LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

The Board of Directors of Lam Soon (Hong Kong) Limited is pleased to present the unaudited consolidated interim results of the Group for the six months ended 31 December 2008.

OVERVIEW

During this period, economic sentiments and consumer markets in Hong Kong and China were affected by the aftermath of the tragic Sichuan earthquake followed by a short-spell of euphoria during and after the successful completion of the Beijing Olympic Games. This was cut short by the rapid deterioration of world financial markets towards the end of 2008, the speed and severity of which were unprecedented. The U.S. banking system pulling down with it the world banking system came to the brink of collapse. The great economic boom in the last ten years aided by globalisation and the China engine of growth came to an abrupt end. There was hardly time for adjustment as the steep and broadly based recession rattled the global economies and drove the commodity and currency market helter-skelter. Near panic conditions set in and Governments in major economies were compelled to intervene urgently with massive injection of liquidity to stave off systemic failures.

Closer to home in the Pearl River Delta region where in the early part of 2008 concerns on shortage of factory workers and surging demand had forced the Beijing Central Government to impose various measures to control rising inflation and excess investments had to be reversed suddenly as export orders and bank loans dried up and factories had to be shut down.

Commodity prices went on a roller coaster ride resulting from uncertain and frequent changes of demand forecast, the contraction of credit money, and most importantly, fluctuations of the US dollar. Trading activities were adversely affected as many retailers and wholesalers turned cautious to avoid inventory holding to minimise losses due to price volatility.

Economic factors normally affecting and determining the value of national currencies became distorted by a sense of apprehension and fear. Credit supply and consumer spending were reduced while bankruptcies and unemployment increased. Under such circumstances, business operations and corporate treasury functions became increasingly difficult. We too, like most if not all other operating businesses had taken some hard knocks but managed to hold steady and to stay on course.

SUMMARY OF FINANCIAL RESULTS

The Group's continuing operations reported total revenue of HK$1,105 million (2007: HK$1,004 million), representing an increase of 10% over the corresponding period of last year. The net profit attributable to shareholders of the Company however was reduced to HK$5.2 million (2007: HK$59.6 million) affected by the significant increase of labour costs and initial start-up selling and distribution expenses in China, and more so because of the adverse mark-to-market valuation of foreign currencies deposits for the period.

The Group continues to maintain a strong financial position. As at the end of our interim period 31 December 2008, our net cash on hand was HK$476 million, an increase of HK$156 million since 30 June 2008.

DIVIDENDS

The Board of Directors has proposed an interim dividend of HK$0.06 per share totaling HK$14.6 million (2007: interim dividend of HK$0.06 per share, totaling HK$14.6 million) for the six months ended 31 December 2008, which will be payable on Wednesday, 18 March 2009 to the shareholders whose names appear in the register of members of the Company on Tuesday, 17 March 2009.

BUSINESS REVIEW

The Group has remained focused on the enhancement of its key strengths in building branded premium products in our core businesses. This strategy has enabled us to sustain gross profit growth even under these extremely difficult external environments. Leveraging on this positioning, we have continued to expand our distribution penetration in Eastern and Northern China regions acquiring new distributors for new sales channels for our products.

During the period, our branded premium products in flour, edible oil and detergent had grown to 50% of the Group's total turnover. Total sales and gross profit contribution of these branded premium products increased by 6% and 17%, respectively. We had also improved our gross contribution by changing the product mix and improving our manufacturing efficiency.

The construction of our new wheat processing plant in Qingzhou, Shandong is progressing satisfactorily. Upon completion expected in the second quarter of 2009, this will be the third plant of the Group adding a total daily wheat processing capacity to 2,450 metric tons. Each of our plant is strategically located within the Southern, Eastern, and Northern region to provide more efficient services to our customers.

Our well-established Golden Statue bakery flour and American Roses cake flour were honoured to be nominated as the exclusive wheat flour supplier for the Beijing Olympic Games. Our production and quality assurance programmes were witnessed and confirmed by the relevant international and local quality assurance agents as well as government representatives under the supply service contract. This is a strong testament to our premium product quality and service standards.

