GDH

KINGWAY BREWERY HOLDINGS LIMITED

金威啤酒集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 124)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

HIGHLIGHTS

	For the six months ended 30 June 2009 (Unaudited)	2008 (Unaudited) (Restated)	Change
Beer sales volume, in tonne	**390,000**	309,000	+26.2%
Profit/(loss) for the period, in thousand HK$	**9,107**	(41,380)	+122.0%
Basic earnings/(loss) per share, in HK cent	**0.5**	(2.4)	+120.8%
EBITDA, in thousand HK$	**129,286**	70,492	+83.4%
	As at 30 June 2009 (Unaudited)	As at 31 December 2008 (Unaudited) (Restated)	
Current ratio	**0.8 times**	0.7 times	+14.3%
Gearing ratio[1]	**N/A**	6.0%	N/A
Total assets, in million HK$	**3,946**	3,813	+3.5%
Net asset value per share, in HK$	**1.68**	1.68	-
Period-end number of employees	**2,666**	2,714	-1.8%

Note:

1 Gearing ratio = (Interest-bearing debt - cash and cash equivalents)/Net assets

* *For identification purpose only*

UNAUDITED INTERIM RESULTS

The board of directors (the “Board of Directors”) of Kingway Brewery Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009 together with comparative figures are as follows. These interim financial statements have not been audited, but have been reviewed by the Company's audit committee and the Company’s auditors, Ernst & Young.

Condensed Consolidated Income Statement
For the six months ended 30 June 2009

		For the six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited) (Restated)
	Notes	**HK$'000**	HK$'000
REVENUE	2	**749,128**	639,012
Cost of sales		**(576,052)**	(519,253)
Gross profit		**173,076**	119,759
Other income and gains		**49,138**	28,617
Selling and distribution expenses		**(130,884)**	(108,955)
Administrative expenses		**(58,720)**	(64,778)
Finance costs	3	**(22,214)**	(14,675)
PROFIT/(LOSS) BEFORE TAX	4	**10,396**	(40,032)
Tax	5	**(1,289)**	(1,348)
PROFIT/(LOSS) FOR THE PERIOD		**9,107**	(41,380)
EARNINGS/(LOSS) PER SHARE	7		
Basic		**0.5 HK cents**	(2.4) HK cents
Diluted		**N/A**	(2.4) HK cents

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited) (Restated)
	HK$'000	HK$'000
PROFIT/(LOSS) FOR THE PERIOD	**9,107**	(41,380)
Exchange differences on translation of foreign operations	**(16,584)**	203,735
Net gain/(loss) on cash flow hedges	**4,594**	(1,529)
Transfer of hedging reserve to the income statement	**10,126**	-
Other comprehensive income/(loss) for the period	**(1,864)**	202,206
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**7,243**	160,826

Condensed Consolidated Balance Sheet
30 June 2009

	Notes	30 Jun 2009 (Unaudited) HK$'000	31 Dec 2008 (Unaudited) (Restated) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,816,937**	2,897,285
Investment properties		**37,114**	36,368
Prepaid land lease payments		**250,219**	251,656
Goodwill		**9,384**	9,384
Reusable packaging materials		**27,948**	42,362
Deferred tax assets		**7,403**	4,999
Total non-current assets		**3,149,005**	3,242,054
CURRENT ASSETS			
Inventories		**199,995**	259,269
Trade and bills receivables	*8*	**39,419**	38,139
Prepayments, deposits and other receivables		**28,149**	30,629
Pledged bank balances		**209**	646
Pledged time deposits		**136,128**	-
Cash and cash equivalents		**393,420**	242,689
Total current assets		**797,320**	571,372
CURRENT LIABILITIES			
Trade and bills payables	*9*	**(371,797)**	(79,594)
Deferred revenue		**(93,358)**	(104,092)
Tax payable		**(3,282)**	(68)
Other payables and accruals		**(284,115)**	(305,991)
VAT payable		**(12,995)**	(4,480)
Derivative financial instrument		**(14,200)**	(18,794)
Due to the immediate holding company		**(190)**	(237)
Due to fellow subsidiaries		**(37,878)**	(8,105)
Interest-bearing bank borrowings		**(179,500)**	(278,560)
Total current liabilities		**(997,315)**	(799,921)
NET CURRENT LIABILITIES		**(199,995)**	(228,549)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,949,010**	3,013,505
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**(55,000)**	(135,000)
Deferred income		**(8,493)**	-
Deferred tax liabilities		**(8,091)**	(8,322)
Total non-current liabilities		**(71,584)**	(143,322)
Net assets		**2,877,426**	2,870,183
EQUITY			
Issued capital		**171,154**	171,154
Reserves		**2,706,272**	2,699,029
Total equity		**2,877,426**	2,870,183

Notes:

(1) Accounting Policies

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2009 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2008, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations).

