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偉俊礦業集團有限公司*
WAI CHUN MINING INDUSTRY GROUP
COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 0660)

<http://www.0660.hk>

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009
UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board”) of Wai Chun Mining Industry Group Company Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiary (collectively, the “Group”) for the six months ended 30 June 2009 together with the comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009 – Unaudited

	Note	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Turnover	2	5,458	34,935
Cost of sales		(5,322)	(39,998)
Gross profit/(loss)		136	(5,063)
Other revenue		3,122	2,107
Selling expenses		(2,198)	(3,457)
Administrative expenses		(19,675)	(14,131)
Increase/(Decrease) in fair value of held-for-trading investments		4,690	(17,234)
Finance costs		(2,485)	(1,997)
Loss before taxation	2 & 3	(16,410)	(39,775)
Taxation	4	–	–
Loss for the period		<u>(16,410)</u>	<u>(39,775)</u>
Loss attributable to:			
– Equity holders of the Company		(11,577)	(36,454)
– Minority interests		(4,833)	(3,321)
		<u>(16,410)</u>	<u>(39,775)</u>
Interim Dividend	5	–	–
Basic loss per share	6	<u>HK(0.11) cents</u>	<u>HK(0.34) cents</u>

* for identification purpose only

CONDENSED CONSOLIDATED BALANCE SHEET

		30 June 2009 Unaudited HK\$'000	30 June 2008 Unaudited HK\$'000
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,244	15,704
Golf club debenture		<u>246</u>	<u>246</u>
		3,490	15,950
CURRENT ASSETS			
Inventories		–	12,878
Trade and bills receivables	8	5,376	4,044
Deposits, prepayments and other receivables	9	1,890	73,428
Held-for-trading investments	10	11,138	11,607
Cash and bank balances		<u>77,237</u>	<u>40,570</u>
		95,641	142,527
CURRENT LIABILITIES			
Trade and bills payables	11	8,070	29,537
Short term borrowings		–	522
Accruals and other payables		4,303	9,545
Tax payable		1,006	1,006
Amount due to ultimate holding company	12	38,079	110,989
Amount due to a related company	12	1,132	703
Amount due to a minority shareholder	12	33,568	–
Convertible loan note	14	<u>28,271</u>	<u>–</u>
		114,429	152,302
NET CURRENT LIABILITIES		(18,788)	(9,775)
TOTAL ASSETS LESS CURRENT LIABILITIES		(15,298)	6,175
NON-CURRENT LIABILITIES			
Amount due to a minority shareholder of a subsidiary	12	21,881	22,970
Amount due to ultimate holding company	13	76,000	20,827
Convertible loan note	14	<u>–</u>	<u>25,927</u>
TOTAL NON-CURRENT LIABILITIES		97,881	69,724
TOTAL ASSETS LESS LIABILITIES		<u>(113,179)</u>	<u>(63,549)</u>
CAPITAL AND RESERVES			
Share capital	15	26,837	26,837
Reserves		<u>(114,203)</u>	<u>(72,970)</u>
Capital deficiency to equity holders of the Company		(87,366)	(46,133)
Minority interests		<u>(25,813)</u>	<u>(17,416)</u>
TOTAL CAPITAL DEFICIENCY		<u>(113,179)</u>	<u>(63,549)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009 – Unaudited

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Convertible note reserve HK\$'000	Accumulated profits/ (losses) HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 January 2009	26,837	48,079	6,906	4,368	(161,979)	(75,789)	(20,980)	(96,769)
Loss for the period	—	—	—	—	(11,577)	(11,577)	(4,833)	(16,410)
At 30 June 2009	<u>26,837</u>	<u>48,079</u>	<u>6,906</u>	<u>4,368</u>	<u>(173,556)</u>	<u>(87,366)</u>	<u>(25,813)</u>	<u>(113,179)</u>
At 1 January 2008	26,837	48,079	6,906	4,368	(95,869)	(9,679)	(14,095)	(23,774)
Loss for the period	—	—	—	—	(36,454)	(36,454)	(3,321)	(39,775)
At 30 June 2008	<u>26,837</u>	<u>48,079</u>	<u>6,906</u>	<u>4,368</u>	<u>(132,323)</u>	<u>(46,133)</u>	<u>(17,416)</u>	<u>(63,549)</u>
Loss for the period	—	—	—	—	(29,656)	(29,656)	(3,564)	(33,220)
At 31 December 2008	<u>26,837</u>	<u>48,079</u>	<u>6,906</u>	<u>4,368</u>	<u>(161,979)</u>	<u>(75,789)</u>	<u>(20,980)</u>	<u>(96,769)</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009 – Unaudited

