HUA YI COPPER HOLDINGS LIMITED
華藝礦業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0559)

2009/10 ANNUAL RESULTS ANNOUNCEMENT

RESULTS

The board of directors (the "Board") of Hua Yi Copper Holdings Limited (the "Company") announces the annual results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2010 together with comparative figures from the previous corresponding year, as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	NOTES	Continuing operations 2010 HK$'000	Continuing operations 2009 HK$'000	Discontinued operations 2010 HK$'000	Discontinued operations 2009 HK$'000	Total 2010 HK$'000	Total 2009 HK$'000
Turnover	3	**324,723**	1,086,161	**243**	111,115	**324,966**	1,197,276
Cost of sales		**(311,459)**	(1,317,939)	**(404)**	(110,955)	**(311,863)**	(1,428,894)
Gross profit/(loss)		**13,264**	(231,778)	**(161)**	160	**13,103**	(231,618)
Interest income		**4,203**	4,470	**—**	301	**4,203**	4,771
Other income		**1,336**	5,327	**69**	847	**1,405**	6,174
General and administrative expenses		**(29,753)**	(32,603)	**(5,258)**	(17,105)	**(35,011)**	(49,708)
Selling and distribution expenses		**(1,478)**	(2,324)	**—**	(2,621)	**(1,478)**	(4,945)
Finance costs	5	**(8,764)**	(21,320)	**—**	(4,280)	**(8,764)**	(25,600)
Share of results of a jointly-controlled entity		**—**	(3,129)	**—**	—	**—**	(3,129)
Gain on asset swap	11	**—**	53,505	**—**	—	**—**	53,505
Gains on deemed disposal of a jointly-controlled entity and disposal of available-for-sale investment, net		**—**	7,237	**—**	—	**—**	7,237
Impairment loss on intangible asset		**—**	—	**(55,128)**	(102,917)	**(55,128)**	(102,917)
Impairment loss on loans receivable		**(35,900)**	—	**—**	—	**(35,900)**	—
(Loss)/gain on disposal of subsidiaries and discounting effect of amount due from disposed group, net	12	**(6,686)**	—	**8,235**	—	**1,549**	—
Impairment loss on property, plant and equipment		**—**	—	**(9,310)**	(19,621)	**(9,310)**	(19,621)
Change in fair value of derivative financial instruments		**(11)**	434	**—**	—	**(11)**	434
Change in fair value of financial assets at fair value through profit or loss		**(3,278)**	—	**—**	—	**(3,278)**	—
Change in fair value of convertible note designated as at fair value through profit or loss		**(37,853)**	31,233	**—**	—	**(37,853)**	31,233
Loss on disposal of assets classified as held for sale and associated liabilities		**—**	—	**—**	(26,512)	**—**	(26,512)
Loss before taxation	4	**(104,920)**	(188,948)	**(61,553)**	(171,748)	**(166,473)**	(360,696)
Taxation	6	**(743)**	9,525	**13,782**	25,835	**13,039**	35,360
Loss for the year		**(105,663)**	(179,423)	**(47,771)**	(145,913)	**(153,434)**	(325,336)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations and share of reserve of a jointly-controlled entity		**—**	(1,748)	**—**	(3)	**—**	(1,751)
Reclassification adjustments of exchange reserve upon disposal of subsidiaries	12	**—**	—	**(72)**	—	**(72)**	—
Reclassification adjustments of exchange reserve upon deemed disposal of a jointly-controlled entity		**—**	(3,044)	**—**	—	**—**	(3,044)
Reclassification adjustments of exchange reserve upon asset swap		**—**	(32,921)	**—**	—	**—**	(32,921)
Other comprehensive income for the year		**—**	(37,713)	**(72)**	(3)	**(72)**	(37,716)
Total comprehensive income for the year		**(105,663)**	(217,136)	**(47,843)**	(145,916)	**(153,506)**	(363,052)
Loss for the year attributable to:							
Owners of the Company		**(105,663)**	(179,423)	**(47,147)**	(143,180)	**(152,810)**	(322,603)
Non-controlling interests		**—**	—	**(624)**	(2,733)	**(624)**	(2,733)
		(105,663)	(179,423)	**(47,771)**	(145,913)	**(153,434)**	(325,336)
Total comprehensive income for the year attributable to:							
Owners of the Company		**(105,663)**	(217,136)	**(47,219)**	(143,180)	**(152,882)**	(360,316)
Non-controlling interests		**—**	—	**(624)**	(2,736)	**(624)**	(2,736)
		(105,663)	(217,136)	**(47,843)**	(145,916)	**(153,506)**	(363,052)
							(Restated)
Loss per share from continuing and discontinued operations	8						
— Basic and diluted						**(9.64) HK cents**	(140.96) HK cents
from continuing operations							
— Basic and diluted						**(6.67) HK cents**	(78.40) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2010

