Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

TONGDA GROUP HOLDINGS LIMITED
通達集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 698)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

The Board of Directors of Tongda Group Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2009 (the "Period") together with comparative figures for the corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Six months ended 30 June	
		2009	2008
	Notes	***HK$'000***	*HK$'000*
REVENUE	4	**678,086**	614,756
Cost of sales		**(562,460)**	(518,956)
Gross profit		**115,626**	95,800
Other income and gains, net		**17,639**	45,927
Selling and distribution costs		**(18,190)**	(19,490)
Administrative expenses		**(49,196)**	(45,112)
Other expenses		**(821)**	(13,323)
Finance costs		**(9,739)**	(13,654)
Share of profits and losses of:			
Associates		**435**	1,855
A jointly-controlled entity		**–**	3,572
PROFIT BEFORE TAX	5	**55,754**	55,575
Tax	6	**(10,623)**	(7,914)
PROFIT FOR THE PERIOD		**45,131**	47,661

* *For identification purpose only*

CONDENSED CONSOLIDATED INCOME STATEMENT *(Continued)*

		Unaudited	
		Six months ended 30 June	
		2009	2008
	Notes	***HK$'000***	*HK$'000*
Attributable to:			
Ordinary equity holders of the Company		**40,977**	45,317
Minority interests		**4,154**	2,344
		45,131	47,661
DIVIDEND	7		
Interim		**13,964**	15,959
		13,964	15,959
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
– Basic		**1.03 cents**	1.14 cents
– Diluted		**1.03 cents**	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**45,131**	47,661
Exchange realignment	**56**	28,716
Surplus on revaluation	**1,159**	1,554
	1,215	30,270
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**46,346**	77,931
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Ordinary equity holders of the Company	**42,192**	75,587
Minority interests	**4,154**	2,344
	46,346	77,931

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**Unaudited 30 June 2009** *HK$'000*	Audited 31 December 2008 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**783,028**	752,758
Investment property		**4,120**	3,850
Prepaid land lease payments		**27,560**	27,887
Interests in associates		**31,745**	31,226
Prepayments		**54,841**	55,449
Long term deposits		**7,352**	7,352
Deferred tax assets		**3,833**	3,833
Total non-current assets		**912,479**	882,355
CURRENT ASSETS			
Inventories		**368,674**	305,872
Trade and bills receivables	9	**538,211**	600,152
Prepayments, deposits and other receivables		**96,405**	90,019
Derivative financial assets		**766**	2,894
Tax recoverable		**676**	110
Pledged deposits		**17,719**	43,738
Cash and cash equivalents		**231,397**	147,875
Total current assets		**1,253,848**	1,190,660
CURRENT LIABILITIES			
Trade and bills payables	10	**314,348**	262,300
Accrued liabilities and other payables		**75,962**	98,041
Derivative financial liabilities		**2,042**	2,273
Interest-bearing bank borrowings		**207,715**	170,907
Due to minority shareholders		**2,306**	609
Tax payable		**110,532**	108,591
Dividend payable		**13,964**	–
Total current liabilities		**726,869**	642,721
NET CURRENT ASSETS		**526,979**	547,939
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,439,458**	1,430,294

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

	Unaudited 30 June 2009 *HK$'000*	Audited 31 December 2008 *HK$'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**198,006**	211,205
Deferred tax liabilities	**3,607**	3,757
Total non-current liabilities	**201,613**	214,962
Net assets	**1,237,845**	1,215,332
EQUITY		
Equity attributable to ordinary equity holders of the Company		
Issued capital	**39,898**	39,898
Reserves	**1,162,017**	1,133,789
Proposed final dividend	**–**	7,980
	1,201,915	1,181,667
Minority interests	**35,930**	33,665
Total equity	**1,237,845**	1,215,332

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tongda Group Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The address of its registered office is situated at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, Cayman Islands.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are manufacture and sale of accessories for electrical appliance products, resistors and other electronic products and ironware products.

2. BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

3. ACCOUNTING POLICIES

The accounting policies used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2008, except that the Group has adopted a number of new interpretations and amendments to the Hong Kong Financial Reporting Standards (the "HKFRSs"), which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations, for the first time for the Interim Financial Statements. Except for HKAS 1 (Revised) and HKFRS 8 as described below, the adoption of these new interpretations and amendments has had no material effect on these condensed consolidated interim financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC) – Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC) – Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

Apart from the above, the HKICPA has issued Improvements to HKFRSs* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

HKAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

HKFRS 8, which replaced HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. Following the adoption of HKFRS 8, the identification of the Group's reportable segments has changed. In prior years, segment information reported externally was analysed on the Group's four operating divisions, i.e. electrical fittings, ironware parts, communications facilities and corporate and others, in accordance with HKAS 14 "Segment Reporting". However, information reported to the chief operating decision maker for the purposes of resource allocation and assessment of performance focuses specifically on three operating divisions only. As a result, the communication facilities, and corporate and others are combined into one category, namely communication facilities and others only. Disclosures about each of these segments are shown in note 4 and comparative figures for 2008 have been restated.

The Group has not early applied the following new and revised HKFRSs relevant to the condensed consolidated interim financial statements, that have been issued but are not yet effective. The directors of the Company anticipate that the application of these HKFRSs will have no material impact on the results and financial position of the Group.

HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 3 (Revised)	Business Combinations[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 39 Amendments	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items[1]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[1]

[1] Effective for annual periods beginning on or after 1 July 2009.

4. SEGMENT INFORMATION

The following tables present unaudited revenue, results, assets and liabilities for the Group's operating segments for the periods ended 30 June 2009 and 2008.

	Unaudited six months ended 30 June 2009				
	Electrical fittings *HK$'000*	**Ironware parts** *HK$'000*	**Communication facilities and others** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue:					
Sales to external customers	**461,303**	**163,502**	**53,281**	**–**	**678,086**
Intersegment sales	**1,762**	**786**	**–**	**(2,548)**	**–**
Total	**463,065**	**164,288**	**53,281**	**(2,548)**	**678,086**
Segment results before depreciation and amortisation	**75,833**	**16,733**	**(4,824)**	**(1,004)**	**86,738**
Depreciation	**(31,196)**	**(5,276)**	**(1,881)**	**–**	**(38,353)**
Amortisation	**(291)**	**(638)**	**(37)**	**–**	**(966)**
Segment results	**44,346**	**10,819**	**(6,742)**	**(1,004)**	**47,419**
Unallocated income					**17,639**
Finance costs					**(9,739)**
Share of profits and losses of:					
Associates					**435**
Profit before tax					**55,754**
Tax					**(10,623)**
Profit for the period					**45,131**

Segment results represents the profit earned or loss incurred by each segment without allocation of other income and gains – net, finance costs and share of profits and losses of associates. This is the information reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

	Unaudited six months ended 30 June 2009				
	Electrical fittings *HK$'000*	**Ironware parts** *HK$'000*	**Communication facilities and others** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Segment assets	**1,714,088**	**380,505**	**767,432**	**(981,833)**	**1,880,192**
Unallocated assets					**286,135**
Total assets					**2,166,327**
Segment liabilities	**1,294,086**	**248,631**	**290,078**	**(1,426,215)**	**406,580**
Unallocated liabilities					**521,902**
Total liabilities					**928,482**

	Unaudited six months ended 30 June 2008 (Restated)				
	Electrical fittings *HK$'000*	Ironware parts *HK$'000*	Communication facilities and others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue:					
Sales to external customers	360,103	197,421	57,232	–	614,756
Intersegment sales	4,884	–	3,927	(8,811)	–
Total	364,987	197,421	61,159	(8,811)	614,756
Segment results before depreciation and amortisation	61,732	12,608	(17,632)	1,398	58,106
Depreciation	(33,215)	(4,896)	(1,361)	–	(39,472)
Amortisation	(212)	(510)	(37)	–	(759)
Segment results	28,305	7,202	(19,030)	1,398	17,875
Unallocated income					45,927
Finance costs					(13,654)
Share of profits and losses of:					
Associates					1,855
A jointly controlled entity					3,572
Profit before tax					55,575
Tax					(7,914)
Profit for the period					47,661

	Audited 31 December 2008 (Restated)				
	Electrical fittings	Ironware parts	Communication facilities and others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	1,816,388	486,763	1,027,266	(1,487,078)	1,843,339
Unallocated assets					229,676
Total assets					2,073,015
Segment liabilities	1,402,299	326,436	543,513	(1,911,298)	360,950
Unallocated liabilities					496,733
Total liabilities					857,683

The following table presents unaudited revenue for the Group's geographical information for the periods ended 30 June 2009 and 2008.