Food Segment

Despite the challenging economic environment, our branded premium products in the food segment continued to achieve sales growth except edible oil. Sales shipments for edible oil were slowed down mainly due to the high volatility of raw material costs. Retailers and wholesalers were reluctant to carry inventory as raw material costs and competitors' prices fluctuated very rapidly in the period. We expect price and trade inventory will return to a more normal level after the Chinese New Year period when raw material costs become more stabilised.

Besides our exclusive supply of Golden Statue bakery flour and American Roses cake flour to the Beijing Olympic Games, the Group's flag-ship edible oil Knife Brand had received the award for the best selling edible oil brand in Hong Kong for 9 consecutive years. Our premium brand with its signature quality continued to be the preferred choice of discerning customers.

Our operating costs had increased during the period due to several factors. Firstly, it was the adjustment of employee benefits in China imposed by the latest labour law. Secondly, the delivery costs also increased substantially due to the increased fuel costs following crude oil price reaching US$150 a barrel during the early part of the year. Thirdly, we had to take on the initial market entry costs for our sales penetration in Eastern and Northern China which we believe will benefit our sales in the longer term.

Detergent Segment

Detergent Segment achieved 16% sales growth during the period. It recorded a moderate increase on operating margin mainly due to the competitive environment driven by the fluctuation of petroleum costs.

In addition to AXE and Labour detergent, which are the most popular brands for household consumers, we had also launched a new product line named as Procleanic which is custom-designed for industrial customers. Procleanic provides outstanding features and benefits for a variety of applications in food manufacturing plants, kitchens, fast-food and restaurant chains. Procleanic was launched in Hong Kong and Macau and has been well received by industrial customers.

Distribution Segment

Distribution segment improved in both sales and operating margin mainly due to increased market share in Hong Kong. In addition to the strong heritage of our core brands in Hong Kong and our continuous commitment to enhance our competitive quality standards, increasing raw material costs had also forced some smaller competitors out of the market during the period. The Group will continue to leverage on its financial strength and its competitive positioning to cope with the challenging economic environment.

OUTLOOK

China's GDP growth is forecast to slow down to 8% or so in 2009 which will present economic and social challenges ahead. It would be foolhardy to expect any quick fix but Government initiatives to stimulate domestic consumption is a bright spot for consumer staples like the wheat-flour, edible oil and detergent products that we offer.

Despite the current economic recession, we believe consumers in China and Hong Kong would still favour products with value and having high standards of product safety and quality. Our focus on premium products can offer better and more varied product enhancements to appeal to consumers. We will make use of this for targeted promotion programmes to improve customer loyalty and sales efficiency.

As our businesses are in the production of high quality staple consumer products for wheat-flour, edible oil and detergent, we expect a lesser fall in consumer demand for such household necessities. At times like this, our continuous emphasis on improving efficiency, reducing operating cost and increasing productivity will give us the extra edge to meet competition and the challenging environment ahead.

As big changes are occurring because of contraction in the global and in the People's Republic of China ("PRC") economy affecting our production costs, management will take appropriate actions to optimize staffing cost bearing in mind new PRC labour laws in place. At the same time, we see opportunities to save on distribution costs as logistic service providers are under pressure to reduce rates. We are encouraged by the lower prices of oil and raw materials and have continued to be alert to extract maximum benefit for our cost of production under the circumstance to not only protect but increase our margins where possible.

Furthermore, the Group is in net cash position and is in a good position with ample cash to consider synergistic acquisitions to expand our business portfolio. We believe there are opportunities and values to be had in down cycles. The turn-around in the general economy may not come so soon but we remain cautiously optimistic to keep our business on an even keel and will prepare ourselves ready to benefit from improved market conditions when the economy picks up again.