	NOTES	**2010** *HK$'000*	2009 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**151,490**	261,837
Prepayments for acquisition of property, plant and equipment		**1,237**	14,000
Prepaid lease payments for land		**9,776**	14,241
Other receivable	12	**33,473**	—
Intangible asset		**—**	55,128
Convertible note designated as at fair value through profit or loss		**8,900**	46,753
Loans receivable, secured		**—**	21,198
Total non-current assets		**204,876**	413,157
Current assets			
Inventories		**21,442**	21,179
Debtors, other receivables, deposits and prepayments	9	**75,805**	38,092
Bills receivable		**10,839**	1,739
Loans receivable, secured		**—**	14,702
Prepaid lease payments for land		**227**	365
Financial assets at fair value through profit or loss		**3,629**	—
Bank balances and cash		**454,624**	89,000
Total current assets		**566,566**	165,077
Current liabilities			
Creditors, other advances and accruals	10	**51,374**	54,965
Borrowings		**86,238**	96,940
Taxation		**2,415**	2,049
Derivative financial liabilities		**11**	—
Total current liabilities		**140,038**	153,954
Net current assets		**426,528**	11,123
Total assets less current liabilities		**631,404**	424,280
Non-current liabilities			
Borrowings		**—**	11,364
Deferred tax liabilities		**726**	15,790
Total non-current liabilities		**726**	27,154
Net assets		**630,678**	397,126

	2010	2009
	HK$'000	*HK$'000*
EQUITY		
Capital and reserves		
Share capital	**140,511**	16,709
Reserves	**490,167**	380,417
Equity attributable to owners of the Company and total equity	**630,678**	397,126

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Exchange reserve HK$'000	Statutory reserve fund HK$'000	Special reserve HK$'000	Share option reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total attributable to owners of the Company HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 July 2008	177,061	124,891	172,724	57,470	14,005	(43,246)	10,626	190,906	704,437	2,736	707,173
Total comprehensive income for the year	—	—	—	(37,713)	—	—	—	(322,603)	(360,316)	(2,736)	(363,052)
Capital reorganisation	(168,208)	—	168,208	—	—	—	—	—	—	—	—
Issue of shares upon exercise of share options	885	6,567	—	—	—	—	—	—	7,452	—	7,452
Issue of new shares	6,971	35,162	—	—	—	—	—	—	42,133	—	42,133
Recognition of equity-settled share-based payment transactions	—	—	—	—	—	—	3,420	—	3,420	—	3,420
Transfer upon exercise of share options	—	3,420	—	—	—	—	(3,420)	—	—	—	—
Cancellation and lapse of share options	—	—	—	—	—	—	(10,626)	10,626	—	—	—
At 30 June 2009	16,709	170,040	340,932	19,757	14,005	(43,246)	—	(121,071)	397,126	—	397,126
Total comprehensive income for the year	—	—	—	(72)	—	—	—	(152,810)	(152,882)	(624)	(153,506)
Issue of new shares by placements	58,738	122,496	—	—	—	—	—	—	181,234	—	181,234
Open offer of new shares	65,064	125,031	—	—	—	—	—	—	190,095	—	190,095
Disposal of subsidiaries	—	—	—	—	—	—	—	—	—	624	624
Recognition of equity-settled share-based payment transactions	—	—	—	—	—	—	15,105	—	15,105	—	15,105
At 30 June 2010	140,511	417,567	340,932	19,685	14,005	(43,246)	15,105	(273,881)	630,678	—	630,678

1. ORGANISATION AND OPERATIONS

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in Corporate Information in the annual report.

The Company is an investment holding company. The activities of the Company's subsidiaries are principally engaged in the manufacture and trading of cable and wires, manufacture and trading of copper rods and iron-ore mining, manufacture and sale of iron-ore concentrated powder. During the year, the Group's interest in iron-ore mining, manufacture and sale of iron-ore concentrated powder operation was disposed of.

The functional currency of the Company is Renminbi ("RMB"), while the financial statements are presented in Hong Kong dollars. As the Company is listed on the Main Board of the Stock Exchange, the directors consider that it will be more appropriate to adopt Hong Kong dollars as the Group's and the Company's presentation currency.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) The Group has adopted the following new/revised Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for the current accounting period.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combination
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) — Interpretation 9 and HKAS 39 (Amendments)	Embedded Derivatives

The adoption of the above new/revised HKFRSs had no material effect on the financial statements of the Group for both the current and prior reporting periods, except for certain presentational change as a result of adopting HKAS 1 (Revised) and other changes as set out below. All relevant changes in accounting policies and disclosures where applicable have been made in accordance with the provisions of the respective standards. The statements of financial position, previously known as balance sheets, at the beginning of the year ended 30 June 2009 have not been presented as there were no changes to the originally published statements.

HKFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after 1 July 2009. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

HKAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions are recognised within equity and no longer give rise to goodwill, nor gain from bargain purchase. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The changes by HKFRS 3 (Revised) and HKAS 27 (Amended) affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests. The change in accounting policy was applied prospectively and had no material impact on the current year's results and financial position.

HKFRS 8 supersedes HKAS 14 "Segment Reporting", and requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-makers in order to allocate resources to the segment and to assess its performance. As the business segments reported by the Group in accordance with the requirements of HKAS 14 are the same as the operating segments provided to chief operating decision-makers as required by HKFRS 8, there are no changes to the operating segments and the results of operating segments on the adoption of HKFRS 8.

The amendments to HKFRS 7 expand the disclosures relating to fair value measurements for financial instruments that are measured at fair value and liquidity risk of financial liabilities. A three-level fair value hierarchy has been introduced to categorise the fair value measurements according to the degree they are based on observable market data. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision.

