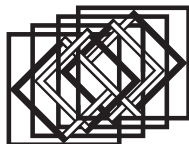


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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



PAK TAK INTERNATIONAL LIMITED

(百德國際有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 2668)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

UNAUDITED INTERIM RESULTS

The board of directors (the “Directors”) of Pak Tak International Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 September 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2010

		Six months ended 30 September 2010	2009
	<i>Note</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Turnover	3	240,599	201,910
Cost of sales		(206,842)	(165,852)
Gross profit		33,757	36,058
Other revenue	4	1,045	1,513
Other net income	4	202	58
Administrative expenses		(11,920)	(11,738)
Selling expenses		(5,638)	(2,064)
Profit from operations	5	17,446	23,827
Finance costs	6	(1,236)	(1,495)
Share of results of an associate		2,999	413
Profit before taxation		19,209	22,745
Income tax	7	(1,600)	(1,220)
Profit for the period		17,609	21,525
Attributable to:			
Shareholders of the Company		17,855	21,525
Non-controlling interests		(246)	—
		17,609	21,525
		HK cents	HK cents
Earnings per share	8	8	9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

	Six months ended	
	30 September	
	2010	2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	17,609	21,525
Other comprehensive income for the period:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	1,083	1,186
Reclassification adjustments for amounts on exchange reserve transferred to profit or loss on deregistration of subsidiary, net of nil tax	(206)	—
Total comprehensive income for the period	18,486	22,711
Attributable to:		
Shareholders of the Company	19,396	22,711
Non-controlling interests	(910)	—
	18,486	22,711

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 September 2010

		At 30 September 2010 HK\$'000 (unaudited)	At 31 March 2010 HK\$'000 (audited) (Restated)
	Note		
Non-current assets			
Property, plant and equipment	10	179,404	182,750
Prepaid land premiums	11	4,589	4,594
Investment properties		4,045	3,807
Interest in an associate		4,780	1,780
		<u>192,818</u>	<u>192,931</u>
Current assets			
Inventories		37,331	28,949
Trade receivables	12	86,749	32,446
Other receivables, prepayments and deposits		6,119	11,412
Amount due from an associate		2,150	2,845
Cash and cash equivalents		723	628
		<u>133,072</u>	<u>76,280</u>
Current liabilities			
Trade payables	13	39,777	16,127
Bills payable		1,124	6
Other payables and accrued charges		13,010	10,295
Amounts due to minority shareholders of a subsidiary		3,446	3,280
Interest-bearing borrowings		54,456	36,856
Obligations under finance leases		58	86
		<u>111,871</u>	<u>66,650</u>
Net current assets		<u>21,201</u>	<u>9,630</u>
Total assets less current liabilities		<u>214,019</u>	<u>202,561</u>
Non-current liabilities			
Interest-bearing borrowings		22,545	31,100
Obligations under finance leases		106	135
Deferred tax liabilities		4,167	2,567
Provision and other accrued charges		7,600	7,644
		<u>34,418</u>	<u>41,446</u>
NET ASSETS		<u>179,601</u>	<u>161,115</u>
Capital and reserves			
Share capital		23,640	23,640
Reserves		156,871	137,475
Total equity attributable to shareholders of the Company		180,511	161,115
Non-controlling interests		(910)	—
TOTAL EQUITY		<u>179,601</u>	<u>161,115</u>

Notes:

1. BASIS OF PRESENTATION

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

The unaudited condensed consolidated financial information has been prepared under the historical cost convention, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2010. The accounting policies and methods of computation adopted are consistent with those followed in preparation of the Group’s annual financial statements for the year ended 31 March 2010, except for the accounting policy changes that are expected to be reflected in the Group’s annual financial statements for the year ended 31 March 2011. Details of these changes in accounting policies are set out in note 2.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued two revised Hong Kong Financial Reporting Standards (“HKFRSs”), a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group’s financial statements:

- HKFRS 3 (Revised), Business combinations
- HKAS 27 (Revised), Consolidated and separate financial statements
- Improvements to HKFRSs (2009)

Except as described below, the adoption of these revisions, amendments and interpretations has had no significant effect on the condensed consolidated financial information for the periods presented.