Liquidity and Financial Resources

At 31 December 2008, the Group had cash balance of HK$584 million (30 June 2008: HK$532 million). About 33% of these funds are denominated in Renminbi ("RMB"), 26% in Hong Kong dollars ("HK$"), 20% in United States dollars ("USD"), 14% in Australian dollars ("AUD"), 6% in Malaysia Ringgits ("MYR") and 1% in Macau Pataca ("MOP") respectively.

At 31 December 2008, the Group had HK$305 million committed bank facilities (30 June 2008: HK$325 million) of which HK$108 million (30 June 2008: HK$212 million) was utilised. All bank borrowings carry interest at floating rates and are repayable within 1 year.

The Group centralises all the financing and treasury activities at the corporate level. There are stringent controls over the application of financial and hedging instruments which can only be employed to manage and mitigate the price risk of commodities for trade purposes.

At 31 December 2008, the inventory turnover days were 39 days (30 June 2008: 57 days). Lower inventory of raw materials were kept for the Food Segment to reduce inventory risk in view of the volatile commodity market. The trade receivable turnover days remained at a healthy level of 23 days (30 June 2008: 25 days).

In view of its strong liquidity and financial position, management believes the Group will have sufficient resources to fund its daily operations and capital expenditure commitments.

Foreign Currency Exposure

The Group has operations in Mainland China and Hong Kong. Local costs and revenue are primarily denominated in RMB and HK$. All the Group's borrowings were denominated in HK$.

The Group is exposed to currency risk primarily through sales, purchases and deposits that are denominated in currencies other than the functional currency of the entity to which they relate. The currencies giving rise to this risk are primarily AUD, MYR and USD. As HK$ is pegged to USD, the Group considers the risk of movements in exchange rates between HK$ and USD to be insignificant for transactions denominated in USD which are entered into by entities with a functional currency of HK$.

The following table shows the details of the Group's material exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	31 December 2008			
	HKD '000	MYR '000	AUD '000	USD '000
Cash and cash equivalents	4,088	16,562	15,344	15,095
Creditors, deposits received and accruals	(234)	-	-	(239)
Debtors, deposits and prepayments	186	-	-	17

Capital Expenditure

During the period, the Group spent approximately HK$4 million on plant and equipment to further upgrade its manufacturing capabilities and HK$27 million on the construction of the Qingzhou flour mill plant and the related equipment.

HUMAN RESOURCES

As at 31 December 2008, there were approximately 1,300 employees in the Group. The Group remunerates its employees in accordance with the nature of their duties and responsibilities, as well as the prevailing market conditions. Annual increment and year-end performance bonus mechanism are incorporated in the Group's remuneration policy to retain, reward and motivate individuals for their contributions to the Group. The Company also operates a share option scheme for granting of options to eligible employees. During the period, 3,700,000 options granted to a director and other employees of the Group were lapsed.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	Six months ended 31 December 2008 HK$'000	2007 HK$'000
Continuing operations			
Turnover	2	**1,104,566**	1,004,283
Cost of sales		**(915,647)**	(836,931)
Gross profit		**188,919**	167,352
Other income		**7,582**	22,840
Selling and distribution expenses		**(105,492)**	(88,796)
Administrative expenses		**(40,768)**	(43,952)
Other operating expenses		**(43,298)**	(430)
Operating profit	2	**6,943**	57,014
Net interest income/(expenses)		**5,361**	(2,191)
Share of profit of a jointly controlled entity		**1,557**	1,494
Profit before taxation	3	**13,861**	56,317
Taxation expenses	4	**(8,700)**	(6,441)
Profit for the period from continuing operations		**5,161**	49,876
Discontinued operation	5		
Profit for the period from a discontinued operation		**-**	8,318
Profit for the period		**5,161**	58,194
Attributable to:			
Shareholders of the Company		**5,216**	59,552
Minority interests		**(55)**	(1,358)
Profit for the period		**5,161**	58,194
Dividend – interim declared after the balance sheet date	6	**14,601**	14,601
Earnings per share (HK$)	7		
Basic		**0.02**	0.25
Diluted		**N/A**	0.25
For profit from continuing operations (HK$)			
Basic		**0.02**	0.21
Diluted		**N/A**	0.21
For profit from a discontinued operation (HK$)			
Basic		**-**	0.04
Diluted		**-**	0.04