Impact of new and revised HKFRSs

The Group has adopted, for the first time, the new and revised HKFRSs, which are effective in 2009, for the current period’s unaudited interim financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material impact on these interim condensed consolidated financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 8 Operating Segments

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (geography) and secondary (business) reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the geography segments previously identified under HKAS 14 Segment Reporting.

(b) HKAS 1 (Revised) Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit and loss, together with all items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

(1) Accounting Policies (cont'd)

Impact of new and revised HKFRSs (cont'd)

(c) HK(IFRIC)-Int 13 "Customer Loyalty Programmes"

HK(IFRIC)-Int 13 requires customers loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. The Group maintains a loyalty credits programme which allows customers to accumulate credits when they purchase products from the Group. The credits can be redeemed for discounted products, subject to compliance with certain limit prescribed by the Group. The Group has historically recorded the customer loyalty credits as trade discounts when they are redeemed.

HK(IFRIC)-Int 13 has no specific provisions on transition. Therefore, the Group has followed HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" applying the changes retrospectively. The prior period financial information has therefore been restated. Under the new accounting policy, consideration received is allocated between the products sold and the credits issued, with the consideration allocated to the credits equal to their fair value. The fair value of the credits issued is deferred and recognised as revenue when the credits are redeemed.

The effect of the above changes is summarised below:

	HK$'000
As of 1 January 2008:	
Net increase in liabilities:	91,946
Net decrease in opening retained profits:	91,946
As of 31 December 2008:	
Net increase in liabilities:	104,092
Net decrease in retained profits:	104,092
For the six months ended 30 June 2008:	
Net decrease in revenue:	16,714
Decrease in profit for the period:	16,714

The effect on earning per share related to the restatement for the six months ended 30 June 2009 is less than HK$1 cent.

(2) Segment Information

Segment information is presented by way of the Group's geographical operating results. No further operating segment information is presented as the Group's operations relate solely to the production, distribution and sale of beer. Summary details of the operating segments are as follows:

(a) The Mainland China segment engages in the production, distribution and sale of beer in the People's Republic of China (the "PRC" or "Mainland China") except for Hong Kong and Macau;

(b) The Overseas and Hong Kong segment engages in the distribution and sale of beer in Hong Kong, Macau and overseas; and

(c) The Corporate segment engages in providing corporate services to the Mainland China segment and the Overseas and Hong Kong segment in Hong Kong.

In determining the Group's operating segment, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Intersegment transactions mainly represent the sale of beer by the Mainland China segment which was made on the bases determined within the Group.

(2) Segment Information (cont'd)

The following table presents revenue and results for the Group's operating segments:

	For the six months ended 30 June 2009				
	Mainland China (Unaudited) HK$'000	**Overseas and Hong Kong (Unaudited) HK$'000**	**Corporate (Unaudited) HK$'000**	**Eliminations (Unaudited) HK$'000**	**Consolidated (Unaudited) HK$'000**
Segment revenue:					
Sales to external customers	**715,704**	**33,424**	**-**	**-**	**749,128**
Intersegment sales	**15,327**	**-**	**-**	**(15,327)**	**-**
Other revenue and gains	**28,039**	**20**	**18,266**	**-**	**46,325**
Total	**759,070**	**33,444**	**18,266**	**(15,327)**	**795,453**
Segment results	**3,613**	**13,185**	**12,999**	**-**	**29,797**
Interest income					**2,813**
Finance costs					**(22,214)**
Profit before tax					**10,396**
Tax					**(1,289)**
Profit for the period					**9,107**

	For the six months ended 30 June 2008				
	Mainland China (Unaudited) (Restated) HK$'000	Overseas and Hong Kong (Unaudited) (Restated) HK$'000	Corporate (Unaudited) (Restated) HK$'000	Eliminations (Unaudited) (Restated) HK$'000	Consolidated (Unaudited) (Restated) HK$'000
Segment revenue:					
Sales to external customers	604,674	34,338	-	-	639,012
Intersegment sales	14,402	-	-	(14,402)	-
Other revenue and gains	14,807	-	10,326	-	25,133
Total	633,883	34,338	10,326	(14,402)	664,145
Segment results	(46,629)	12,745	5,043	-	(28,841)
Interest income					3,484
Finance costs					(14,675)
Loss before tax					(40,032)
Tax					(1,348)
Loss for the period					(41,380)