HKAS 27 (Revised) requires any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests (previously known as minority interests) in proportion to their interests in that entity, even if this results in a deficit balance within the consolidated equity being attributable to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27 (Revised), this new accounting policy being applied prospectively and therefore amounts recorded in previous periods have not been restated.

The Improvements to HKFRSs (2009) consist of further amendments to existing standards, including an amendment to HKAS 17, Leases. The amendment to HKAS 17 requires the land element of a property lease to be classified as a finance lease rather than an operating lease if it transfers substantially all the risks and rewards of ownership. Before amendment, HKAS 17 stated that the land element of a property lease would normally be classified as an operating lease unless title to the land was expected to pass to the leasee at the end of the lease term. On adoption of the amendment, the Group has assessed its property leases in Hong Kong and the People’s Republic of China (the “PRC”) and has reclassified the land element of its property leases in Hong Kong from operating leases to finance leases. In addition, the amortisation of the relevant prepaid land premiums has been reclassified to depreciation charge. The effect of the adoption of the amendment on the condensed consolidated balance sheet at 1 April 2010 is to increase property, plant and equipment by HK\$3,578,000 with a corresponding reduction in prepaid land premiums. The depreciation charge for the six months ended 30 September 2010 has increased by HK\$49,000 with a corresponding reduction in the amortisation charge of prepaid land premiums. As the adoption of the amendment applies retrospectively, it has also resulted in an increase in the depreciation charge for the six months ended 30 September 2009 of HK\$38,000 and a corresponding reduction in the amortisation charge for that period. The condensed consolidated balance sheet at 31 March 2010 has been restated to reflect the reclassifications.

The Group has not applied any new standard or amendment that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The executive directors manage the Group's operations as a single business segment.

The Group's turnover for the six months ended 30 September 2010 by geographical market is as follows:

	Turnover	
	Six months ended	
	30 September	
	2010	2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
United States of America	194,019	154,171
Europe	27,333	31,838
Asia	7,642	10,676
Australia	606	414
Others	10,999	4,811
	<u>240,599</u>	<u>201,910</u>

4. OTHER REVENUE AND NET INCOME

	Six months ended	
	30 September	
	2010	2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Other revenue		
Discount received	100	213
Interest income	128	2
Reimbursement and rental income	709	545
Sales of scrap and unused raw materials	33	312
Sundry	75	441
	<u>1,045</u>	<u>1,513</u>
Other net income		
Exchange gains, net	156	—
Gain on disposal of property, plant and equipment	46	58
	<u>202</u>	<u>58</u>

5. PROFIT FROM OPERATIONS

Six months ended	
30 September	
2010	2009
HK\$'000	HK\$'000
(unaudited)	(unaudited)
	(Restated)

Profit from operations has been arrived at after charging:

Amortisation of prepaid land premiums	56	56
Depreciation on property, plant and equipment	12,891	12,345
Provision for inventories	817	1,020

6. FINANCE COSTS

The finance costs represent interest on other short term loan, implied interest on financing the acquisition of property, plant and equipment, interest on borrowings from banks and other financial institutions wholly repayable within five years and charges on finance leases.

7. INCOME TAX

The charge represents deferred tax charge of approximately HK\$1,600,000 (six months ended 30 September 2009: HK\$1,220,000).

No provision for Hong Kong profits tax has been made (six months ended 30 September 2009: HK\$ Nil) as the companies in the Group either have no assessable profits or have agreed tax losses brought forward in excess of the estimated assessable profit for the period.

8. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of the Company of HK\$17,855,000 for the period (six months ended 30 September 2009: HK\$21,525,000) and on 236,402,000 ordinary shares in issue (six months ended 30 September 2009: 236,402,000 ordinary shares in issue).

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares in existence during the periods ended 30 September 2010 and 2009.

9. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2010 (six months ended 30 September 2009: HK\$ Nil).