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**(Unaudited) 31 December 2008 *HK$'000***	(Audited) 30 June 2008 *HK$'000*
NON-CURRENT ASSETS			
Fixed assets		**502,545**	496,494
Leasehold land		**46,856**	48,402
Intangible assets		**2,175**	2,175
Interests in associates		**24,581**	24,581
Interest in a jointly controlled entity	*8*	**64,827**	63,268
Available-for-sale financial assets		**654**	757
Deferred tax assets		**865**	8,935
		642,503	644,612
CURRENT ASSETS			
Inventories		**197,467**	273,625
Debtors, deposits and prepayments	*9*	**197,414**	236,769
Amount due from a jointly controlled entity		**32,297**	50,575
Tax refundable		**4,440**	-
Cash and cash equivalents		**583,782**	532,081
		1,015,400	1,093,050
CURRENT LIABILITIES			
Bank loans		**107,500**	212,000
Creditors, deposits received and accruals	*10*	**259,877**	217,148
Tax payable		**6,797**	7,029
Other current liabilities		**28,128**	28,132
		402,302	464,309
NET CURRENT ASSETS		**613,098**	628,741
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,255,601**	1,273,353
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**302**	1,044
Other non-current liabilities		**397**	509
		699	1,553
NET ASSETS		**1,254,902**	1,271,800
CAPITAL AND RESERVES			
Share capital		**243,354**	243,354
Reserves		**994,503**	1,011,558
Equity attributable to shareholders of the Company		**1,237,857**	1,254,912
Minority interests		**17,045**	16,888
TOTAL EQUITY		**1,254,902**	1,271,800

Notes:

1. Basis of preparation and accounting policies

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

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 30 June 2008. In the current interim period, the Group has applied, for the first time, the following new interpretations ("new HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 July 2008.

HK (IFRIC) – Int 12 Service Concession Arrangements
HK (IFRIC) – Int 13 Customer Loyalty Programmes
HK (IFRIC) – Int 14, HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoptions of these new HKFRSs have no material effects on the Group's results and financial position for the current or prior periods.

The Group has not early applied the following new and revised standards and interpretations that have been issued but are not yet effective. The Group is in the process of making assessment of the impacts of these standards and interpretations that are expected to be in the period of initial application.

Improvements to HKFRSs	Improvements to HKFRSs[1]
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 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
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[4]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[3]

[1] Effective for annual periods beginning on or after 1 January 2009, except the amendment to HKFRS 5, which will be effective for annual periods beginning on or after 1 July 2009
[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 October 2008

2. Segmental information

The Group principally operates in three business segments and the specific products of each segment are as follows:

(i) Food: Manufacturing and distribution of a broad range of food products including flour, edible oil, vegetable fats and other processed food.

(ii) Detergent: Manufacturing and distribution of cleaning products including liquid dish washing detergent, laundry powder, fabric softener and floor cleaner.

(iii) Distribution: Trading and distribution of a wide range of products such as flour, detergent, bakery and agency products in Hong Kong and Macau.

The Packaging business was disposed of in February 2008 and its results for the six months ended 31 December 2007 were disclosed as discontinued operation.

The analysis of the Group's turnover and contribution to profit from operations by business segment is as follows:

		Turnover		**Operating profit/(loss)**	
		Six months ended 31 December			
	Note	**2008**	2007	**2008**	2007
		HK$'000	HK$'000	**HK$'000**	HK$'000
Business segment:					
Continuing operations					
Food		**758,115**	765,808	**16,063**	47,659
Detergent		**103,803**	89,521	**4,769**	4,572
Distribution		**241,344**	146,684	**34,568**	20,451
Others		**1,304**	2,270	**(48,457)**	(15,668)
		1,104,566	1,004,283	**6,943**	57,014
Discontinued operation					
Packaging	*5*	**-**	383,071	**-**	9,246
Total		**1,104,566**	1,387,354	**6,943**	66,260