(3) Finance Costs

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans wholly repayable within five years	**3,683**	9,258
Fair value loss on cash flow hedge	**8,405**	5,417
Transfer of hedging reserve to the income statement	**10,126**	-
	22,214	14,675

(4) Profit/(loss) Before Tax

This is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation	**77,687**	74,236
Recognition of prepaid land lease payments	**3,100**	3,092
Amortisation of reusable packaging materials	**15,889**	18,521
Interest income	**(2,813)**	(3,484)

(5) Tax

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Group:		
Current - Hong Kong	**1,563**	1,538
Current - Mainland China:		
Charge for the period	**2,361**	-
Overprovision in prior periods	**-**	(97)
Deferred	**(2,635)**	(93)
Total tax charge for the period	**1,289**	1,348

(5) Tax (cont'd)

Hong Kong profits tax has been provided at a rate of 16.5% (Six months ended 30 June 2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in those places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

On 16 March 2007, the National People's Congress approved the PRC Corporate Income Tax Law (the "New CIT Tax Law"), which is effective from 1 January 2008. Under the New CIT Tax Law, corporate income tax ("CIT") rate for domestic companies and foreign-invested enterprises will decrease from 33% to 25% since 1 January 2008. In addition, for those enterprises benefiting from lower preferential tax rates, such preferential rates will be gradually phased out by increasing them over the next five years.

In addition, certain of the Group's PRC subsidiaries, which are currently entitled to a preferential tax treatment with full tax exemption from CIT for the two years starting from the first profitable year of operation, followed by a 50% reduction in CIT rate for the next three years, will continue to enjoy the preferential tax treatment in accordance with the original tax law, administrative regulations and the relevant stipulated preferential treatment until the term expires.

Shenzhen Kingway Brewing Co., Ltd. was entitled to a 50% tax relief for the six months ended 30 June 2008.

Kingway Brewery (Dongguan) Co., Ltd. is entitled to a 50% tax relief for the six months ended 30 June 2009 and 2008.

Kingway Brewery (Shan Tou) Co., Ltd. is entitled to a 50% tax relief for the six months ended 30 June 2009. For the six months ended 30 June 2008, Kingway Brewery (Shan Tou) Co., Ltd. was exempted from CIT.

Kingway Brewery (Foshan) Co., Ltd. is exempted from CIT for the six months ended 30 June 2009 and 2008.

Kingway Brewery (Tianjin) Co., Ltd., Kingway Brewery (Xian) Co., Ltd. and Kingway Brewery Group (Chengdu) Co., Ltd. have not generated any accumulated assessable profits since their establishments. These companies are entitled to full tax exemption from CIT for two years commencing from 1 January 2008, followed by 50% reduction in CIT rate for the next three year.

(6) Interim Dividend

The directors do not recommend the payment of any dividend in respect of the six months ended 30 June 2009 (2008: nil).

(7) Earnings/(loss) Per Share

The calculation of the basic and diluted earnings/(loss) per share for the six months ended 30 June 2008 and 2009 are based on:

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited) (Restated)
	HK$'000	HK$'000
Profit/(loss) for the period	**9,107**	(41,380)

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings per share calculation	**1,711,536,850**	1,706,783,569
Effect of dilution - weighted average number of ordinary shares that would have been issued on deemed exercise of all share options with dilutive effects at nil consideration	**-**	4,241,678
For the purpose of diluted earnings/(loss) per share	**1,711,536,850**	1,711,025,247

Diluted earnings per share amount for the period ended 30 June 2009 has not been disclosed, as the share option outstanding during the period had an anti-dilutive effect on the basis earnings per share for the period.