	Unaudited six months ended 30 June											
	Hong Kong		**Mainland China**		**Southeast Asia**		**Australia**		**Others**		**Consolidated**	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:												
Sales to external customers	**23,440**	67,526	**519,004**	463,480	**63,669**	8,884	**20,182**	9,112	**51,791**	65,754	**678,086**	614,756

For the six months ended 30 June 2009 and 2008, the revenue from the Group's largest customer was less than 10% of the Group's total revenue.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Amortisation of prepaid land lease payments	**327**	249
Amortisation of prepayments	**639**	510
Depreciation of property, plant and equipment	**38,353**	39,472
Net fair value change on foreign exchange derivative financial instruments	**2,144**	3,783
Impairment/(write-back of impairment) of trade receivables	**(818)**	9,889
Foreign exchange differences, net	**2,577**	(32,621)
Loss on write-off of items of property, plant and equipment	**–**	38
Write-off of trade receivable	**655**	–
Change in fair value of an investment property	**(270)**	(350)

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

With the PRC Corporate Income Tax Law (the "Corporate Income Tax Law") being effective on 1 January 2008, the Corporate Income Tax (the "CIT") rate was changed from 33% to 25%. Under the relevant laws and regulations in the PRC, certain subsidiaries of the Group operating in Mainland China are exempted from CIT for two years from their respective first profit-making years and are eligible for a 50% reduction in CIT for the following three years. In addition, a reduced tax rate of 20% (2008: 18%) can be enjoyed by the subsidiary in the year 2009 if it is located in the Special Economic Zone of the PRC.

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the period	**47**	2,733
Underprovision in prior years	**22**	–
	69	2,733
Current – Elsewhere		
Charge for the period	**10,802**	5,181
Underprovision in prior years	**131**	–
	10,933	5,181
Deferred tax	**(379)**	–
Total tax charge for the period	**10,623**	7,914

The share of tax attributable to associates amounting to HK$3,400 (2008: HK$103,130) is included in "Share of profits and losses of associates" on the face of the condensed consolidated income statement.

7. DIVIDEND

	Unaudited Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Interim dividend – HK0.35 cent (2008: HK0.4 cent) per ordinary share	**13,964**	15,959

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the unaudited profit attributable to the ordinary equity holders of the Company of HK$40,977,000 (2008: HK$45,317,000), and the weighted average of 3,989,800,000 (2008: 3,989,864,451) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the period ended 30 June 2009 is based on the unaudited profit for the period attributable to ordinary equity holders of the Company of HK$40,977,000. The weighted average number of ordinary shares of 3,997,378,927 used in the calculation is the weighted average of 3,989,800,000 ordinary shares in issue during the period, as used in the basic earnings per share calculation and the weighted average of 7,578,927 ordinary shares assumed to have been issued at no consideration on the deemed exercise of 20,000,000 dilutive share options during the period.

The diluted earnings per share for the period ended 30 June 2008 had not been disclosed as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's ordinary shares during that period and thus the share options had no diluting effect.

9. TRADE AND BILLS RECEIVABLES

An aged analysis of the Group's trade and bills receivables as at 30 June 2009, based on the invoice date, is as follows:

	Unaudited 30 June 2009 ***HK$'000***	Audited 31 December 2008 *HK$'000*
Within 3 months	**443,145**	495,404
4 to 6 months, inclusive	**63,098**	86,596
7 to 9 months, inclusive	**20,683**	4,343
10 to 12 months, inclusive	**2,590**	1,378
More than 1 year	**27,519**	32,073
	557,035	619,794
Impairment allowances	**(18,824)**	(19,642)
	538,211	600,152

It is the general policy of the Group to allow a credit period of three to six months. In addition, for certain customers with long-established relationships and good past repayment histories, a longer credit period may be granted in order to maintain a good relationship.

10. TRADE AND BILLS PAYABLES

The trade payables are non-interest bearing and are normally settled on 60 to 90 days terms. An aged analysis of the Group's trade and bills payables as at 30 June 2009, based on the invoice date, is as follows:

	Unaudited 30 June 2009 *HK$'000*	Audited 31 December 2008 *HK$'000*
Within 3 months	**249,963**	223,012
4 to 6 months, inclusive	**49,259**	28,866
7 to 9 months, inclusive	**6,531**	4,949
10 to 12 months, inclusive	**1,310**	1,607
More than 1 year	**7,285**	3,866
	314,348	262,300

