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UNIVERSAL TECHNOLOGIES HOLDINGS LIMITED

環球實業科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1026)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011

HIGHLIGHTS

- Turnover for the six months ended 30 June 2011 amounted to approximately HK\$124.53 million (six months ended 30 June 2010 : HK\$40.69 million), representing an increase of 206% as compared to the last fiscal period. The increase in turnover is mainly due to the major growth of the Group's payment solution business.
- Net profit attributable to shareholders of the Company for the six months ended 30 June 2011 amounted to approximately HK\$43.15 million (six months ended 30 June 2010: HK\$7.76 million), representing an increase of 456% as compared to the last fiscal period. Such increase in profit is mainly attributable to the remarkable implementation of the Group's global business strategy, and which in turn resulted in the significant increase in the revenue and profit from the provision of payment solutions services in Hong Kong and overseas.
- Basic and diluted earnings per share for the six months ended 30 June 2011 amounted to approximately HK2.79 cents (six months ended 30 June 2010 : HK0.51 cent).
- The Board of Directors has resolved to declare an interim dividend of HK0.80 cents per share and a special dividend of HK1.20 cents per share for the six months period ended 30 June 2011 (six months ended 30 June 2010 : Nil).

INTERIM RESULTS

The Board of Directors (the “Board”) of Universal Technologies Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2011 together with comparative figures for the last corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		Six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Turnover	3	124,531	40,691
Cost of sales/services rendered		(13,802)	(3,923)
Gross profit		110,729	36,768
Other revenue	3	2,283	376
Other income		147	203
General and administrative expenses		(63,966)	(28,782)
Profit from operations		49,193	8,565
Finance costs		(1,945)	(893)
Profit before income tax	4	47,248	7,672
Income tax expense	6	(3,925)	—
Profit for the period		43,323	7,672
Attributable to:			
Shareholders of the Company		43,148	7,757
Non-controlling interests		175	(85)
Profit for the period		43,323	7,672
Earnings per share (<i>in cents</i>)			
Basic	8	2.79	0.51
Diluted	8	2.79	0.51

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	<u>43,323</u>	<u>7,672</u>
Other comprehensive income:		
Exchange differences arising on translation of financial statements of subsidiaries established in the People's Republic of China	<u>7,031</u>	<u>1,290</u>
Other comprehensive income for the period, net of tax	<u>7,031</u>	<u>1,290</u>
Total comprehensive income for the period	<u>50,354</u>	<u>8,962</u>
Total comprehensive income attributable to:		
Shareholders of the Company	49,677	9,047
Non-controlling interests	<u>677</u>	<u>(85)</u>
	<u>50,354</u>	<u>8,962</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

		At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	9	64,294	54,260
Prepaid land lease premium	10	39,435	39,190
Investment properties		116,990	114,600
Intangible assets		15,396	11,668
Goodwill		79,870	79,870
Deposit paid for an investment		4,335	3,892
Other receivables		538	—
		<u>320,858</u>	<u>303,480</u>
CURRENT ASSETS			
Inventories		23,348	16,803
Debtors	11	52,713	224,760
Trade deposits		3,875	1,800
Other deposits, prepayments and other receivables	12	84,639	39,043
Financial assets at fair value through profit or loss		16,518	10,985
Prepaid land lease premium	10	1,112	1,068
Tax recoverable		50	—
Pledged bank deposits		113,185	—
Cash and bank balances		354,726	267,215
		<u>650,166</u>	<u>561,674</u>
DEDUCT:			
CURRENT LIABILITIES			
Bank loans	16	232,652	32,409
Trade payable	13	132	24,846
Payable to merchants	14	203,071	339,632
Deposits received, sundry creditors and accruals	15	98,682	84,489
Tax payable		3,727	3,538
		<u>538,264</u>	<u>484,914</u>
NET CURRENT ASSETS		<u>111,902</u>	<u>76,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>432,760</u>	<u>380,240</u>