3. Profit before taxation

Continuing operations

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 31 December	
	2008	2007
	HK$'000	HK$'000
Depreciation and amortisation	**24,750**	22,217
Staff costs	**70,392**	64,617
Net exchange loss/(gain)	**33,842**	(11,626)
Provision for doubtful debts	**9,149**	44
Gain on disposal of fixed assets	**(3,779)**	(6,678)
Provision for obsolete inventories	**410**	48

Discontinued operation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 31 December	
	2008	2007
	HK$'000	HK$'000
Depreciation and amortisation	**-**	10,411
Staff costs	**-**	31,662
Net exchange gain	**-**	(5,382)
Provision for doubtful debts written back	**-**	(449)
Gain on disposal of fixed assets	**-**	(545)
Provision for obsolete inventories	**-**	438

4. Taxation expenses

The taxation charge is made up as follows:

Continuing operations

		Six months ended 31 December	
	Notes	**2008**	2007
		HK$'000	HK$'000
Hong Kong taxation	*(i)*	**2,771**	3,105
Overseas taxation	*(ii)*	**(1,398)**	3,688
Deferred taxation	*(ii)*	**7,327**	(352)
		8,700	6,441

Discontinued operation

	Six months ended 31 December	
	2008	2007
	HK$'000	HK$'000
Hong Kong taxation	**-**	-
Overseas taxation	**-**	882
Deferred taxation	**-**	(1,067)
	-	(185)

Notes:

(i) Hong Kong profits tax has been provided for at the rate of 16.5% (2007: 17.5%) on the respective estimated assessable profits of companies within the Group operating in Hong Kong during the period.

(ii) Overseas taxation represents income tax charge on the estimated taxable profits of certain subsidiaries operating in Mainland China.

During the period, certain subsidiaries operating in Mainland China were granted exemption from income tax with effect from 1 January 2008. As a result of the change, income tax of these subsidiaries for the period from 1 January 2008 to 30 June 2008 was written back during the period. In addition, deferred tax assets and deferred tax liabilities of HK$8,178,000 and HK$808,000 respectively recognised in prior periods were de-recognised because there will not be any taxable profits against which the related deductible temporary differences can be utilised in the foreseeable future.

Other subsidiaries operating in Mainland China are subject to income tax rates ranging from 12.5% to 20% (2007: 15% to 27%).

The Group is liable to withholding tax on dividends to be distributed from subsidiaries in the PRC in respect of their profits generated on or after 1 January 2008. At 31 December 2008, temporary differences relating to the undistributed profits of the Group's subsidiaries in the PRC amounted to HK$37,912,000 (30 June 2008: HK$26,549,000). Deferred tax liabilities have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed by these subsidiaries in the foreseeable future.

5. Discontinued operation

On 28 February 2008, the Group disposed of its entire interest in Packaging business.

The results and cash flows of Packaging business for the six months ended 31 December 2007 are presented below:

	Six months ended 31 December 2007
	HK$'000
Turnover	383,071
Cost of sales	(357,331)
Gross profit	25,740
Other income	6,352
Selling and distribution expenses	(9,117)
Administrative expenses	(12,107)
Other operating expenses	(1,622)
Operating profit	9,246
Net interest expenses	(1,113)
Profit before taxation	8,133
Taxation credit	185
Profit for the period from a discontinued operation	8,318

Net cash used in operating activities	(25,935)
Net cash from investing activities	658
Net cash used in financing activities	(3,104)
	(28,381)

6. Dividend

	Six months ended 31 December	
	2008	2007
	HK$'000	HK$'000
Proposed interim dividend of HK$0.06 (2007: HK$0.06) per share	**14,601**	14,601

The interim dividend declared after the balance sheet date has not been recognised as a liability in the balance sheet date.

7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK$5,216,000 (2007: HK$59,552,000) and the weighted average number of 241,961,165 (2007: 241,961,165) ordinary shares in issue during the period.