10. PROPERTY, PLANT AND EQUIPMENT

HK\$'000

Cost:

At 1 April 2009

as originally stated 322,850

adjustment on adoption of amendment to HKAS 17 3,866

as restated 326,716

Exchange adjustments 1,757

Additions 7,799

Disposals (398)

At 30 September 2009 (Restated) 335,874

Accumulated depreciation and impairment:

At 1 April 2009

as originally stated 130,471

adjustment on adoption of amendment to HKAS 17 1,015

as restated 131,486

Exchange adjustments 892

Charge for the period

as originally stated 12,307

adjustment on adoption of amendment to HKAS 17 38

as restated 12,345

Disposals (398)

At 30 September 2009 (Restated) 144,325

Carrying amount:

At 30 September 2009 (Restated) 191,549

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**HK\$'000****Cost:**

At 1 April 2010	
as originally stated	335,264
adjustment on adoption of amendment to HKAS 17	4,690
as restated	<u>339,954</u>
Exchange adjustments	2,177
Additions	8,581
Disposals	<u>(671)</u>
At 30 September 2010	<u>350,041</u>

Accumulated depreciation and impairment:

At 1 April 2010	
as originally stated	156,092
adjustment on adoption of amendment to HKAS 17	1,112
as restated	<u>157,204</u>
Exchange adjustments	1,212
Charge for the period	12,891
Disposals	<u>(670)</u>
At 30 September 2010	<u>170,637</u>

Carrying amount:

At 30 September 2010	<u><u>179,404</u></u>
At 31 March 2010 (Restated)	<u><u>182,750</u></u>

During the six months ended 30 September 2010, the Group acquired property, plant and equipment at a cost of approximately HK\$8,581,000 (six months ended 30 September 2009: HK\$7,799,000).

At 30 September 2010, the carrying amounts of property, plant and equipment held under finance leases were HK\$158,000 (31 March 2010: HK\$2,550,000).

11. PREPAID LAND PREMIUMS

HK\$'000

Cost:

At 1 April 2009

as originally stated

9,418

adjustment on adoption of amendment to HKAS 17

(3,866)

as restated

5,552

Exchange adjustments

28

At 30 September 2009 (Restated)

5,580

Accumulated amortisation:

At 1 April 2009

as originally stated

1,893

adjustment on adoption of amendment to HKAS 17

(1,015)

as restated

878

Exchange adjustments

2

Charge for the period

as originally stated

94

adjustment on adoption of amendment to HKAS 17

(38)

as restated

56

At 30 September 2009 (Restated)

936

Carrying amount:

At 30 September 2009 (Restated)

4,644

11. PREPAID LAND PREMIUMS (CONT'D)

HK\$'000

Cost:

At 1 April 2010	
as originally stated	10,277
adjustment on adoption of amendment to HKAS 17	(4,690)
as restated	5,587

Exchange adjustments	57
----------------------	----

At 30 September 2010	5,644
-----------------------------	--------------

Accumulated amortisation:

At 1 April 2010	
as originally stated	2,105
adjustment on adoption of amendment to HKAS 17	(1,112)
as restated	993

Exchange adjustments	6
----------------------	---

Charge for the period	56
-----------------------	----

At 30 September 2010	1,055
-----------------------------	--------------

Carrying amount:

At 30 September 2010	4,589
----------------------	-------

At 31 March 2010 (Restated)	4,594
-----------------------------	-------

12. TRADE RECEIVABLES

	At 30 September 2010 HK\$'000 (unaudited)	At 31 March 2010 HK\$'000 (audited)
Trade receivables	86,764	32,627
Less: allowance for doubtful debts	(15)	(181)
	86,749	32,446

12. TRADE RECEIVABLES (CONT'D)

The following is an aging analysis of trade receivables (net of allowance for doubtful debts):

	At 30 September 2010 HK\$'000 (unaudited)	At 31 March 2010 HK\$'000 (audited)
Current	48,926	13,411
Less than 1 month past due	36,558	6,979
1 to 3 months past due	751	7,303
More than 3 months past due	514	4,753
Amounts past due	37,823	19,035
	86,749	32,446

Individual credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables are due within 30 to 60 days from the date of billing. Debtors with balances over 90 days are monitored tightly and regularly. Normally, the Group does not obtain collateral from customers. Default risk of the industry and country are influenced on a lesser extent because most of the Group's customers mainly come from the USA with higher credit-ratings.