		At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
DEDUCT:			
NON-CURRENT LIABILITIES			
Bank loans	16	—	18,282
Deferred tax liability		12,313	12,061
		<u>12,313</u>	<u>30,343</u>
NET ASSETS		<u>420,447</u>	<u>349,897</u>
REPRESENTING:			
CAPITAL AND RESERVES			
Share capital	17	16,060	15,441
Reserves		381,525	312,271
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		<u>397,585</u>	<u>327,712</u>
NON-CONTROLLING INTERESTS		<u>22,862</u>	<u>22,185</u>
TOTAL EQUITY		<u>420,447</u>	<u>349,897</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2011*

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET CASH FROM OPERATING ACTIVITIES	25,352	34,719
NET CASH USED IN INVESTING ACTIVITIES	(21,897)	(25,863)
NET CASH FROM FINANCING ACTIVITIES	82,936	15,338
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,391	24,194
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	1,120	374
CASH AND CASH EQUIVALENTS AT 1 JANUARY	267,215	128,724
CASH AND CASH EQUIVALENTS AT 30 JUNE	354,726	153,292
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	354,726	153,292

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2011

	Attributable to shareholders of the Company										Non-controlling interests	Total
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Special reserve	Exchange reserve	Share options reserve	Statutory reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2010	15,039	205,295	—	1,093	10,754	(9,106)	4,170	7,133	18,378	252,756	2,848	255,604
Shares issued under share option scheme	506	14,660	—	—	—	—	—	—	—	15,166	—	15,166
Equity-settled share-based transactions	—	—	—	—	—	—	393	—	—	393	—	393
Total comprehensive income for the period	—	—	—	—	—	1,290	—	—	7,757	9,047	(85)	8,962
Transferred to statutory reserve	—	—	—	—	—	—	—	1,037	(1,037)	—	—	—
Dividend paid	—	—	—	—	—	—	—	—	(6,016)	(6,016)	—	(6,016)
At 30 June 2010	<u>15,545</u>	<u>219,955</u>	<u>—</u>	<u>1,093</u>	<u>10,754</u>	<u>(7,816)</u>	<u>4,563</u>	<u>8,170</u>	<u>19,082</u>	<u>271,346</u>	<u>2,763</u>	<u>274,109</u>
At 1 January 2011	15,441	221,148	166	1,093	10,754	(2,284)	8,543	9,517	63,334	327,712	22,185	349,897
Equity-settled share-based transactions	—	—	—	—	—	—	4,945	—	—	4,945	—	4,945
Transferred to retained profits	—	—	—	—	—	—	(769)	—	769	—	—	—
Shares issued under share option scheme	798	31,486	—	—	—	—	(2,883)	—	—	29,401	—	29,401
Dividend paid	—	—	—	—	—	—	—	—	(9,229)	(9,229)	—	(9,229)
Repurchased of own shares	(179)	(4,742)	179	—	—	—	—	—	(179)	(4,921)	—	(4,921)
Total comprehensive income for the period	—	—	—	—	—	6,529	—	—	43,148	49,677	677	50,354
Transferred to statutory reserve	—	—	—	—	—	—	—	869	(869)	—	—	—
At 30 June 2011	<u>16,060</u>	<u>247,892</u>	<u>345</u>	<u>1,093</u>	<u>10,754</u>	<u>4,245</u>	<u>9,836</u>	<u>10,386</u>	<u>96,974</u>	<u>397,585</u>	<u>22,862</u>	<u>420,447</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 27 March 2001 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. The address of the registered office is Units 231–233, Building 2, Phase I, No. 1 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

The principal activity of the Company during the period was investment holding. Its subsidiaries are principally engaged in investment holding, provision of payment solutions and related services, timber trading and furniture manufacturing, system integration and technical platform services, property investment and building management.

The unaudited condensed consolidated interim financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with applicable disclosures required by the Appendix 16 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Hong Kong Accounting Standards (“HKASs”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are initially measured at fair value.

The accounting policies adopted in preparing the unaudited condensed consolidated interim financial statements were in consistent with those applied to the annual financial statements of the Group for the year ended 31 December 2010.