(b) Potential impact arising on HKFRSs not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's operations, have been issued but are not yet effective and have not been early adopted by the Group:

		Effective date
HKFRSs (Amendments)	Improvements to HKFRSs 2009	(i)
HKFRSs (Amendments)	Improvements to HKFRSs 2010	(ii)
Amendments to HKFRS 2	Share-based Payment — Group Cash-settled Share-based Payment Transactions	(i)
HK(IFRIC) — Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	(iii)
HKAS 24 (Revised)	Related Party Disclosures	(iv)
HKFRS 9	Financial Instruments	(v)

Effective date:

(i) Annual periods beginning on or after 1 January 2010
(ii) Annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
(iii) Annual periods beginning on or after 1 July 2010
(iv) Annual periods beginning on or after 1 January 2011
(v) Annual periods beginning on or after 1 January 2013

The amendment to HKAS 17 made under the "Improvements to HKFRSs 2009", mandatory for accounting periods beginning on or after 1 January 2010, removes the specific guidance which stated that land held under a lease should be classified as an operating lease unless title to the land is expected to pass at the end of the lease term. It provides new guidance which indicates that entity should use judgement to decide whether the lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in HKAS 17. The Group will reassess the classification of land elements of unexpired leases at the date it adopts the amendment on the basis of information existing at the inception of the lease and recognise a lease newly classified as a finance lease retrospectively if the criteria of a finance lease is met.

The Group is in the process of making an assessment of the potential impact of other new/revised HKFRSs and the directors so far concluded that the application of the other new/revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENTAL INFORMATION

Turnover, which is also revenue, represents the amounts received and receivable for goods sold to outside customers, net of returns and discounts and sales related taxes during the year.

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has four reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The Group's reportable segments under HKFRS 8 do not differ materially from those previously under HKAS 14 and are therefore as follows:

(i) manufacture and trading of copper rods;

(ii) manufacture and sale of cable and wires;

(iii) iron-ore mining, manufacture and sale of iron-ore concentrated powder; and

(iv) manufacturing and trading of life-like plants.

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision-makers for assessment of segment performance.

As detailed in Note 12, on 9 April 2010, the Group entered into a sale and purchase agreement to dispose of its business in relation to iron-ore concentrated powder and it was completed on 12 April 2010. Accordingly, the business segment of iron-ore concentrated powder was classified as discontinued operations. The comparative consolidated statement of comprehensive income and the related notes have been re-presented as if the operations discontinued during the year had been discontinued at the beginning of the comparative period.

On 21 May 2007, the Company announced a plan to dispose of its business of manufacture and trading of life-like plants based on a conditional sale and purchase agreement dated 19 May 2007. Accordingly, the business segment of manufacture and trading of life-like plants (the "Life-like Plants Operation") was classified as discontinued operation in the prior years. According to the supplemental agreements dated 19 September 2007, 17 December 2007, 28 February 2008, 20 May 2008 and 30 September 2008, entered into among the Group, the purchaser and Kong Sun Holdings Limited (the holding company of the purchaser), the long stop date and the disposal of the Life-like Plants Operation was extended to 31 December 2008. Kong Sun Holdings Limited and its subsidiaries are collectively referred to as the Kong Sun Group. The disposal of Life-like Plants Operation was completed on 16 December 2008, details of which are disclosed in the Company's announcement dated 16 December 2008.

For the year ended 30 June 2010

	Continuing operations			Discontinued operations			
	Copper rods	Cable and wires	Total	Iron-ore concentrated powder	Life-like plants	Total	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	HK$'000	HK$'000	*HK$'000*
TURNOVER							
Sales to external customers	**132,877**	**191,846**	**324,723**	**243**	**—**	**243**	**324,966**
RESULTS							
Segment results	**(2,142)**	**345**	**(1,797)**	**(61,553)**	**—**	**(61,553)**	**(63,350)**
Depreciation	**(5,755)**	**(9,618)**	**(15,373)**	**(4,252)**	**—**	**(4,252)**	**(19,625)**
(Loss)/gain on disposal of subsidiaries and discounting effect of amount due from disposal group, net	**—**	**(6,686)**	**(6,686)**	**8,235**	**—**	**8,235**	**1,549**
Impairment loss on intangible assets	**—**	**—**	**—**	**(55,128)**	**—**	**(55,128)**	**(55,128)**
Impairment loss on prepaid lease payments for land	**—**	**—**	**—**	**(213)**	**—**	**(213)**	**(213)**
Impairment loss on property, plant and equipment	**—**	**—**	**—**	**(9,310)**	**—**	**(9,310)**	**(9,310)**
Impairment loss on trade debtors	**—**	**(324)**	**(324)**	**—**	**—**	**—**	**(324)**
Taxation	**(240)**	**(503)**	**(743)**	**13,782**	**—**	**13,782**	**13,039**

For the year ended 30 June 2009

	Continuing operations			Discontinued operations			
	Copper rods	Cable and wires	Total	Iron-ore concentrated powder	Life-like plants	Total	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER							
Sales to external customers	1,036,628	49,533	1,086,161	3,157	107,958	111,115	1,197,276
RESULTS							
Segment results	(236,251)	(10,616)	(246,867)	(136,387)	(35,599)	(171,986)	(418,853)
Depreciation	(9,114)	(7,290)	(16,404)	(6,411)	(4)	(6,415)	(22,819)
Gains on deemed disposal of a jointly-controlled entity and disposal of available-for-sale investment, net	7,237	—	7,237	—	—	—	7,237
Loss on disposal of assets classified as held for sale and associated liabilities	—	—	—	—	(26,512)	(26,512)	(26,512)
Impairment loss on intangible asset	—	—	—	(102,917)	—	(102,917)	(102,917)
Impairment loss on property, plant and equipment	—	—	—	(19,621)	—	(19,621)	(19,621)
Impairment loss on prepaid lease payments for land	—	—	—	(488)	—	(488)	(488)
Share of results of a jointly-controlled entity	(3,129)	—	(3,129)	—	—	—	(3,129)
Taxation	9,375	150	9,525	25,835	—	25,835	35,360