	Six months ended 30 June	
	2009	2008
	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>
Net cash used in operating activities	(14,717)	(89,702)
Net cash generated from/(used in) investing activities	4,363	(38)
Net cash generated from financing activities	<u>53,681</u>	<u>123,733</u>
Net increase in cash and cash equivalents	43,327	33,993
Cash and cash equivalents at 1 January	<u>33,910</u>	<u>6,577</u>
Cash and cash equivalents at 30 June	<u><u>77,237</u></u>	<u><u>40,570</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), under the historical cost convention, except for certain properties and financial instruments, which are measured at fair values or revalued amounts, as appropriate.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set out financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

2. SEGMENT INFORMATION

During the two periods ended 30 June 2009 and 2008, the Group was principally engaged in trading, manufacturing and exporting of athletic and athletic-style leisure footwear, working shoes, safety shoes, golf shoes and other functional shoes. The directors consider that the Group operates within a single business segment. Accordingly, no business segmental information is prepared by the Group.

3. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting):

	For the six months ended	
	30 June	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interest income	(4)	(10)
Gain on disposal of property, plant and equipment	(1,676)	(727)
Interest expenses	2,678	1,997
Depreciation on property, plant and equipment	1,846	3,238
(Increase) Decrease in fair value of held-for-trading investments	(4,690)	17,234
Loss on disposal of obsolete inventories	8,161	—
Staff costs (including directors' emoluments)	3,384	14,458

4. TAXATION

No Hong Kong and overseas profits tax has been provided in the consolidated financial statements as the Group does not have any assessable profits for the six months ended 30 June 2009 (six months ended 30 June 2008: Nil).

5. INTERIM DIVIDEND

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

6. BASIC LOSS PER SHARE

The calculation of basic loss per share was based on the Group's loss attributable to equity holders of the Company of approximately HK\$11,577,000 (six months ended 30 June 2008: HK\$36,454,000) and the weighted average number of ordinary shares of 10,734,904,480 (six months ended 30 June 2008: 10,734,904,480) in issue during the period.

Pursuant to the resolutions passed at the Annual General Meeting held on 18 July 2008, the Company subdivided each of the existing and unissued shares of HK\$0.01 each in the share capital of the Company into 4 shares of HK\$0.0025 each. The Share Subdivision took place on 21 July 2008.

For the purpose of calculating the basic loss per share attributable to the ordinary equity holders of the Company, the number of shares as increased by the Share Subdivision is taken for whole year, regardless of the date in the year when the Share Subdivision took place.

The computation of diluted loss per share for the period ended 30 June 2009 does not assume the conversion of the Company's outstanding convertible loan note since its exercise would result in a decrease in loss per share. No diluted loss per share had been presented for the six months ended 30 June 2008 as there was no diluting event during that period.

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2009, the Group acquired items of property, plant and equipment with a cost of approximately HK\$564,000 (six months ended 30 June 2008: HK\$1,181,000). Items of property, plant and equipment with a net book value of HK\$3,706,000 (six months ended 30 June 2008: HK\$371,000) were disposed of during the six months ended 30 June 2009, resulting in a profit on disposal of approximately HK\$1,676,000 for the six months ended 30 June 2009 (six months ended 30 June 2008: HK\$727,000).

8. TRADE AND BILLS RECEIVABLES

The Group allows credit period ranging from 30 to 60 days to its trade customers. The ageing analysis of trade and bills receivables was as follows:

	30 June 2009 Unaudited HK\$'000	30 June 2008 Unaudited HK\$'000
0-30 days	5,070	2,811
31-60 days	–	33
61-90 days	–	1,200
Over 90 days	306	–
	<u>5,376</u>	<u>4,044</u>

9. DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

The significant amount of the deposits as at 30 June 2008 were related to the two heads of agreements for the proposed acquisitions entered into by the Company during the six months ended 30 June 2008 and further details are explained as follows:

1. The first heads of agreement was entered into by the Company and Wai Chun Mining Investment Limited with the independent third parties (“Vendors”) on 10 February 2008, pursuant to which the Company will acquire 78% of the issued share capital in Ever field Development Limited. A deposit in the total amount of US\$3.9 million has been paid by the Company to the Vendors over the period from 15 February 2008 to 3 March 2008.

On 29 April 2008, the Company and Wai Chun Mining Investment Limited entered into a deed of termination with the Vendors and the Vendors agreed to refund all the deposit. The Company had received the refund of the full amount of the deposit on 18 July 2008.