(8) Trade and Bills Receivables

The Group's trading terms with customers are either on a cash basis or on credit. For those customers who trade on credit, invoices are normally payable within 30 to 180 days of issuance. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An aged analysis of the Group's trade and bills receivables at the respective balance sheet dates, based on payment due date, is as follows:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Within 3 months	**35,721**	24,614
3 to 6 months	**2,641**	1,379
6 months to 1 year	**887**	662
Over 1 year	**916**	507
	40,165	27,162
Less: Impairment	**(746)**	(746)
Trade receivables	**39,419**	26,416
Bills receivables	**-**	11,723
	39,419	38,139

(9) Trade and Bills Payables

An aged analysis of the Group’s trade and bills payables, based on invoice date, is as follows:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Within 3 months	**159,914**	64,854
3 to 6 months	**10,141**	9,035
6 months to 1 year	**1,351**	3,784
Over 1 year	**1,871**	1,921
Trade payables	**173,277**	79,594
Bills payables	**198,520**	-
	371,797	79,594

The trade payables are non-interest-bearing and are normally settled on 30-day term.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Key Operating Data

The Board of Directors of the Company reports that the total sales volume of the Group for the first half of the year was 390,000 tonnes (2008: 309,000 tonnes), representing an increase of 26.2% over the same period last year. The consolidated revenue was HK$749 million (2008 (restated): HK$639 million), representing an increase of 17.2% as compared to the same period last year. The unaudited consolidated profit for the period was HK$9.11 million (2008 (restated): consolidated loss of HK$41.38 million).

The sales volume of beer for the first half of the year exhibit a growth as compared to that of the same period last year. This was primarily due to the high sales growth rate recorded by the brewery plants located outside Guangdong that have commenced operations in recent years as a result of market expansion and development, as well as the considerable sales volume growth recorded in Guangdong during the period under review.

The Board of Directors of the Company resolved not to declare the payment of an interim dividend for the six months ended 30 June 2009 (2008: nil).

Business and Financial Review

During the period under review, production, distribution and sales of Kingway beer remained the core business of the Group. Approximately 58% of the beer sold was produced by the brewery plants in Guangdong, while the remaining was produced by the brewery plants in Tianjin, Xian and Chengdu respectively.

Average costs of sales per tonne of beer for the first half of the year was HK$1,477 (2008: HK$1,680), representing a decrease of 12.1% over the same period last year. The decrease in average costs of sales per tonne of beer was primarily due to the fall in the costs of raw materials and packaging materials together with the decrease in shared fixed costs per tonne of beer resulted from the increase in sales.

Selling and distribution expenses for the first half of the year amounted to HK$131 million (2008: HK$109 million), representing an increase of 20.1% from the same period last year. Average selling and distribution expenses per tonne was HK$336 (2008: HK$353), representing a decrease of 4.8% from the same period last year.

Administrative expenses for the first half of the year was HK$58.72 million (2008: HK$64.78 million), representing a decrease of 9.4% over the same period last year. The decrease was primarily attributable to the retrenchment of various administrative outgoings.

Finance costs of the Group for the first half of 2009 amounted to HK$22.14 million (2008: HK$14.68 million), representing an increase of 50.8%. The increase was attributable to the increase in expenses incurred in connection with the swap contract during the period under review. Since the swap contract served to hedge against the interest rate and the exchange rate between USD and RMB in respect of the Company's USD-denominated bank loan, the effect of such finance costs on the income statement could be offset by the exchange gains recorded during the period under review.

Financial Resources, Liquidity and Debt

The Group had cash and bank balances of HK$530 million as at 30 June 2009 (including pledged bank deposits and pledged time deposits totaled HK$136 million), of which 97.1% was in RMB, 1.9% was in USD and 1.0% was in HKD.

Net cash inflow from operating activities during the period under review was HK$283 million. The strong performance of cash inflow was a result of the improvement of sales and the effective control of working capital. Capital expenditure, in terms of cash outflow, was approximately HK$47.67 million, which was mainly related to the payment for remaining construction costs of brewery plants in Xian, Chengdu and Foshan. In addition, a total of HK$179 million of interest-bearing bank loans were repaid during the period.

As at 30 June 2009, the outstanding balance of interest-bearing bank loans of the Group amounted to HK$235 million (31 December 2008: HK$414 million). Given the satisfactory cash generated from operating activities and the standby banking facilities, the Group will have sufficient financial resources to cover all of the liabilities due and payable. As at 30 June 2009, the Group had no contingent liabilities.

Human Resources

The Group had a total of 2,666 (31 December 2008: 2,714) employees as at 30 June 2009. Reasonable remuneration packages that take into account business performance, market practices and market conditions are offered to employees by the Group. In addition, discretionary bonuses are also granted based on the results of the Group and the performance of individual employees.