During the period, the Group has applied, for the first time, a number of new or revised Hong Kong Accounting Standards (“HKASs”), Hong Kong Financial Reporting Standards (“HKFRSs”), amendments and interpretations (“INTs”) (hereinafter collectively referred to as “New HKFRSs”) issued by the HKICPA, which are effective for the Group’s accounting periods beginning on 1 January 2011. The adoption of the New HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. TURNOVER AND REVENUE

The Group is principally engaged in investment holding, provision of payment solutions and related services, timber trading and furniture manufacturing, system integration and technical platform services, property investment and building management. Turnover for the period represents revenue recognised from the provision of payment handling income, the net invoiced value of goods sold, system integration and the technical platform services at net invoice amount and rental and building management service income. An analysis of the Group's turnover and other revenue is set out below:

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Payment solutions and related services income	111,195	36,465
Timber trading and furniture manufacturing	10,272	4,226
Rental and building management service income	3,064	—
Turnover	124,531	40,691
Interest on bank deposits	1,141	349
Franchise fee income	1,121	—
Dividend income	21	27
Other revenue	2,283	376
Total revenue	126,814	41,067

4. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit before income tax is arrived at after charging/(crediting):		
Cost of inventories	8,188	2,958
Staff costs (including directors' remuneration)		
— Salaries and other benefits	19,057	11,505
— Pension scheme contributions	2,719	2,287
— Equity-settled share-based payment expenses	4,945	394
	26,721	14,186
Depreciation	4,835	992
Amortisation of intangible assets and prepaid land lease premium	674	991
Loss on change in fair value of financial assets	691	159
Minimum operating lease rentals	1,473	1,708
Interest on bank loans wholly repayable within five years	773	335
Gain on disposal of property, plant and equipment	(70)	(63)
Loss/(gain) on disposal of financial assets	268	(157)

5. SEGMENT REPORTING

The chief operating decision-maker has been identified as the key management. This key management reviews the Group's internal reporting in order to assess performance and allocate resources.

The Group has presented the following four reportable segments.

(a) Payment solutions

This segment primarily derives its revenue from the provision of payment solutions and ongoing technical support services to customers in the People's Republic of China (the "PRC"), Hong Kong and overseas. Currently the Group's activities in this regard are carried out in the PRC, Hong Kong and overseas.

(b) Timber trading and furniture manufacturing

This segment engaged in trading of timber and manufacturing of furniture to customers in the PRC. Currently the Group's activities in this regard are carried out in the PRC.

(c) System integration and technical platform services

This segment engaged in provision of system integration and technical platform services to customers in the PRC. Currently the Group's activities in this regard are carried out in the PRC.

(d) Industry park

This segment engaged in development and management of e-commerce, financial and resources industry parks where enterprise cluster of the same industry chain are integrated. The services for enterprise in industry parks include property leasing, property sales, facilities maintenance, processing efficiency improvement and management related consulting, supporting and outsourcing. Currently the Group's activities in this regard are carried out in the PRC.

Others include supporting units of Hong Kong operation and the net result of other subsidiaries in Hong Kong and the PRC. These operating segments have not been aggregated to form a reporting segment.

The key management assesses the performance of the segments based on the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBIT", i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as including investment income. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of results of an associate.

(a) Segments results, assets and liabilities

The following tables present the information for the Group's reporting segments:

	Six months ended 30 June											
	Timber trading and furniture manufacturing				System integration and technical platform service		Industry park		Others		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue												
Revenue from external customers	111,195	36,465	10,272	4,226	—	—	3,064	—	—	—	124,531	40,691
Other revenue	777	326	1,126	1	9	6	13	15	358	28	2,283	376
Total revenue	111,972	36,791	11,398	4,227	9	6	3,077	15	358	28	126,814	41,067
Reportable segment profits	69,705	18,065	684	(331)	(1,611)	(2,993)	(3,691)	(2,949)	(17,056)	(3,603)	48,031	8,189
Interest income											1,141	349
Dividend income											21	27
Profit from operations											49,193	8,565
Finance costs											(1,945)	(893)
Profit before income tax											47,248	7,672
Income tax expense											(3,925)	—
Profit for the period											43,323	7,672
Attributable to:												
— Shareholders of the company											43,148	7,757
— Non-controlling interests											175	(85)
											43,323	7,672

The figure of 2010 have been restated due to the change in the presentation of information for reporting to the Group's key management for the purpose of resource allocation and performance assessment with effect in 2011.