2. The second heads of agreement was entered into between the Company and United Mining & Materials Co., Ltd. (“UMMC”) on 13 February 2008, pursuant to which the Company will acquire the entire issued share capital of United Mineral Resources Pte. Ltd. (“UMR”) and the entire issued share capital of United Resources (Indonesia) Co., Ltd. (“UR”) from UMMC. A deposit in the total amount of US\$5 million has been paid by the Company to UMMC on 14 February 2008.

On 24 July 2008, the Company and UMMC entered into a deed of settlement for cancellation of the Second Heads of Agreement whereas UMMC agreed to refund all the deposit to the Company. The Company had received the refund of the full amount of the deposit on 31 July 2008.

10. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments comprise:

	30 June 2009 Unaudited HK\$'000	30 June 2008 Unaudited HK\$'000
Equity securities listed in Hong Kong, at fair value	<u>11,138</u>	<u>11,607</u>

The fair values of the above listed securities are determined based on the quoted market prices at the closing date.

11. TRADE AND BILLS PAYABLES

The average credit period on purchases of goods ranging from 60 to 90 days. The aging analysis of trade and bills payables is as follows:

	30 June 2009 Unaudited HK\$'000	30 June 2008 Unaudited HK\$'000
0-30 days	5,322	20,558
31-60 days	–	4,681
61-90 days	–	1,641
over 90 days	<u>2,748</u>	<u>2,657</u>
	<u>8,070</u>	<u>29,537</u>

12. RELATED PARTY DISCLOSURES

The amount due to the ultimate holding company is unsecured, interest bearing at a range of 0 to 3.95% (2008: 0 to 3.23%) and repayable on demand.

The amount due to a related company is unsecured, interest bearing at 6% (2008: 6%) and repayable on demand.

The amounts due to a minority shareholder of a subsidiary (both current and non-current portion) are unsecured, interest-free and repayable on demand.

13. NON-CURRENT LIABILITIES-AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount due to ultimate holding company classified under non-current liabilities is unsecured, non-interest bearing and will not be repayable until 31 December 2010.

14. CONVERTIBLE LOAN NOTE

The Company issued a HK\$28,836,800, 2% convertible loan note (“Convertible Note”) on 29 March 2007. The Convertible Note is denominated in Hong Kong dollars and entitles the holder to convert it into ordinary shares of the Company at any time after the sixth month of the date of issue of the Convertible Note until 5 business days prior to the maturity date on 30 September 2009 at a conversion price of HK\$0.01345 each. The Company will redeem the Convertible Note at 100% of its principal amount on the maturity date. No early redemption is allowed.

The Convertible Note contains two components, liability and equity element. The equity element is presented in equity heading “convertible note reserve”. The effective interest rate of the liability component is 12.57%

The movement of the liability component of the Convertible loan note for the period is set out below:

	30 June 2009 Unaudited HK\$'000	30 June 2008 Unaudited HK\$'000
At 1 January 2009/1 January 2008	26,932	26,336
Interest charge/(Over provision)	<u>1,339</u>	<u>(409)</u>
At 30 June 2009/30 June 2008	<u>28,271</u>	<u>25,927</u>
Analysed for reporting purposes as:		
Current liability	28,271	–
Non-current liability	<u>–</u>	<u>25,927</u>
	<u>28,271</u>	<u>25,927</u>

15. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each at 1 January 2008	10,000,000,000	100,000
Share Subdivision	30,000,000,000	—
Ordinary shares of HK\$0.0025 each at 31 December 2008	<u>40,000,000,000</u>	<u>100,000</u>
 Ordinary shares of HK\$0.0025 each at 30 June 2009	<u>40,000,000,000</u>	<u>100,000</u>
 Issued and fully paid:		
Ordinary shares of HK\$0.01 each at 1 January 2008	2,683,726,120	26,837
Share Subdivision	8,051,178,360	—
Ordinary shares of HK\$0.0025 each at 31 December 2008	<u>10,734,904,480</u>	<u>26,837</u>
 Ordinary shares of HK\$0.0025 each at 30 June 2009	<u><u>10,734,904,480</u></u>	<u><u>26,837</u></u>

Pursuant to the resolutions passed at the Annual General Meeting held on 18 July 2008, the Company subdivided each of the existing and unissued shares of HK\$0.01 each in the share capital of the Company into four shares of HK\$0.0025 each. The Shares Subdivision took place on 21 July 2008. All the shares which were issued during the periods rank pari passu with the then existing shares in all respects.