11. POST BALANCE SHEET EVENT

On 11 August 2009, the Group entered into a sales and purchases agreement to acquire the entire equity interests of Tongda (Shanghai) Company Limited, a company incorporated in Hong Kong, and a loan of HK$7,005,000 from E-Growth Resources Limited, at a total consideration of HK$71,188,000 (the "Acquisition"). The Acquisition constitutes a connected transaction to the Group and the details of which are set out in the Group's announcement dated 14 August 2009. The Acquisition is still subject to certain conditions to complete up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

1. Financial

For the six months ended 30 June 2009, driven by growth of the core business of the electrical fittings division, the Group's turnover rose by approximately 10.3% year-on-year to approximately HK$678,086,000 (2008: HK$614,756,000). In the consolidated account, about 9% (2008: 10%) of the total turnover of the Group for the period was contributed by Tongda (Xiamen) Technology Limited ("Xiamen Technology") 75%-owned by the Group. Excluding the contribution from the above, the Group's turnover increased by 11% year-on-year.

Although the overall average selling price of the Group's products dropped slightly when compared with the last corresponding period, with raw material price down and the Group implementing effective cost control measures and focusing on high value-added products, particularly In-Mould Lamination ("IML") products for notebook computers, gross profit grew by about 21% to approximately HK$115,626,000 (2008: HK$95,800,000). Gross profit margin also increased to approximately 17%. Profit attributable to shareholders amounted to approximately HK$40,977,000 (2008: HK$45,317,000). Despite the challenging business environment and rising operating costs, the Group's net profit margin was maintained at approximately 6% (2008: 7%).

The global economy is recovering. While there are still uncertainties, opportunities are emerging for enterprises with strong foundation. To make sure it can capture those opportunities, the Group has diligently adhered to a prudent financial strategy to maintain a healthy financial position. As at 30 June 2009, the Group had cash and bank and pledged deposits balances of approximately HK$249,116,000 (31 December 2008: HK$191,613,000) and, to facilitate business development, it secured a long-term bank loan of HK$350,000,000 last year.

Although the Group's financial performance was affected by the challenging market conditions, the Board is committed to generating steady returns for shareholders. Thus, the Board has recommended payment of an interim dividend of HK0.35 cent (2008: HK0.4 cent) per share for the review period, equivalent to a dividend payout ratio of 34%.

2. Operational Information by Division

a. Electrical Fittings Division

After the acquisition of Xiamen Technology, the Group has become one of a few one-stop solutions providers who can manufacture the entire exterior cover of handsets, including the lens, casing, hinges, sliding lids and keypads, and the electrical fittings division has continued to report strong revenues. Furthermore, the notebook computer casing business, which has been growing rapidly, also provided significant turnover contribution to the division. During the period under review, turnover from the electrical fittings division rose by approximately 28% to approximately HK$461,303,000 (2008: HK$360,103,000), representing 68% of the Group's total turnover.

IML products remained as the core business of the Group, making up 78% of the divisional turnover. During the period, the Group manufactured around 64 million pieces of IML products (2008: 45 million pieces). After years of efforts in strategic planning and technological enhancement, the Group boasts mastery of the IML technology today. IML products of the Group now applied mainly in handsets, notebook computers and electrical appliances accounted for 62%, 15% and 23% respectively of gross IML sales. Details of performance of different products are as follows:

i. Handsets

IML application in handsets is the key business of the division. Turnover from it increased by 11% from approximately HK$198,437,000 in the same period last year to approximately HK$221,143,000. During the period under review, orders from world-renowned mobile phone manufacturers Nokia and Sony Ericsson continued to increase and braced the steady advancement of handset business. Orders from other key handset manufacturers in China including Huawei, ZTE Corporation and Lenovo were stable, helping to consolidate the Group's leading presence in the handset supply chain.

ii. Notebook Computers

To optimize product mix and boost gross margin, the Group extended the use of IML technology to casings of notebook computers in 2007 and major breakthroughs in application were made subsequently. During the period under review, turnover from the business surged 8 times from approximately HK$6,975,000 in the same period last year to HK$54,552,000. The rapid growth of this business was owed to the IML technological breakthroughs that make integration of IML techniques including color coating, plasma surface treatment, leather incrustation, multi-colour automatic printing and alloys with various textures possible for high quality and unique surface-finishing effects for computer casings. The advancements caught the eyes of the world's four largest computer manufacturers based in Taiwan namely Asus, Hon Hai, Quanta and Compal which supply over 90% of the global notebook computer demand, and that translated into a gush of orders in a short period.