(b) Geographical information

	Six months ended 30 June					
	PRC		Hong Kong/overseas		Consolidated	
	2011	2010	2011	2010	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from external customers	43,006	18,351	81,525	22,340	124,531	40,691
Other revenue	1,927	348	356	28	2,283	376
Total revenue	44,933	18,699	81,881	22,368	126,814	41,067

The geographical location of customers is based on the location at which the services were provided or the goods delivered.

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2010 : 16.5%) on the estimated assessable profits for the period.

The Company's subsidiaries operating in the PRC are subject to Mainland China Corporate income tax at a rate of 25%. Certain subsidiaries in the PRC are entitled to tax concessions whereby the profit for the first two financial years beginning with the first profit-making year is exempted from income tax in the PRC and the profit for each of the subsequent three years is taxed at 50% of the applicable tax rate ("Five-year tax holiday").

The income tax expense represents the sum of the current tax and deferred tax and is made up as follows:

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Current period	3,727	—
Under-provision in respect of previous period	198	—
	3,925	—
Deferred taxation:		
Current period	—	—
	—	—

7. DIVIDEND

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Dividend paid during the period:		
2010 Final dividend of HK0.60 cents per share (2009: HK0.39 cents)	9,229	6,016
Dividend declared subsequent to period end		
2011 Interim dividend of HK0.80 cents per share (2010: Nil)	13,640	—
2011 Special dividend of HK1.20 cents per share (2010: Nil)	20,461	—
	34,101	—

The Board has declared an interim dividend of HK0.80 cents (2010: Nil) per share and a special dividend of HK1.20 cents (2010: Nil) per share for the six months ended 30 June 2011 to the shareholders whose names appear on the Register of Members on 7 September 2011.

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the period is based on the following data:

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share	<u>43,148</u>	<u>7,757</u>
	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of shares in issue for the purpose of calculation of basic earnings per share	1,546,372,228	1,524,943,886
Effect of dilutive potential ordinary shares:		
Share options	<u>—</u>	<u>—</u>
Weighted average number of shares in issue for the purpose of calculation of diluted earnings per share	<u>1,546,372,228</u>	<u>1,524,943,886</u>

For the periods ended 30 June 2011 and 2010, diluted earnings per share is equal to the basic earnings per share because the exercise price of the Group's share options was higher than the average market price of the Group's shares.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group had additions to property, plant and equipment in the amount of approximately HK\$8,187,000 (31 December 2010: HK\$35,261,000).

At 30 June 2011, leasehold land with a net book value of HK\$3,251,000 (31 December 2010: HK\$3,295,000) the property held under medium-term lease with a net book value of HK\$23,749,000 (31 December 2010: HK\$26,183,000) was pledged to banks to secure bank loans granted to the Group.

10. PREPAID LAND LEASE PREMIUM

The Group's interests in land lease premium represents prepaid operating lease payments and its net book value is analysed as follows:

	At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
Outside Hong Kong, held under medium-term lease	40,547	40,258
Less : Current portion	(1,112)	(1,068)
Non-current portion	<u>39,435</u>	<u>39,190</u>
Representing:		
Opening net book value, as previously reported	40,258	78,701
Adjustment for adoption of HKAS 17 (amendment)	—	(970)
Opening net book value, as restated	40,258	77,731
Exchange adjustments	838	1,729
Transfer to investment properties	—	(38,161)
Amortisation of prepaid land lease premium	(549)	(1,041)
Closing net book value	<u>40,547</u>	<u>40,258</u>

At 30 June 2011, prepaid land lease premium with a net book value of HK\$36,852,000 (31 December 2010: HK\$40,258,000) was pledged to banks to secure bank loans granted to subsidiaries of the Group.

11. DEBTORS

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with debtors, credit evaluations of customers are performed periodically.