At 30 June 2010

	Continuing operations			Discontinued operations			
	Copper rods	Cable and wires	Total	Iron-ore concentrated powder	Life-like plants	Total	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	**96,411**	**169,320**	**265,731**	**—**	**—**	**—**	**265,731**
Additions to non-current assets	**5,119**	**3,197**	**8,316**	**—**	**—**	**—**	**8,316**
Reportable segment liabilities	**(28,207)**	**(70,143)**	**(98,350)**	**—**	**—**	**—**	**(98,350)**

At 30 June 2009

	Continuing operations			Discontinued operations			
	Copper rods	Cable and wires	Total	Iron-ore concentrated powder	Life-like plants	Total	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	80,454	254,946	335,400	77,842	—	77,842	413,242
Additions to non-current assets	120	9,355	9,475	1,830	169	1,999	11,474
Reportable segment liabilities	(26,142)	(85,159)	(111,301)	(22,244)	—	(22,244)	(133,545)

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

	For the year end 30 June	
	2010	2009
	HK$'000	*HK$'000*
Loss before taxation and discontinued operations		
Reportable segment profit or loss	**(63,350)**	(418,853)
Segment loss from discontinued operations	**61,553**	171,748
Unallocated corporate income	**2,234**	2,647
Unallocated corporate expenses	**(28,326)**	(29,228)
Gain on asset swap	**—**	53,505
Change in fair value of convertible note designated as at fair value through profit or loss	**(37,853)**	31,233
Impairment loss on loans receivable	**(35,900)**	—
Change in fair value of financial assets at fair value through profit or loss	**(3,278)**	—
Consolidated loss before taxation from continuing operations	**(104,920)**	(188,948)

	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**265,731**	413,242
Unallocated bank balances and cash	**448,623**	21,136
Unallocated corporate assets	**57,088**	143,856
Consolidated total assets	**771,442**	578,234

	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**98,350**	133,545
Current tax liabilities	**2,415**	2,049
Deferred tax liabilities	**726**	15,790
Unallocated corporate liabilities	**39,273**	29,724
Consolidated total liabilities	**140,764**	181,108

(c) **Geographical segments**

The Group's operations and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets (the "Specified non-current assets") are located in Hong Kong, the PRC, Americas, Europe and other Asian regions.

The following table provides an analysis of the Group's sales and the Specified non-current assets by geographical markets from continuing operations, irrespective of the origin of the goods:

	Revenue from external customers		**Specified non-current assets**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**324,966**	1,089,318	**161,266**	345,206
Americas	**—**	104,448	**—**	—
Europe	**—**	1,857	**—**	—
Hong Kong	**—**	1,202	**1,237**	—
Other Asian regions	**—**	451	**—**	—
	324,966	1,197,276	**162,503**	345,206

(d) **Information about major customer**

During the year, a customer (2009: Nil) contributed revenues of HK$1,943,000 (2009: HK$Nil) and HK$56,826,000 (2009: HK$Nil) to the Group's copper rods segment and cable and wires segment, respectively.

4. LOSS BEFORE TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation has been arrived at after charging/(crediting):						
Auditors' remuneration	**627**	657	**—**	95	**627**	752
Depreciation of property, plant and equipment	**15,373**	16,404	**4,252**	6,415	**19,625**	22,819
Amortisation of intangible asset	**—**	—	**—**	422	**—**	422
Cost of inventories	**311,459**	1,317,939	**404**	110,955	**311,863**	1,428,894
Charge of prepaid lease payments for land	**212**	1,027	**49**	98	**261**	1,125
Operating lease rentals in respect of rented premises	**—**	453	**—**	223	**—**	676
Impairment loss on prepaid lease payments for land	**—**	—	**213**	488	**213**	488
Impairment loss on trade debtors	**324**	—	**—**	364	**324**	364
Bad debts written off	**—**	3,452	**—**	936	**—**	4,388
	324	3,452	**—**	1,300	**324**	4,752
Wages, salaries and pension contributions including directors' remuneration	**15,854**	7,369	**364**	5,667	**16,218**	13,036
Share-based payments expense	**15,105**	3,420	**—**	—	**15,105**	3,420
Exchange losses/(gains), net	**14**	(1,079)	**1**	566	**15**	(513)
Net rental income after deducting outgoings	**—**	(537)	**—**	—	**—**	(537)
Interest income on promissory note receivable	**—**	(237)	**—**	—	**—**	(237)
Interest income on convertible note designated as at fair value through profit or loss	**(1,689)**	—	**—**	—	**(1,689)**	—
Interest income on loans receivable	**—**	(3,046)	**—**	—	**—**	(3,046)
Notional interest income of discounted other receivable	**(2,013)**	—	**—**	—	**(2,013)**	—
Management fee income	**—**	(646)	**—**	—	**—**	(646)
Subcontracting fee income	**—**	(3,304)	**—**	—	**—**	(3,304)
Loss/(gain) on disposal of property, plant and equipment, net	**4,493**	(7)	**—**	3	**4,493**	(4)

Note: Cost of inventories includes HK$26,374,000 (2009: HK$23,299,000) relating to staff costs, depreciation of property, plant and equipment and charge of prepaid lease payments for land, for which the amounts are also included in the respective total amounts disclosed separately above.