iii. Electrical Appliances

During the period under review, with the Chinese Government continuing to subsidise rural China in purchasing household appliances and the Group having long-standing cooperative relationship with well-known customers including Haier, Midea, Gree, Philips, Cisco, Sony and Samsung, the business recorded a steady stream of orders and an approximately 20% increase in turnover to approximately HK$83,199,000 (2008: HK$69,171,000). With the Chinese Government committed to promoting domestic consumption, this business can expect to see steady development in China.

b. Ironware Parts Division

The strategy set by the Group for this division is to focus on relatively higher margin products including smaller and more delicate precision ironware parts and catering for overseas sales orders with higher gross margin. Thus, the Group has intentionally cut back on taking lower margin orders and, as a result, turnover of the division for the period declined to approximately HK$163,502,000 (2008: HK$197,421,000). As the Group has decided to dedicate more resources on other businesses with higher profitability particularly the electrical fittings division in the medium to long term, the proportion of contribution from this division to the total turnover is expected to gradually reduce.

c. Communication Facilities Division and Other Businesses

The Group's communication facilities division mainly sells satellite television modems. It generated a turnover of approximately HK$53,281,000 during the period under review (2008: HK$57,232,000).

Always keeping abreast of market needs, the Group has been active in developing related high value-added products to strengthen its business mix. During the period under review, the Group invested in the business of producing handsets with interchangeable stylish and unique casings and trial production has begun. Related products are scheduled for launch in 2010 to satisfy strong customer demands for fashionable products.

Other electrical appliance business of the Group mainly manufactures trendy lifestyle consumer products including satellite navigation systems and bar speaker amplifiers. This is a new business still in investment stage, but the Group expects it to stabilise soon and secure more customers and in turn enable the Group to land new markets and generate satisfactory income.

d. *Turnover Breakdown by Products for the Six Months Ended 30 June 2009 and 2008*

	2009	2008
Electrical Fittings Division	**68%**	59%
i. Handset	**44%**	44%
ii. Notebook Computers	**11%**	1%
iii. Electrical Appliances	**12%**	12%
iv. Other	**1%**	2%
Ironware Parts Division	**24%**	32%
Communication Facilities Division and Other Businesses	**8%**	9%

3. Prospect

Although the global economy has not fully recovered yet, the Group is optimistic about the prospect of the high value-added electronic consumer product market. In fact, consumers have been putting more weight on the style and design of the casings when they are buying consumer electronics and the Group's IML technology can meet such market needs. Riding on a solid foundation, advanced technologies and a strong customer base, the Group will make sure it is ready to identify development opportunities amid challenges and implement aggressive yet prudent strategies to hasten business development.

Seeing immense potential in the notebook computer market, the Group believes its computer casing business will become a growth driver of its overall operation. To capture the huge opportunities in the sector, the Group announced the acquisition of the entire issued share capital of Tongda (Shanghai) Company Limited in August this year. The acquisition secured for the Group a parcel of land with a site area of approximately 15,643 square metres and two industrial/dormitory buildings with total gross floor area of approximately 9,617 square metres in Songjiang District in Shanghai, China. The Group intended to expand its production regime by adding facilities in Shanghai on top of those in Shenzhen, Xiamen and Fujian so as to stay closer to the production bases of international notebook computer manufacturers and prepare for capacity expansion in the future. To cater for the rising demand of attractive casings for notebook computers, the Group will devote more resources to develop the business.

Furthermore, as 3G network in China continues to expand, the population of 3G mobile phone users will increase and that will drive growth of the Group's handset casings business. As one of the few manufacturers capable of manufacturing the entire exterior cover of handsets and riding on the close relationship it has with major handset manufacturers in China, the Group stands well to benefit from the trend and expects handset casings business to become another strong growth driver of its business.

The Group has strived to find development opportunities for its electrical appliance business. It will collaborate with the famous Japanese company Matsushita Shokai to produce light guide plate used in LED TV from the fourth quarter of 2009. According to related researches, the penetration rate of LED TV in the market in 2009 was estimated at less than 3%, but by 2013 it was expected to rise notably to 40%. This means the market will grow at high speed in the next few years. Therefore, the cooperation is expected to bring a major breakthrough in the development of this division.