13. TRADE PAYABLES

The following is an aging analysis of trade payables:

	At 30 September 2010 HK\$'000 (unaudited)	At 31 March 2010 HK\$'000 (audited)
0 – 30 days	17,772	11,821
31 – 60 days	14,975	3,272
61 – 90 days	6,176	1,000
Over 90 days	854	34
	39,777	16,127

14. PLEDGE OF ASSETS

At 30 September 2010, certain of the Group's machinery with a total carrying amount of HK\$46,401,000 (31 March 2010: HK\$54,761,000) and certain of the Group's leasehold properties in Hong Kong and Mainland China with a total carrying amount of HK\$4,881,000 (31 March 2010: HK\$4,950,000) and HK\$64,301,000 (31 March 2010: HK\$65,179,000), respectively, were pledged to secure the credit facilities utilised by the Group.

15. CAPITAL COMMITMENTS

Capital commitments outstanding at 30 September 2010 not provided for in the financial statements were as follows:

	At 30 September 2010 HK\$'000 (unaudited)	At 31 March 2010 HK\$'000 (audited)
Authorised and contracted for		
– acquisition of property, plant and equipment	–	689

16. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries, allowances and other benefits	1,805	1,785
Contributions to defined contributions retirement plan	31	31
	<u>1,836</u>	<u>1,816</u>

(b) Financing arrangements

At 30 September 2010, certain interest-bearing borrowings totalling HK\$36,351,000 (31 March 2010: HK\$39,696,000) were secured by personal guarantee from a director and by legal charges on certain leasehold properties owned by a director and companies controlled by that director.

(c) Other related party transactions

During the period, the Group entered into the following material related party transactions:

		Six months ended 30 September	
		2010	2009
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Name of related party	Nature of transactions		
Pak Tak (Kwong Tai) Knitting Factory Limited	Sub-contracting income	–	173
	Sales of goods	1,746	13,838
	Sample sales income	–	69
	Rental income	300	343
	Commission paid	77	93
	Overdue interest income	126	–
Estate of Cheng Chi Tai	Interest expenses	<u>–</u>	<u>6</u>

Balances with related parties are disclosed in the condensed consolidated balance sheet.

REVIEW OF OPERATIONS

Turnover

The Group's performance for the six months ended 30 September 2010 was, on one hand, positive as sales increased by 19% from HK\$202 million for the six months ended 30 September 2009 to HK\$241 million. On the other hand, with higher operating cost due to the rise in raw material cost, the strengthening of the Chinese currency, the Renminbi, and the higher labor cost faced by many manufacturers, while combined with the general economic difficulties in the Group's principal market, the U.S. retail market, the Group's profitability in the period under review decreased by 18% from HK\$22 million for the same period in 2009 to HK\$18 million in the current period under review.

The Group's increase in sales for the six months under review can be attributed to an increase in sales effort. The integration of the Group's design team into its sales process has consolidated the Group's image as a provider of value-added and high-end manufacturer. The Group has been able to attract new orders on account of its ability to do more than the basic manufacturing.

For the period under review, the Group's major customers were located in the U.S. and accounted for approximately 81% of the Group's total revenue. The remaining 19% was generated from sales to customers located in Europe and Asia.

Profitability

As the growth of the U.S. economy slowed down in the first half of 2010, the Group's export sales faced intense pressure from its customers to hold down prices. Many U.S. retail customers have placed orders with the understanding that they would not allow the Group to transfer to them the increase in raw material and labor costs as faced by all manufacturers in southern China, or the increase in the Renminbi. Even though the Group's automated knitting machinery was able to absorb a significant portion of the rise in the cost structure of operating in China, the Group's gross margin decreased by 6% over the corresponding period of the previous year.