Outlook

During the first half of 2009, the Guangdong market was relatively affected to a greater extent by the financial tsunami. Besides, as various breweries were establishing their plants in the province, resulting in severe excessive capacity, the market competition in Guangdong market was extremely intense. Based on the market characteristics of different provinces, the Group will maintain close relationship with distributors and strengthen its sales network, with a view to enhance product coverage and market penetration by fully utilizing its sales network and the opportunities brought about by the consumer demand, thereby maintaining Kingway's mainstream brand position and market share in its production bases.

The significance of the Group's strategic expansion outside Guangdong was evidenced by the growth of the sales volume of beer in Tianjin, Xian and Chengdu during the period under review.

Though the Group's business performance in the first half of the year has improved as compared to the same period last year, we are still exposed to a number of challenges in the market. The Group remains cautiously optimistic in respect of the sales volume for the whole year. We will continue our efforts in improving operating results as well as strive for sustainable development.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Code on Corporate Governance Practices

The Company has applied the principles and complied with the code provisions of the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months ended 30 June 2009.

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") set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2009.

Audit Committee

The Company established an audit committee ("Audit Committee") in September 1998. The terms of reference of the Audit Committee adopted by the board of directors of the Company are in line with the CG Code. The Audit Committee comprises the three independent non-executive directors, Mr. Vincent Marshall LEE Kwan Ho as the chairman, Mr. Alan Howard SMITH and Mr. Felix FONG Wo as members. The principal duties of the Audit Committee include, inter alia, the review of the completeness, accuracy and fairness of the Company's financial reports and the Group's internal controls and risk management systems.

Remuneration Committee

The Company established a remuneration committee ("Remuneration Committee") in June 2005. The terms of reference of the Remuneration Committee adopted by the board of directors of the Company are in line with the CG Code. The Remuneration Committee comprises Mr. Roland PIRMEZ as the chairman, Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho as members. The principal duties of the Remuneration Committee include, inter alia, making recommendations to the Board relating to the Company's policy for directors' and senior management's remuneration, determining the executive directors' and senior management's remuneration packages, reviewing and approving their performance-based remuneration and compensation payable for their loss of offices.

Review of Interim Results

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements and the interim report of the Group for the six months ended 30 June 2009. In addition, the Company's external auditors, Ernst & Young, have also reviewed the aforesaid unaudited interim condensed consolidated financial statements.

Purchase, Sale and Redemption of the Listed Securities

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2009.

Disclosure Pursuant to Paragraph 13.21 of Chapter 13 of the Listing Rules

The Company has entered into three facility letters ("Facility Letters") signed between the Company and two different banks respectively for loan facilities with an aggregate amount of up to approximately HK$696.4 million. The facility letters imposed specific performance obligations on GDH Limited, the controlling shareholder of the Company, and/or Heineken-APB (China) Pte Ltd., a substantial shareholder of the Company. The Facility Letters include, inter alia, a condition to the effect that GDH Limited and/or Heineken-APB (China) Pte Ltd. shall in aggregate at all times to own directly or indirectly at least 51% of the issued ordinary shares of the Company. A breach of the above condition would constitute an event of default under the Facility Letters. If such an event of default occurs, the above facilities will become immediately due and repayable.

Details of each of the Facility Letters are summarized in the followings:

Date of Facility letters	Facility amount	Outstanding balance as at 30 June 2009	Last repayment date
25 November 2005	US$38 million	US$2.5 million	November 2009
27 October 2006	HK$200 million	HK$95 million	October 2010
19 December 2006	HK$200 million	HK$120 million	December 2010

By Order of the Board
LI Wenyue
Chairman

Hong Kong, 1 September 2009

As at the date of this announcement, the Board comprises three executive directors, namely Mr. YE Xuquan, Mr. JIANG Guoqiang and Ms. LIANG Jianqin; seven non-executive directors, namely Mr. LI Wenyue, Mr. HUANG Xiaofeng, Mr. LUO Fanyu, Mr. Michael WU, Mr. Roland PIRMEZ *(Note 1)*, Mr. KOH Poh Tiong *(Note 2)* and Mr. Sijbe HIEMSTRA *(Note 3)*; and three independent non-executive directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.

Notes:

1. Mr. Roland PIRMEZ has appointed Mr. LEE Meng Tat as his alternate director.
2. Mr. KOH Poh Tiong has appointed Mr. TAN Tiang Hing as his alternate director.
3. Mr. Sijbe HIEMSTRA has appointed Mr. Kenneth CHOO Tay Sian as his alternate director.