Apart from focusing on developing notebook computer, handset and electrical appliance casings business, the Group will closely monitor the fast changing market, allocate resources to support projects with strong potential and pursue merger and acquisition opportunities at suitable time so as to realise stable and rapid development.

4. Liquidity and financial resources

At 30 June 2009, the Group had total assets of HK$2,166 million (31 December 2008: HK$2,073 million); net current assets of HK$527 million (31 December 2008: HK$548 million) and total equity of HK$1,238 million (31 December 2008: HK$1,215 million).

The Group's cash and bank and pledged deposits balances as at 30 June 2009 was maintained at about HK$249 million (31 December 2008: HK$192 million), out of which HK$18 million has been pledged to bank to secure banking facilities granted (31 December 2008: HK$44 million).

The gearing ratio (total debt/equity attributable to equity holders of the Company plus total debt) was 0.40 (31 December 2008: 0.39).

As at 30 June 2009, total bank loans of the Group amounted to approximately HK$406 million, approximately HK$346 million was floating-rate loan and the remaining balance of approximately HK$60 million were fixed-rate loans. The effective interest rate of the Group's bank loan is HIBOR plus 1.1% and is denominated in Hong Kong dollars. Other than the aforesaid bank loans, the remaining bank loans of the Group are denominated in RMB and EUR with effective interest rates of 5.0% and ranging from 7.8% to 7.9% respectively.

5. Foreign Currency risk

The Group carries on its trading transactions mainly in Hong Kong dollars and RMB. Approximately 73% (2008: 53%) of the Group's sales and purchases transactions are denominated in RMB while the remaining balance of sales and purchases transactions denominated mainly in Hong Kong dollars and United Stated dollars. As the foreign currencies risks generated from the sales and purchases can be set off with each other, the foreign currency risk is minimal for the Group. It is the policy of the Group to continue maintaining the balance of its sales and purchases in the sane currency.

Considering the appreciation of RMB, the Group will maintain a comparatively higher level of Hong Kong dollars borrowings than RMB borrowings to minimise the possible currency risk therefrom.

SUPPLEMENTARY INFORMATION

Interim Dividends

The board of directors (the "Board") of the Company declared an interim dividend of HK0.35 cent (2008: HK0.4 cent) per ordinary share for the period ended 30 June 2009 payable on or about 6 November 2009 to shareholders whose names appear on the register of members of the Company on 27 October 2009.

Closure of register of members

The Register of Members will be closed from 27 October 2009 to 2 November 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the dividends, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong no later than 4:00 p.m. on 23 October 2009.

Purchases, redemption or sales of listed securities

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

Corporate Governance

The Company has complied throughout the Period with the Code Provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 of the Listing Rules, except for the deviations as mentioned below.

The independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's Bye Laws.

The roles of Chairman and Chief Executive should be separated and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive and Mr. Wang Ya Nan currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies. The present structure is considered to be appropriate under the circumstances.

Remuneration Committee

The Remuneration Committee (the "RC") consists of the Chairman and CEO of the Company and three independent non-executive directors. Members of the RC include Mr. Ting Leung Huel, Stephen (Chairman), Mr. Wang Ya Nan, Mr. Cheung Wah Fung, Christopher and Dr. Yu Sun Say, J.P. The main responsibility is to discuss, review and determine the remuneration of all directors and senior management.

Audit Committee

The Audit Committee (the "AC"), consists of three independent non-executive directors. In establishing and adopting the terms of reference of the AC, the board of directors had regarded to the "Guide for the Formation of an Audit Committee" issued by the Hong Kong Institute of Certified Public Accountants.

The AC has reviewed the principal accounting policies and internal control adopted by the Group at the meeting held during the Period. The AC had also reviewed the unaudited interim results of the group for the six months ended 30 June 2009 prior to the submission to the Board for approval.

Model Code of 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. All directors have confirmed, following specific enquiry of all directors that they have fully complied with the required standard set out in the Model Code throughout the period under review.

On behalf of the Board
Wang Ya Nan
Chairman

Hong Kong, 23 September 2009

As at the date of this announcement, the Board comprises Mr. Wang Ya Nan, Mr. Wang Ya Hua, Mr. Wong Ah Yu. Mr. Wong Ah Yeung, Mr. Choi Wai Sang and Mr. Wang Ming Che as executive directors; and Mr. Ting Leung Huel Stephen, Mr. Cheung Wah Fung Christopher, J.P. and Dr. Yu Sun Say, J.P. as independent non-executive directors.