An aging analysis of debtors is set out below:

	At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
0–6 months	52,196	224,628
7–12 months	497	—
Over one year	20	132
	<u>52,713</u>	<u>224,760</u>
Neither past due nor impaired	52,693	224,628
Past due but not impaired	20	132
	<u>52,713</u>	<u>224,760</u>

12. OTHER DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
Utilities and other deposits	5,890	428
Prepayments	13,156	6,867
Other receivables	65,593	31,748
	<u>84,639</u>	<u>39,043</u>

13. TRADE PAYABLE

An aging analysis of trade payable is set out below:

	At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
0–12 months	129	24,845
Over one year	3	1
	<u>132</u>	<u>24,846</u>

14. PAYABLE TO MERCHANT

An aging analysis of payable to merchants is set out below:

	At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
0–12 months	201,944	339,405
Over one year	1,127	227
	<u>203,071</u>	<u>339,632</u>

15. DEPOSITS RECEIVED, SUNDRY CREDITORS AND ACCRUALS

	At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
Deposits received and receipt in advance	19,714	10,731
Accruals	3,098	2,912
Sundry creditors	75,870	70,846
	<u>98,682</u>	<u>84,489</u>

16. BANK LOANS

		At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
	<i>Notes</i>		
Bank loan, secured		—	27,718
Bank loan, secured	(a)	2,846	2,921
Bank loan, unsecured	(b)	12,041	20,052
Bank loan, secured	(c)	217,765	—
		<u>232,652</u>	<u>50,691</u>
Due for payment:			
Within one year		232,652	32,409
Within two to five years		—	18,282
Over five years		—	—
		<u>232,652</u>	<u>18,282</u>
		<u>232,652</u>	<u>50,691</u>

Notes:

- (a) The secured bank loan is interest-bearing at 1.03% per annum (31 December 2010: 1.07% per annum), denominated in Hong Kong dollar and secured by leasehold land and property held under medium-term lease with a net book value of HK\$3,251,000 and HK\$1,021,000 respectively.
- (b) The unsecured bank loan is interest-bearing at 6.16% per annum (31 December 2010: 5.35% per annum) and denominated in Renminbi.
- (c) The secured bank loan is interest-bearing at 2.56% per annum, denominated in Hong Kong dollar and secured by (i) pledged bank deposit of HK\$113,185,000; (ii) investment properties with a carrying value of HK\$116,990,000; (iii) property held under medium-term lease with a net book value of HK\$22,728,000 ; and (iv) prepaid land lease premium with a net book value of HK\$36,852,000.

17. SHARE CAPITAL

	<i>Note</i>	<i>Number of shares</i>	<i>HK\$'000</i>
Share capital			
Ordinary share of HK\$0.01 each			
Authorised:			
At 1 January 2011 and 30 June 2011		5,000,000,000	50,000
Issued and fully paid:			
At 1 January 2011		1,544,148,858	15,441
Shares issued under share option scheme	(i)	79,770,000	798
Repurchased of own shares	(ii)	(17,930,000)	(179)
At 30 June 2011		1,605,988,858	16,060

Notes:

- (i) During the six months ended 30 June 2011, 79,770,000 share options were exercised by the eligible option holders, resulting in the issue of 79,770,000 shares of HK\$0.01 each of the Company at a total consideration of HK\$29,401,200.
- (ii) During the six months ended 30 June 2011, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate price paid HK'000
January 2011	17,930,000	0.280	0.260	4,922

During the six months ended 30 June 2011, a total of 17,930,000 shares were repurchased at an aggregate price paid of HK\$4,922,000.

The repurchased shares were cancelled and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. Pursuant to Section 37(4) of the Companies Law (2004 Revision) of the Cayman Islands, an amount equivalent to the par value of the shares cancelled of HK\$179,000 was transferred from retained profits to the capital redemption reserve. The premium paid on the repurchase of the shares of HK\$4,742,000 was charged to the share premium account.

18. CAPITAL COMMITMENTS

The Group

Capital expenditure contracted for but not provided is as follows:

	At 30 June 2011 (Unaudited) HK\$'000	At 31 December 2010 (Audited) HK\$'000
Investment	—	354

BUSINESS REVIEW AND PROSPECTS

REVIEW

For the six months ended 30 June 2011, all major businesses under the Group perform magnificently in the global persist-growing economic environment, and make remarkable increase in revenue and profitability.