16. POST BALANCE SHEET EVENTS

As at 18 September 2009, the Subscribers of the convertible note in an aggregate principal outstanding amount of HK\$28,836,800, gave notice to the Company to convert all these convertible note at the conversion price of HK\$0.01345 per share. As a result of the conversion, a total of 2,144,000,000 shares of HK\$0.0025 each, representing approximately 19.97% of the issued share capital of the Company immediately before the conversion, was allotted and issued.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Dividend

The revenue of the Group for the six months ended 30 June 2009 was approximately HK\$5,458,000, representing a drop of approximately 84% as compared to approximately HK\$34,935,000 recorded in the corresponding period last year. During the period, due to the significant drop in overseas sales orders resulting from the financial crisis, the sales recorded a significant decrease. The net loss attributable to equity holders of the Company for the six months ended 30 June 2009 was approximately HK\$11,577,000 (2008: HK\$39,775,000). The basic loss per share attributable to equity holders of the Company amounted to HK\$0.11 cents (2008: HK\$0.34 cents).

The Board resolved not to declare any interim dividend for the six months ended 30 June 2009.

During the period, the Group recorded administrative expenses of approximately HK\$19,675,000, representing an increase of approximately 39% as compared with same period last year. The increase in administrative expenses was mainly due to a one-off disposal of obsolete inventories amounting to approximately HK\$8,161,000. Finance expenses during the period ended 30 June 2009 was increased from approximately HK\$1,997,000 to approximately HK\$2,485,000.

For the six months ended 30 June 2009, the Group suffered a net loss of HK\$11,577,000 attributable to the equity holders of the Company, which was 68% less than the loss of HK\$36,454,000 in the corresponding period in 2008. The reduction in loss was mainly contributed by the increase in fair value of the listed securities amounting to approximately HK\$4,690,000 whereas in the corresponding period last year, it recorded a decrease in fair value of approximately HK\$17,234,000.

Business Review and Prospects

The Group is principally engaged in trading, manufacturing and exporting of athletic and athlete-style leisure footwear, working shoes, safety shoes, golf shoes and other functional footwear.

The drop in the turnover was attributed to the drop in demand from overseas market resulting from global financial crisis. Also, the business of manufacturing footwear is facing severe competition and it is envisaged that this will continue in future. Management is considering to scale down some internal operations of footwear manufacturing to enhance operational efficiency.

The directors of the Company are actively seeking and exploring new business, investment opportunities and potential projects to broaden and strengthen the profit centers which will ultimately maximize benefit to the shareholders.

Liquidity and Financial Resources

As at 30 June 2009, the Group's current assets and current liabilities were approximately HK\$95,641,000 (2008: HK\$142,527,000) and HK\$114,429,000 (2008: HK\$152,302,000) respectively. The Group's current ratio, which equals to current assets divided by current liabilities was 0.84 (2008: 0.94).

As at 30 June 2009, the Group had cash and bank balances of approximately HK\$77,237,000 (2008: HK\$40,570,000). Also, the Group had outstanding convertible loan note amounting to approximately HK\$28,271,000 (2008: HK\$25,927,000).

Notwithstanding that the Group incurred loss attributable to equity holders of the Company of approximately HK\$11,577,000 for the six months ended 30 June 2009 and had consolidated capital deficiency attributable to equity holders of approximately HK\$87,366,000 as at 30 June 2009, these consolidated financial statements are prepared on a going concern basis as the Company's ultimate holding company has undertaken to provide continuing financial support to the Company to enable it to continue its day-to-day operations. As at 30 June 2009, Wai Chun Investment Fund has provided HK\$76,000,000 to the Company.

The directors consider that the Group will have sufficient cash resources to satisfy its future working capital and financing requirements.

Exposure to Exchange Rate Fluctuation

The Directors considered that the Group has no significant exposure to foreign exchange fluctuation. Hence there is no hedging or any other arrangements necessary to reduce the currency risk.

Employees

As at 30 June 2009 the Group had a total of 10 (31 December 2008: 52) employees in Hong Kong and in the PRC. Employees' costs (including directors' emoluments) amounted to approximately HK\$3,384,000 for the six months ended 30 June 2009 (HK\$14,458,000 for the six months ended 30 June 2008). In addition to the offering of competitive remuneration packages to the employees, discretionary bonuses may also be granted to eligible employees based on the Group and the individual's performance.

The Company adopted an employee Share Option Scheme which came into effect on 10 June 2003.

Material Acquisition and Disposal of Subsidiary

The Group has no other significant material acquisitions or disposal of subsidiary during the six months ended 30 June 2009.

Pledge of Assets, Contingent Liabilities and Commitments

As at 30 June 2009, there was no material change in the Group's pledges of assets, contingent liabilities and commitments as compared to the most recent published annual report (30 June 2008: Nil).