In recent months, the Renminbi has increased by approximately 3% against the U.S. dollars. The exposure of the Group's cost structure to the appreciation in the Renminbi, however, is mitigated by the fact that (i) the Group's raw material costs are predominantly quoted in U.S. dollars; (ii) the Group's production capacity is now extensively automated; and (iii) the Group owns the land on which its factory premises are built. Notwithstanding the Group's inherent hedge against currency exposure, the Group's labor and sub-contracting costs in the PRC, representing about 25% of turnover, are continued to be affected by the fluctuation of the Renminbi. The Group has endeavored to control the rise in labor cost by planning to add more computerized knitting machines to the production process and tightening the monitoring of labor input in the knitting process.

One of the major expenditures faced by the Group in the period under review was the increase in sales commission. In order to secure the increase in sales, the Group entered into a strategic arrangement with a trading house to pay sales commission for new orders. The effort was fruitful as turnover increased by 19%, against about HK\$5 million in sales commission. Apart from the increase in sales commission, the Group's administrative expenses increased slightly by 2%. The Group's finance costs decreased by 17% over the previous period, reflecting the low interest charges on its financing.

Reflecting the difficulties of economic time, the Group reported a profit of HK\$18 million (30 September 2009: HK\$22 million) for the six months ended 30 September 2010, representing a decrease of 18% over the comparative period in 2009.

Liquidity and Capital Resources

The cash and cash equivalents of the Group were approximately HK\$-3.3 million as at 30 September 2010, representing an increase of approximately HK\$4.6 million as compared with the balance as at 31 March 2010. The increase in liquidity balance at 30 September 2010 was a direct result of the 19% increase in turnover.

The Group principally satisfies its demand for operating capital with cash inflow from operation and credit facilities of over HK\$135 million (31 March 2010: HK\$126 million), out of which HK\$83 million has been utilized as at 30 September 2010. The credit facilities were partially secured by corporate guarantees given by the Company. The Directors believe that the Group will maintain a sound and stable financial position, with sufficient liquid capital and financial resources to satisfy its business needs.

At 30 September 2010, the Group's trade receivables balance stood at HK\$87 million (31 March 2010: HK\$32 million). As at the date of this announcement, however, almost all of the outstanding trade receivables have been collected.

Foreign Exchange Risks and Interest Rate Risk Management

The Group adopts strict and cautious policies in managing its exchange rate risk and interest rate risk. The sales of the Group are mainly denominated in U.S. dollars. In recent years, the Group's purchases of raw materials are settled principally in Hong Kong dollars and U.S. dollars. The Group's operations in China, the location of its production, are primarily conducted in Renminbi, and its Hong Kong operations are conducted in Hong Kong dollars. The continuing practice of the Mainland Chinese Government in pegging the Renminbi to the U.S. dollars has further reduced the Group's foreign currency exposure. During the six months ended September 2010, the Group did not use any financial instruments to reduce the risk of change in exchange rates.

The Directors are of the opinion that the Group is not subject to any significant interest rate risk even though the bank borrowings of the Group, denominated in Hong Kong dollars, are on the floating rate basis. As the Group operates at the debt to equity ratio of 43%, the interest rate exposure is not significant.

Interim Dividend

The Directors have resolved not to recommend the payment of any interim dividend for the six months ended 30 September 2010 (30 September 2009: HK\$ Nil).

Pledge of Assets

As at 30 September 2010, certain of the Group's machinery with a total carrying amount of HK\$46 million (31 March 2010: HK\$55 million) and certain of the Group's leasehold properties in Hong Kong and Mainland China with a total carrying amount of HK\$4.9 million (31 March 2010: HK\$5.0 million) and HK\$64 million (31 March 2010: HK\$65 million), respectively, were pledged to secure the credit facilities utilised by the Group.

Financial Guarantees Issued

At 30 September 2010, the Company had issued corporate guarantees to bank and other financial institutions in connection with facilities granted to certain of its subsidiaries amounting to approximately HK\$143 million (31 March 2010: HK\$147 million).