For payment solutions business, the growth remains strong. During the first 6 months of this year, our revenue and profit delivered more than satisfactory results. Revenue from payment solutions business was over HK\$100 million, more than double over last year, and the profit from operations was approximately HK\$70 million, three times than the same period last year. Our revenue growth was mainly due to the transaction volume and overall profit margin was increased. Since we expanded our business in international market sector, our members and merchants are increase significantly. Furthermore, we are strengthening our co-operation with major international banking and payment partners. In addition, according to the market research, we found that providing an open payment platform is an upward trend in the industry. Along with this trend, our current product development and payment solutions have been well accepted by some of our major merchants. Among these payment solutions air ticket reservation, university education fees or utilities bill payments, etc are expanding rapidly. To prepare ourselves for opportunities in the payment industry, we will continue to pilot projects in hotel & tourism and retailing sectors. Also, we are strengthening our partnerships with various key partners, such as, government, banking corporation etc to develop new products and enhance our market competitiveness. Our current achievement is only the beginning on the road to long-term successful development in the industry and we will continue to strive to bring greater revenue and profit to the Group.

The timber and furniture manufacturing business maintained rapid growth, and exceeded HK\$10 million in revenue, more than double the same period last year and accounted for about 10% of the Group revenue. We strengthened our brand building efforts and continued to promote our 'Heritage Mode' brand so that it is well-recognised by consumers. We continued to expand our sales channels with more than two dozen agents in the key regions of Jiangsu, Zhejiang and Shanghai. Production has expanded and increased dramatically. In addition, co-operation with our Indonesian partners has laid a solid foundation for future expansion.

The new Group headquarters in Shanghai was completed more than a year ago. We continued to enhance the quality of our product and service to tenants and in turn, attracted more tenants generating higher rental income for the Group. In addition, we have also started the development of Industry Parks to expand our property management and development business.

We strived to maintain high level of corporate governance and corporate transparency to ensure healthy development of the Group and enhancement in corporate value. In turn, this has received positive support from our bank partners and gives the Group access to higher lines of credit to support the Group's future business development, acquisitions or mergers.

Developing human resources is always our key priority. By attracting more talent and developing our existing human resources, the Group continues to improve the operational efficiency of our business units.

PROSPECTS

For the first half year of 2011, the Group achieved favorable results and this gives us greater confidence to move ahead at a faster pace. In the coming half year, we will continue to strengthen our capabilities and effectively prepare for future development.

According to industry statistics, in the payments business, As of June 2011, the transaction volume of third-party online payments reached RMB830 billion in China, an increase of more than 112% over 2010. By conservative estimate, the transaction volume will reach RMB2,250 billion by 2012. With the accelerated internationalization of the RMB in the international market, the future development of related businesses will be more rapid. Overall, e-payment has a huge development potential. Faced with new opportunities and challenges, the Group will continue to improve and upgrade core-competitiveness as well as increase security of our payment platforms. For Research and Development (R&D), we will focus on in-depth integration of mobile payment and cardless payment products and solutions, to enhance service capacity of our epayment operation, and develop our competitive edge by innovative and differentiated services. In the second half of 2011, we will continue to integrate our resources and build international cooperation to attract new customers and generate greater profits. We will actively seek synergistic acquisition, cooperation and other development opportunities, and consider further expansion to broaden our market. In view of Payment solution business is in the condition of multiple development, and also in order to enhance comprehensive competitive capability in future, the Group will increase the input in talents introduction and high-end personnel reservation, such as incentive measures including share equity scheme, to build up a professional operation management team, a high level technical experts team and a high skilled sales and maintenance team. Along with the standardization of the Industry regulation and the higher barriers to entry, the Industry input will increase and risk control requirement is further upward. The Group will insist steady orientation, and cope with unpredictable changes in future through increasing input, introducing strategic cooperation partners, operating the Industries which has synergistic effects, enlarging and locking the most suitable target market, complying with the regulation requirements and so on measures. Although the market is ever changing and the recent growth scale is hard to predict, the Group believes we are able to achieve a long and stable development undoubtedly via continuing investment and efforts in future six to twelve months.

For the timber and furniture manufacturing business, our goal is to achieve standardized production/sales/logistics system for agents in the second half of the year. At the same time, Group will continue to strengthen brand building and continue to achieve a unified branding image for all agents. The Group will also continue to control production cost to exploit the advantage of sourcing raw materials in Indonesia to increase the market share and profitability.

From the Group headquarters in Universal Enterprise Building in Shanghai, the operations and management team will continue to improve property management services and strive to maximize the value of the Group's property investments. In industrial park development, construction plans for some projects have been launched.