5. FINANCE COSTS

	Continuing operations		Discontinued operations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank borrowings and other loans wholly repayable within five years	**8,764**	21,320	**—**	4,280	**8,764**	25,600

6. TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong profits tax						
Current year	**—**	424	**—**	—	**—**	424
Underprovision in respect of prior years	**—**	302	**—**	—	**—**	302
Taxation in the PRC						
Current year	**769**	36	**—**	—	**769**	36
Overprovision in respect of prior years	**—**	(10,137)	**—**	—	**—**	(10,137)
	769	(9,375)	**—**	—	**769**	(9,375)
Deferred taxation	**(26)**	(150)	**(13,782)**	(25,835)	**(13,808)**	(25,985)
	743	(9,525)	**(13,782)**	(25,835)	**(13,039)**	(35,360)

Hong Kong profits tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The domestic tax rate of principal subsidiaries in the PRC is used as it is where the operations of the Group are substantially based. The standard corporate income tax rate for enterprises in the PRC is 25%, which is also the applicable corporate income tax rate for the years ended 30 June 2009 and 2010.

7. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 30 June 2010 (2009: HK$Nil).

8. LOSS PER SHARE

The calculation of basic loss per share amounts is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted loss per share amounts is based on the loss for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

From continuing and discontinued operations

The calculation of the basic loss per share is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share	**(152,810)**	(322,603)

	Number of shares	
	2010	2009
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,585,130,950**	228,858,862

From continuing operations

The calculation of the basic loss per share from continuing operations is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(105,663)**	(179,423)

The denominators used are the same as those detailed above for calculating basic and diluted loss per share for continuing and discontinued operations.

As share options outstanding during the years had an anti-dilutive effect on the basic loss per share for both years, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore the basic and diluted losses per share for the respective years are equal.

Loss for the year ended 30 June 2009 attributable to owners of the Company is restated as a result of the re-presentation of the Group's iron-ore mining, manufacture and sale of iron-ore concentrated powder operations as if it had been discontinued at the beginning of the year ended 30 June 2009.

From discontinued operations

Basic and diluted loss per share for discontinued operations is 2.97 HK cents (2009: 62.56 HK cents (restated)) based on the loss for the year from discontinued operations attributable to owners of the Company of HK$47,147,000 (2009: HK$143,180,000 (restated)). The denominators used are the same as those detailed above for calculating basic and diluted loss per share for continuing and discontinued operations.

9. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in the Group's debtors, other receivables, deposits and prepayments were trade debtors with outsiders of HK$58,645,000 (2009: HK$28,899,000).

The Group allows an average credit period of 0 to 90 days to its trade debtors with outsiders.

The aging analysis of trade debtors, net of allowance for doubtful debts, based on invoice date, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**29,202**	11,318
31–60 days	**11,234**	4,228
61–90 days	**11,731**	6,105
Over 90 days	**6,478**	7,248
	58,645	28,899

10. CREDITORS, OTHER ADVANCES AND ACCRUALS

Included in the Group's creditors, other advances and accruals were unrelated trade creditors of HK$15,554,000 (2009: HK$15,220,000).

The aging analysis of these unrelated trade creditors, based on invoice date, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**4,499**	4,778
31–60 days	**3,883**	2,182
61–90 days	**2,842**	2,106
Over 90 days	**4,330**	6,154
	15,554	15,220

11. ACQUISITION AND DISPOSAL OF SUBSIDIARIES UNDER AN ASSET SWAP ARRANGEMENT

On 5 December 2008, the Company, Wah Yeung Capital Resources Limited ("Wah Yeung"), an indirectly wholly-owned subsidiary of the Company, Solartech International Holdings Limited ("Solartech"), Chau's Industrial Investments Limited ("Chau's Industrial"), a wholly-owned subsidiary of Solartech, Chau's Electrical Company Limited ("Chau's Electrical"), an indirect wholly-owned subsidiary of Solartech entered into three sale and purchase agreements and one set-off deed (collectively referred to as the "Asset Swap"), pursuant to which the Group agreed to acquire from Solartech (i) 100% equity interest in Solartech Enterprises Limited ("Solartech Enterprises") and its subsidiaries (the "Solartech Enterprises Group") and the unsecured and interest-free shareholder's loan owed by the Solartech Enterprises Group to Chau's Industrial (the "Solartech Enterprises Shareholder Loan"); and (ii) 100% equity interest in Fund Resources Limited ("Fund Resources") and its subsidiary (the "Fund Resources Group"), and the unsecured and interest-free shareholder's loan owed by the Fund Resources Group to Chau's Electrical (the "Fund Resources Shareholder Loan") in the consideration for the Group's disposal of (i) 100% equity interest in Modern China Enterprises Limited ("Modern China") and its subsidiaries (the "Modern China Group"); (ii) 100% equity interest in Hua Yi Copper Products Company Limited ("HY Products") and its subsidiary (the "HY Products Group"); and (iii) the unsecured and interest-free shareholder's loan owed by the HY Products Group to Wah Yeung (the "HY Products Shareholder Loan"). An additional consideration of HK$20,000,000 is also payable by the Group to the Solartech and its subsidiaries under the Asset Swap. The Asset Swap was completed on 4 February 2009. Further details are set out in the Company's circular dated 31 December 2008 and announcement dated 30 December 2008.