The guarantees were issued by the Company and the Group at nil consideration. The transactions were not at arm's length, and it is not possible to measure reliably the fair value of these transactions in accordance with HKAS 39 "Financial Instrument: Recognition and Measurement", had they been at arm length. Accordingly, the guarantees have not been accounted for as financial liabilities and measured at fair value.

At 30 September 2010, the Directors considered it was not probable that a claim would be made against the Company under any of the guarantees. The maximum liability of the Company at the balance sheet date under the guarantees issued was the facilities drawn down by the subsidiaries of HK\$83 million (31 March 2010: HK\$62 million).

Capital Expenditures and Commitments

During the period under review, the Group had capital expenditures of approximately HK\$9 million (31 March 2010: HK\$10 million).

As at 30 September 2010, the Group had no capital commitments in property, plant and equipment (31 March 2010: HK\$0.7 million).

Employees and Remuneration Policies

As at 30 September 2010, the Group had a total of approximately 246 employees (30 September 2009: approximately 292 employees). The decrease reflected the Group's effort in automating its production process. The total staff cost of the Group amounted to approximately HK\$52 million during the period, representing 22% of the Group's revenue. Employees' remuneration and bonuses are based on their performances, experience and the prevailing industry practice. The Group's remuneration policies and packages are reviewed periodically by the management of the Company. The Group provides relevant training to its employees in accordance with the skills requirements of different positions.

FUTURE PROSPECTS

In recent years, even during the economic downturn, especially in the U.S. markets, the Group has received strong support from its customers which have continued to place sales orders with the Group. With the ability of the Group's design team attracts sales orders, the Group has continued to demonstrate to customers its strength and solid foundation as a design-manufacturer.

The Group's major challenge is to control its cost structure in China in order to ensure that any rise in the Renminbi and the increase in labor cost can be absorbed without unduly affecting the Group's profitability. The Group has various options available, including exploring sales opportunities in markets outside U.S., or expanding production facilities outside of China. Given its solid base, the Group will be able to leverage on its resources to adopt measures to counter the difficult economic challenges that it faces.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2010.

CORPORATE GOVERNANCE REPORT

The Directors are pleased to report that throughout the six months period ended 30 September 2010, the Company was in substantial compliance with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). In particular, the Company has ensured that:

- the appointment to and the composition and operation of the Board of Directors;
- the remuneration of Directors and senior management;
- accountability and audit;
- delegation by the Board; and
- communication with shareholders,

are in compliance with the Code.

The Board will continuously review the corporate governance structure of the Company and effect changes whenever necessary.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct rules (the "Model Code") regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, the Company confirms that all the Directors had complied with the Model Code in the six months period ended 30 September 2010.

COMMITTEES

The Directors have caused three committees to be formed pursuant to the Code: the Audit Committee, the Nomination Committee and the Remuneration Committee. The Audit Committee, comprising the four independent non-executive Directors, namely Mr. Chow Chan Lum, Ms. Ko Hay Yin, Karen, Ms. Ho Man Yee, Esther and Mr. Yuen Chi King, Wyman, has reviewed with the management and the auditors of the accounting principles and practices adopted by the Group and discussed and reviewed the unaudited consolidated financial statements for the six months ended 30 September 2010.

The interim results for the six months ended 30 September 2010 have been reviewed by the Company's auditors.

PUBLICATION OF INTERIM RESULTS

This announcement is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.paktak.com. The Group's interim report containing all the information required by the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

As at the date of this announcement, the Board comprises Mr. Cheng Kwai Chun, John, Mr. Lin Chick Kwan, Mr. Lin Wing Chau, who are executive Directors, Mr. Victor Robert Lew who is the non-executive Director and the Chairman and Ms. Ko Hay Yin, Karen, Mr. Chow Chan Lum, Ms. Ho Man Yee, Esther and Mr. Yuen Chi King, Wyman who are independent non-executive Directors.

On behalf of the Board
Victor Robert Lew
Chairman

Hong Kong, 25 November 2010

* *For identification purposes only*