OTHER INFORMATION

Directors' and Chief Executive's Interests in Shares and Underlying Shares

As at 30 June 2009, the interests of the Directors of the Company in the shares and underlying shares of the Company or any of, its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"), are as follows:

Long Positions

Ordinary Shares of HK\$0.0025 each of the Company

Name of director	Capacity	Number of Shares held	Approximate percentage of shareholding
Mr. Lam Ching Kui	Interests of controlled corporations	8,050,053,600	74.99%

Mr. Lam Ching Kui is the beneficial owner of Chinese Success Limited, the major shareholder holding 74.99% of the issued share capital of the Company.

Save as disclosed above, as at 30 June 2009, none of the Directors of the Company had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests and Long Positions in Shares and Underlying Shares

As at 30 June 2009, other than the interests and long positions of the Directors of the Company, the following persons had the following interests and short positions in the shares and underlying shares of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long Positions

Ordinary Shares of HK\$0.0025 each of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage of shareholding
Chinese Success Limited	Beneficial owner	8,050,053,600	74.99%
Wai Chun Investment Fund	Interests of controlled Corporations	8,050,053,600	74.99%

Save as disclosed above, as at 30 June 2009, the Company had not been notified by any other persons who had interests or long positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Directors' Rights to Acquire Shares or Debentures

At no time during the period ended 30 June 2009, was the Company or any of its subsidiary, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their spouses or children under the age of 18, was granted any right to subscribe for equity of debt securities of the Company, nor had exercised any such right.

Share Option Scheme

The Share Option Scheme ("Scheme") of the Company was adopted by the shareholders on 10 June 2003 to comply with the requirements of Chapter 17 of the Listing Rules.

Under the terms of the Scheme, the Directors of the Company may, at their discretion, invite fulltime employees of the Group, including Directors of the Company and its subsidiary, and any suppliers, consultants, agents and advisors, whether on a contractual or honorary basis and whether paid or unpaid, who have contributed or will contribute to the Group to take up options to subscribe for shares.

The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) at any time under the Scheme shall not, when aggregated with any shares subject to any other schemes involving the issue or grant of option over shares by the Company to, or for the benefit of eligible participants, exceed such number of shares as shall represent 10% of the issued share capital of the Company as at the adoption date.

The total number of shares issued and to be issued on the exercise of options granted and to be granted (including both exercised and outstanding options) in any 12-month period up to the date of grant to each eligible participant must not exceed 1% of the shares in issue unless such grant is approved by the shareholders in a general meeting.

The subscription price for the shares shall be determined by the Directors at their discretion provided that it shall not be less than the higher of:

- (a) the closing price of the shares as stated in Stock Exchange's daily quotations sheet on the date of offer;
- (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and
- (c) the nominal value of the shares on the date of offer.

During the six months ended 30 June 2009, no share options have been granted by the Company under the Scheme. No options was lapsed or cancelled during the six months ended 30 June 2009.

Management Contract

South China Strategic Limited ("South China Strategic") has been appointed by the Company's subsidiary, Nority Limited, pursuant to a management agreement with effect from 5th January 2007, as its manager for a term of 3 years, during which South China Strategic has taken overall management and supervision responsibilities of Nority Limited and provide guidance and advice on enhancement of business operations and internal control systems under monitoring of its performance by the directors.

In consideration for the provision of the management services by South China Strategic and in consideration of Micon Limited paying its portion of the management fee for the management services by South China Strategic, the Company shall pay to South China Strategic a management fee of \$2 million each year throughout the term.

CODE OF CORPORATE GOVERNANCE PRACTICES

The directors of the Company are of the opinion that the Company has complied with the provisions set out in the Code of Corporate Governance Practices (the "CG Code") in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2009.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all directors, confirmed that all directors have complied with the required standard of dealings set out therein throughout the six months ended 30 June 2009.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2009 and up to the date of this announcement.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-Executive Directors, namely Mr. Shaw Lut, Leonardo, Ms. Geng Ying and Mr. Chan Chun Wai. The principal duties of the Audit Committee include the review of the Group's audit plan and process with the Auditors, the independence of the Auditors and the Group's financial statements and system of internal control in accordance with its terms of reference, which is substantially the same as the CG Code.

The Audit Committee has reviewed with management the results of the Group for the period ended 30 June 2009.

On behalf of the Board
Lam Ching Kui
Chairman

Hong Kong, 21 September 2009

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Lam Ching Kui (Chairman) and Mr. Guo Qing Hua; and three independent non-executive Directors, namely, Mr. Shaw Lut, Leonardo, Ms. Geng Ying and Mr. Chan Chun Wai.