(i) Acquisition of subsidiaries under the Asset Swap

Accordingly, the Solartech Enterprises Group and the Fund Resources Group became subsidiaries of the Company and their results were consolidated to the Group's consolidated financial statements since the date of acquisition in the prior year.

Details of net assets of subsidiaries acquired in the Asset Swap are as follows:

	Solartech Enterprises Group			**Fund Resources Group**			
	Acquirees' carrying amount before the Asset Swap	**Fair value adjustments**	**Sub-total**	**Acquirees' carrying amount before the Asset Swap**	**Fair value adjustments**	**Sub-total**	**Fair value as at the completion date**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Property, plant and equipment	101,171	—	101,171	75,738	2,437	78,175	179,346
Prepayments for acquisition of property, plant and equipment	—	—	—	14,000	—	14,000	14,000
Prepaid lease payments for land	4,188	3,112	7,300	1,060	3,090	4,150	11,450
Inventories	10,061	—	10,061	6,242	—	6,242	16,303
Debtors, deposits and prepayments	20,772	—	20,772	14,157	—	14,157	34,929
Bills receivable	2,505	—	2,505	20	—	20	2,525
Bank balances and cash	2,530	—	2,530	1,327	—	1,327	3,857
Creditors, other advances and accruals	(49,394)	—	(49,394)	(15,549)	—	(15,549)	(64,943)
The Solartech Enterprises Shareholder Loan and the Fund Resources Shareholder Loan	(89,979)	—	(89,979)	(77,085)	—	(77,085)	(167,064)
Taxation	(354)	—	(354)	—	—	—	(354)
Borrowings	(20,682)	—	(20,682)	(44,318)	—	(44,318)	(65,000)
Deferred tax liabilities	—	(778)	(778)	—	(1,380)	(1,380)	(2,158)
Net deficiency in assets of the Solartech Enterprises Group and the Fund Resources Group							(37,109)
Assignment of the Solartech Enterprises Shareholder Loan and the Fund Resources Shareholder Loan							167,064
							129,955
Satisfied by:							
Part of consideration on disposal of subsidiaries under the Asset Swap *(Note 11(ii))*							129,955

Since the acquisition from the Asset Swap, the Solartech Enterprises Group and the Fund Resources Group contributed an aggregate amount of HK$49,533,000 to the Group's turnover and loss of HK$12,242,000 to the operating results for the year ended 30 June 2009.

Had the acquisition taken place at the beginning of the prior year, the revenue of the Group and the loss of the Group for the prior year would have been HK$1,319,290,000 and HK$312,297,000, respectively.

(ii) Disposal of subsidiaries under the Asset Swap

The assets and liabilities of the Modern China Group and the HY Products Group disposed of in the Asset Swap are as follows:

	HK$'000
Property, plant and equipment	93,717
Prepaid lease payments for land	60,109
Loan receivable	44,407
Inventories	24,780
Debtors, deposits and prepayments	152,224
Bills receivable	20,949
Pledged deposits	27,551
Bank balances and cash	66,539
Creditors, other advances and accruals	(60,063)
Bills payable	(75,000)
The HY Products Shareholder Loan	(107,570)
Taxation	(432)
Borrowings	(252,393)
Deferred tax liabilities	(14,514)
Net deficiency of assets disposal of the Modern China Group and the HY Products Group	(19,696)
Assignment of the HY Products Shareholder Loan	107,570
Reclassification adjustments of exchange reserve upon disposal	(32,921)
Direct costs incurred for the disposal	1,497
Gain on Asset Swap	53,505
Consideration	109,955
Consideration satisfied by:	
Net deficiency in assets of the Solartech Enterprises Group and the Fund Resources Group and the Solartech Enterprises Shareholder Loan and the Fund Resources Shareholder Loan acquired *(Note 11(i))*	129,955
Amounts due to related companies as further consideration	(20,000)
	109,955
Net cash inflow/(outflow) on the Asset Swap:	
Bank balances and cash acquired	3,857
Bank balances and cash disposed of	(66,539)
	(62,682)

12. DISPOSAL OF SUBSIDIARIES

On 20 August 2009, Hua Yi Copper (BVI) Company Limited ("HYC (BVI)"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a purchaser pursuant to which HYC (BVI) agreed to dispose of and the purchaser agreed to purchase the entire equity interest in Fortune Point Limited and its subsidiaries (the "Fortune Point Group") at a consideration of HK$4,500,000. The disposal was completed on 24 August 2009. Details of the disposal were set out in the announcements of the Company dated 20 and 24 August 2009.

On 9 April 2010, Hua Yi Enterprises Limited ("HY Enterprises"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a purchaser pursuant to which HY Enterprises agreed to dispose of and the purchaser agreed to purchase the Group's entire equity interest in Yeading Enterprises Limited and its subsidiaries (the "Yeading Group") at a consideration of HK$8,000,000. The disposal was completed on 12 April 2010.

