as at 31 October 2007 (30 April 2007: approximately HK\$318 million). The gearing ratio of the Group as at 31 October 2007 calculated as a ratio of total bank loans, bank overdrafts and guarantor's liability to total assets was approximately 5,006% (30 April 2007: approximately 242%). Net liabilities were approximately HK\$382 million (30 April 2007: approximately HK\$367 million).

The Group recorded total current asset value of approximately HK\$3 million as at 31 October 2007 (30 April 2007: approximately HK\$13 million) and total current liability value of approximately HK\$388 million (30 April 2007: approximately HK\$498 million). The current ratio of the Group, calculated by dividing the total current asset value by the total current liability value, was about 0.01 as at 31 October 2007 (30 April 2007: approximately 0.03).

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 31 October 2007.

Treasury Policies

The Group's major borrowings are in Hong Kong dollars and variable interest rates. The Group currently did not have a foreign currency and interest rate hedging policy. However, the management of the Group monitored foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign currency and interest rate exposure should the need arise.

Pledge of Assets

The Group had no pledged assets as at 31 October 2007.

Foreign Exchange Exposure

Transactions of the Group were mainly denominated in Hong Kong dollars. The Directors did not consider that the Group was exposed to foreign exchange risk for the Period.

Share Capital

As at 31 October 2007, the issued share capital of the Company comprised 422,000,000 ordinary Shares of HK\$0.01 each.

Investments

The Group had not held any significant investment for the six months ended 31 October 2007.

Material Acquisitions and Disposals of Subsidiaries Or Associated Companies

The Group did not have any material acquisition or disposal of subsidiaries or associated companies during the six months ended 31 October 2007.

Segmental Information

Details of segmental information for the six months ended 31 October 2007 are set out in note 3 to this announcement.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 October 2007.

Staff and Remuneration Policies

As at 31 October 2007, the Group had 8 employees (30 April 2007: 26 employees).

Competitive remuneration packages including discretionary bonus, retirement scheme benefits and share options are structured to commensurate with individual job duties, qualifications, performance and years of experience.

Purchase, Redemption or Sale of Listed Securities of the Company

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

Audit Committee

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Code (the "Code") of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to review the Company's interim and annual reports and financial statements. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 31 October 2007. The Audit Committee currently comprises the five independent non-executive Directors.

Compliance with the Code on Corporate Governance Practices and Model Code

During the six months ended 31 October 2007, the Company has complied with the code provisions as set out in the Code, save and except certain deviations as described below:

CODE PROVISION A.1.1

The Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. During the Period, due to the financial difficulties faced by the Group and resignation of some Directors, only one Board meeting was held during the Period.

CODE PROVISION A.2

The Company has not appointed any individual to take up the posts of the chief executive officer and chairman of the Company during the Period and the daily operation and management of the Group was monitored by the directors as well as the senior management of the Group. The Board was of the view that although there are no chairman and chief executive officer, the balance of power and authority was ensured by the operations of the Board, which comprises experienced individuals and the Board considered that the current structure would not impair the balance and authority between the Board and the senior management of the Group.

CODE PROVISION A.3 AND RULE 3.10 OF THE LISTING RULES

Under the Code A.3 and pursuant to Rule 3.10 of the Listing Rules, every Board must include at least three independent non-executive Directors. During the Period, the Board consisted of only two independent non-executive Directors. Mr. Chow Yiu Wah, Joseph was appointed as an independent non-executive Director on 5 December 2007. Since then, the Board has sufficient number of independent non-executive Directors.

CODE PROVISION A.4.1

Non-executive Directors should be appointed for specific term, subject to re-election. The non-executive Directors and the independent non-executive Directors were not appointed for a specific term, but they were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company at least once every three years.

CODE PROVISION B.1.1

A remuneration committee should be established with specific written terms of reference which deal clearly with its authority and duties. However, due to the financial difficulties faced by the Group and resignation of some Directors during the Period, the remuneration committee of the Company did not hold any meeting during the Period to discharge its responsibilities in accordance with its terms of reference which are set out in accordance with the requirements of the Listing Rules.

CODE PROVISION C3.3 AND RULE 3.21 OF THE LISTING RULES

An audit committee should be established with specific written terms of reference which deal clearly with its duties. During the Period, as the Company delayed in the publication of its annual results for the year ended 30 April 2007, the Audit Committee only held one meeting to discuss the update of the Company status and delay in the publication of annual results of the Company and did not hold any meeting to discharge its responsibilities in relation to the review of the financial statements of the Company and the effectiveness of the system of internal control of the Group.

An audit committee must comprise a minimum of three members, comprising non-executive Directors and independent non-executive Directors. During the Period, the Audit Committee only comprised two independent non-executive Directors. Mr. Chow Yiu Wah, Joseph was appointed as an independent non-executive Director on 5 December 2007.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standards as set out in the Model Code throughout the Period.

By Order of the Board

Hung Kwok Wa

Director

Hong Kong, 22 October 2008

As at the date of this announcement, the Board consists of Mr. Hung Kwok Wa, Mr. Lau Man Tak, Mr. Li Kai Yien, Arthur Albert, Ms. Li Shu Han, Eleanor Stella and Ms. Seto Ying as executive Directors; Mr. Lau Tai Chim, Mr. Tam Ping Kuen, Daniel, Mr. Lee Kong Leong, Mr. Li Siu Yui and Mr. Ip Woon Lai as independent non-executive Directors.