Diluted earnings per share for the six months ended 31 December 2008 have not been disclosed as there was no share option outstanding at 31 December 2008.

Diluted earnings per share for the comparative six months ended 31 December 2007 is calculated by reference to the profit attributable to shareholders of the Company of HK$59,552,000 and the weighted average number of 241,961,165 ordinary shares in issue, plus the weighted average number of 316,943 ordinary shares with the assumption that they have been issued at no consideration on the deemed exercise of all share options during the period.

8. Interest in a jointly controlled entity

This represented the share of net assets in the joint venture for the blending and distribution of edible oil, vegetable fats and shortenings for the Hong Kong and Macau market.

9. Debtors, deposits and prepayments

The ageing analysis of trade debtors (net of provisions for bad and doubtful debts) is as follows:

	(Unaudited) 31 December 2008 HK$'000	(Audited) 30 June 2008 HK$'000
0 – 3 months	**138,815**	140,804
4 – 6 months	**1,812**	714
Total trade debtors	**140,627**	141,518
Other debtors, deposits and prepayments	**53,885**	92,460
Current portion of leasehold land	**2,902**	2,791
	197,414	236,769

10. Creditors, deposits received and accruals

The ageing analysis of trade creditors is as follows:

	(Unaudited) 31 December 2008 HK$'000	(Audited) 30 June 2008 HK$'000
0 – 3 months	**178,390**	146,887
4 – 6 months	**1,293**	683
Over 6 months	**1,538**	465
Total trade creditors	**181,221**	148,035
Other creditors, deposits received and accruals	**78,656**	69,113
	259,877	217,148

REVIEW BY BOARD AUDIT COMMITTEE

The unaudited interim results for six months ended 31 December 2008 have been reviewed by the Board Audit Committee of the Company. The information in these interim results does not constitute statutory accounts.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

The Company had complied throughout the period ended 31 December 2008 with the relevant provisions of the Code on Corporate Governance Practices (the "CGP Code") based on the principles set out in Appendix 14 to the Listing Rules applying before 1 January 2009, save for the following:

- the non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the articles of association of the Company. As such, the Company considers that such provisions are sufficient to meet the underlying objectives of the relevant provisions of the CGP Code.

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 as the code of conduct regarding directors' securities transactions.

All directors of the Company, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code applying before 1 January 2009 throughout the period.

Board Audit Committee

The Board Audit Committee ("BAC") comprises Messrs. LO Kwong Chi, Clement (Chairman of the BAC), TSANG Cho Tai and DING Wai Chuen. Messrs. LO Kwong Chi, Clement and DING Wai Chuen are independent non-executive directors of the Company. The BAC has reviewed with management the accounting policies and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited consolidated financial statements of the Group for the period ended 31 December 2008.

Board Remuneration Committee

The Board Remuneration Committee ("BRC") comprises Messrs. KWEK Leng Hai (Chairman of the Company and Chairman of the BRC), LO Kwong Chi, Clement and DING Wai Chuen. The latter two are independent non-executive directors of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the period, the Company did not redeem any of its listed shares. Neither the Company nor any of its subsidiaries purchase or sell any of the Company's listed shares.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 12 March, 2009 to Tuesday, 17 March 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrars and Transfer Office – Hongkong Managers and Secretaries Limited at Unit 3401-2, 34th Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong not later than 4:00 p.m. on Wednesday, 11 March, 2009.

GENERAL

As at the date of this announcement, the Board of Directors of the Company comprises:

Chairman:
Mr. KWEK Leng Hai

Group Managing Director:
Mr. LEUNG Wai Fung

Non-Executive Directors:
Dr. WHANG Sun Tze
Mr. TAN Lim Heng
Mr. TSANG Cho Tai

Independent Non-Executive Directors:
Mr. LO Kwong Chi, Clement
Mr. DING Wai Chuen
Mr. LO Kai Yiu, Anthony

By Order of the Board
CHENG Man Ying
Company Secretary

Hong Kong, 18 February 2009

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