The assets and liabilities of the Fortune Point Group at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	85,235
Prepayments for acquisition of property, plant and equipment	14,000
Prepaid lease payments for land	4,129
Inventories	3,984
Debtors, other receivables, deposits and prepayments	7,656
Bills receivable	239
Bank balances and cash	1,801
Creditors, other advances and accruals	(73,841)*
Borrowings	(37,500)
Deferred tax liabilities	(1,256)
	4,447
Gain on disposal of subsidiaries	13
Direct costs incurred for the disposal	40
Total consideration	4,500
Satisfied by:	
Cash	4,500
Analysis of the net cash inflow/(outflow):	
Cash consideration	4,500
Bank balances and cash disposed of	(1,801)
	2,699

* Included in the Fortune Point Group's creditors, other advances and accruals at the date of disposal was an amount due to the Group amounting to HK$44,469,000. The Group and the purchaser mutually agreed the amount repayable by instalments until 31 December 2013. Therefore, the amount was initially recognised by the Group as a non-current other receivable at the date of disposal and was discounted to its fair value at HK$37,770,000 and the difference of HK$6,699,000 was net off with the gain on disposal of subsidiaries and recognised in the profit or loss.

At 30 June 2010, the carrying value of the amount due from the Fortune Point Group was HK$36,707,000, of which HK$33,473,000 was included in other receivable under non-current assets and HK$3,234,000 was included in debtors, other receivables, deposits and prepayments under current assets. During the year, notional interest income of HK$2,013,000 was recognised in the profit or loss.

The assets and liabilities of the Yeading Group at the date of disposal were as follows:

	HK$'000
Inventories	8,639
Debtors, other receivables, deposits and prepayments	2,282
Bank balances and cash	60
Creditors, other advances and accruals	(11,768)
Non-controlling interest	624
	(163)
Reclassification adjustments of exchange reserve upon disposal of subsidiaries	(72)
Gain on disposal of subsidiaries	8,235
Total consideration	8,000
Satisfied by:	
Cash	8,000
Analysis of the net cash inflow/(outflow):	
Cash consideration	8,000
Bank balances and cash disposed of	(60)
	7,940

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Group recorded a turnover of approximately HK$325 million, representing a decrease of approximately 73% as compared to approximately HK$1,197 million last year. Loss attributable to shareholders was approximately HK$153 million (2009: HK$323 million). Basic loss per share from continuing and discontinued operations was approximately HK9.64 cents (2009: HK140.96 cents).

BUSINESS REVIEW

During the year under review, the continuing operations of the Group are copper rod business and the cable and wires business. The Group's interest in the iron-ore mining business was disposed of and completed during the year. The copper rod business recorded a turnover of approximately HK$133 million, representing approximately 41% of the Group's turnover. The cable and wire business was acquired as a result of the asset swap transaction completed in February 2009 (the "Asset Swap") (please refer to 2009 Annual Report for details of the Asset Swap) and turnover of HK$192 million was recorded in the current year, representing approximately 59% of the Group's total turnover. The turnover of the discontinued iron-ore mining business was insignificant and represented less than 1% of the Group's total turnover.

Copper Rod Business

The copper rod business covers the manufacturing and trading of copper rods and copper wires used primarily in producing power wires and cables for household electrical products and infrastructure facilities.

The copper rod business was downsized with the disposal of the copper rod business located in Dongguan City as part of the Asset Swap. As a consequence, the turnover of which was significantly drop by approximately 87% from HK$1,037 million for the year 2009 to HK$133 million for the year 2010. A segment loss of approximately HK$2 million was recorded for the current year as compared to a segment loss of HK$236 million for the year ended 30 June 2009.

Cable and wires business

Following the completion of the Asset Swap, the Group added the cable and wires business into its continuing operations which became the largest business of the Group in terms of turnover. The electrical appliances and electronics market remains competitive, through the better cost control by management and streamline the business segment by the disposal of Fortune Point Limited and its subsidiaries (the "Fortune Point Group") (details of which stated under the section "Disposal of interest in Fortune Point Group"), the performance of cable and wire business segment business was improved. For the Financial Year 2010, the turnover has been improved to approximately HK$192 million (2009: HK$50 million) and a segment gain of approximately HK$0.3 million (2009: a segment loss of HK$11 million) was recorded.

PROSPECTS

The business environment under which the Group operates remained competitive. The Group would continue its cost control initiatives and risk management measures in each of the business segments with the view to remain efficient and competitive in the industry. To improve the overall financial position of the Group, the Company undertook placing of shares and an open offer during the year and a total of approximately HK$371 million net proceeds were generated which significantly strengthened the Group's working capital and financial position. Details of which are stated under the sections of "Placing of New Shares" and "Open Offer" below. The Group is also committed to explore new investment and business opportunities to maximize the returns to the shareholders and enhance the efficiency and effectiveness of the Group's capital as a whole.

FINAL DIVIDEND

The Board of the Company resolved not to pay any final dividend for the year ended 30 June 2010 (2009: HK$Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, the Group had cash and bank balances amounting to approximately HK$455 million (2009: HK$89 million) and net current assets value was approximately HK$427 million (2009: HK$11 million). The Group's gearing ratio as at 30 June 2010 was 0.14 (2009: 0.27), being a ration of total borrowings of approximately HK$86 million (2009: HK$108 million) to shareholders' fund of approximately HK$631 million (2009: HK$397 million).

As at 30 June 2010, the Group had pledged certain property, plant and machinery with aggregate net book value of approximately HK$64 million (2009: HK$113 million) to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2010, the Group had no significant contingent liabilities.

FOREIGN CURRENCY RISK

Most of the Group's assets and liabilities are denominated in Hong Kong dollars, United States dollars and Renminbi, which are the functional currencies of respective group companies. There is also no significant exposure arising from exchange forward contracts. The Group does not expect any significant exposure to foreign currency risks.

PLACING OF NEW SHARES

Placing of 316,470,000 New Shares

On 26 May 2009, the Company and Kingston Securities Limited (the "Placing Agent") entered into a placing agreement pursuant to which the Company agreed to place, through the Placing Agent, on a best efforts basis, a maximum of 316,470,000 new Shares to independent investors at a price of HK$0.20 per Share. The net proceeds from the placing of approximately HK$61 million was intended to be used for general working capital of the Company. The specific mandate in respect of the issuance of the placing shares was approved by the shareholders of the Company at the special general meeting held on 25 June 2009 and the placing was completed on 16 July 2009. Details of the placing were set out in the announcement and the circular of the Company dated 26 May 2009 and 9 June 2009 respectively.

Placing of 390,000,000 New Shares

On 14 January 2010, the Company and the placing agent entered into a placing agreement pursuant to which the Company agreed to place, through the placing agent, on a fully underwritten basis, 390,000,000 new Shares to independent investors at a price of HK$0.131 per Share. The net proceeds from the placing of approximately HK$50 million were intended to be used for general working capital of the Company. The Shares were allotted and issued under the general mandate and the placing was completed on 21 January 2010. Details of the placing were set out in the announcement the Company dated 14 January 2010.

Placing of 468,300,000 New Shares

On 13 April 2010, the Company and the placing agent entered into a placing agreement pursuant to which the Company agreed to place, through the placing agent, on a best effort basis, up to 468,300,000 new Shares to independent investors at a price of HK$0.153 per Share. The net proceeds from the placing of approximately HK$70 million were intended to be used for general working capital of the Company and future business development. An aggregate of 468,300,000 placing Shares were allotted and issued under the general mandate and the placing was completed on 5 May 2010. Details of the placing were set out in the announcements the Company dated 13 April 2010 and 5 May 2010.

OPEN OFFER

On 19 October 2009, the Company announced an offer for subscription of 1,301,282,600 offer shares (the "Offer Shares") in the proportion of two Offer Shares for every one Share held by the qualifying shareholders on 25 November 2009 at an offer price of HK$0.15 per Offer Share (the "Open Offer"). The Open Offer was approved by the shareholders at the special general meeting on 25 November 2009. The Open Offer was completed on 16 December 2009 and net proceeds of approximately HK$190 million was raised. Details of the Open Offer were set out in the prospectus of the Company dated 26 November 2009 and the results of the Open Offer announcement dated 16 December 2009.

DISPOSAL OF INTEREST IN FORTUNE POINT GROUP

On 20 August 2009, Hua Yi Copper (BVI) Company Limited ("HYC (BVI)"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a purchaser pursuant to which HYC (BVI) agreed to dispose of and the purchaser agreed to purchase the entire equity interest of Fortune Point Group at a consideration of HK$4.5 million. The disposal was completed on 24 August 2009. Details of the disposal were set out in the announcements of the Company dated 20 and 24 August 2009.

DISPOSAL OF IRON-ORE BUSINESS

Due to the continuing decline in the price of iron-ore concentrated powder, the mining operation remained idle and significantly affected the profitability of the business. On 9 April 2010, Hua Yi Enterprises Limited ("HY Enterprises"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose the business of the manufacture and sales of iron-ore concentrated powder. HY Enterprises agreed to dispose of and the purchaser agreed to purchase the Group's entire equity interest in Yeading Enterprises Limited and its subsidiaries (the "Yeading Group") at a consideration of HK$8 million. The disposal was completed on 12 April 2010. Accordingly, this business segment was classified as discontinued operations. Details of the disposal were set out in note 12 of the results announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2010, the Group had approximately 700 employees in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Staff benefits include medical schemes, Mandatory Provident Fund scheme for Hong Kong employees, and state-sponsored retirement plans for employees in the PRC.

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

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 30 June 2010, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of securities on the Stock Exchange (the "Listing Rules") except for the deviation from code provisions A.4.1 of the CG Code which is explained below.

Code provision A.4.1

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election.

The existing independent non-executive directors were not appointed for a specific term as required under code provision A.4.1 of the CG Code but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

AUDIT COMMITTEE

The Audit Committee comprises the three independent non-executive directors of the Company. The Audit Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Audit Committee has reviewed the audited results for the year ended 30 June 2010 and agreed with the accounting treatment adopted. The Audit Committee is satisfied with the Group's internal control procedure and financial reporting disclosures.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the three independent non-executive directors of the Company. The Remuneration Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The duties of the Remuneration Committee include reviewing and evaluating the remuneration packages of the executive directors and senior management and making recommendations to the Board from time to time.

SCOPE OF WORK OF AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 June 2010 have been agreed by the Company's auditors, BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, employees and management for their continuous dedication, commitment and support to the Company.

On behalf of the Board
Wong Hin Shek
Chairman and Executive Director

Hong Kong, 15 October 2010

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek and Mr. Chi Chi Hung, Kenneth and the independent non-executive Directors of the Company are Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.