Looking forward, we will continue to speed up the integration of our business while maintaining a steady development pace. We aim to implement our global, local & industry strategies more rapidly and to create greater value for customers and shareholders.

FINANCIAL OVERVIEW

Turnover and net profit

During the current period, the Group recorded a turnover of HK\$124,531,000, representing an increase of 206% as compared to the last fiscal period. The profit attributable to shareholders of the Company was HK\$43,148,000 in the current period, representing an increase of 456% as compared to the last fiscal period. The increase in turnover is mainly due to the major growth of the Group's payment solution business. The significant increase in net profit is mainly attributable to the remarkable implementation of the Group's global business strategy, and which in turn resulted in the significant increase in the revenue and profit from the provision of payment solutions services in Hong Kong and overseas.

Cost of sales/services rendered

During the current period, the Group recorded a cost of sales/services rendered of HK\$13,802,000, representing an increase of 252% as compared to the last fiscal period. The increase of cost of sales/services rendered is in line with the increase in turnover. It is also mainly due to the major growth of the Group's payment solution business.

Other revenue

During the current period, the Group recorded other revenue of HK\$2,283,000, representing an increase of 507% as compared to the last fiscal period. It is mainly due to an increase in bank interest income and franchise fee income from timber trading business.

General and administrative expenses

During the current period, the Group recorded general and administrative expenses of HK\$63,966,000, representing an increase of 122% as compared to the last fiscal period. It is mainly due to an increase in staff costs and other general expenditure during the period. The increase in staff costs of HK\$12,535,000 was mainly resulted from an increase in equity-settled share-based compensation expenses of HK\$4,551,000 and an increase in number of staff from 404 as at 30 Jun 2010 to 547 as at 30 June 2011 by 143 or 35%. As a percentage of revenue, staff costs decreased largely to 21% in the first half of 2011, as compared to 35% in the same period of 2010. The increase in other general expenditure was mainly due to depreciation of property, plant and equipment, and promotion expenses. As a result of the foregoing, general and administrative expenses as a percentage of revenue, decreased largely to 51% in 2011, as compared to 71% in 2010.

Finance costs

During the current period, the Group recorded a finance cost of HK\$1,945,000, representing an increase of 118% as compared to the last fiscal period. It is mainly due to an increase in bank charge for expansion of business scale and an increase of bank interest expenses on bank borrowings.

Income tax expense

During the current period, the Group recorded an income tax expense of HK\$3,925,000, representing an increase of 100% as compared to the last fiscal period. It mainly represents the provision for income tax at the rate of 16.5% for subsidiaries operating in Hong Kong. Certain subsidiaries in the PRC are entitled to preferential tax treatments.

Pledged bank deposit

The Group's pledged bank deposit increased by HK\$113,185,000 from HK\$ Nil as at 31 December 2010 to HK\$113,185,000 as at 30 June 2011. It represents time deposit pledged to a bank to secure the general banking facilities granted to the Group during the current period.

Debtors

The Group's debtors decreased by HK\$172,047,000 from HK\$224,760,000 as at 31 December 2010 to HK\$52,713,000 as at 30 June 2011. The decrease was mainly attributable to the increase in efficiency of settlement from banks for payment business.

Other deposits, prepayments and other receivables

The Group's other deposits, prepayments and other receivables increased by HK\$45,596,000 from HK\$39,043,000 as at 31 December 2010 to HK\$84,639,000 as at 30 June 2011. The increase was mainly attributable to the increase in prepayments related to timber business and increase in deposits from payment business.

Cash and bank balances

The Group's cash and bank balances increased by HK\$87,511,000 from HK\$267,215,000 as at 31 December 2010 to HK\$354,726,000 as at 30 June 2011. As at 30 June 2011, 72% (31 December 2010: 80%) of cash and bank balances was denominated in Renminbi.

Bank loans

The Group's bank loans increased by HK\$181,961,000 from HK\$50,691,000 as at 31 December 2010 to HK\$232,652,000 as at 30 June 2011. The increase of bank loans was mainly attributable to new loans granted by banks to the Group for working capital and further development during the current period.

Payable to merchants

The Group's payable to merchants decreased by HK\$136,561,000 from HK\$339,632,000 as at 31 December 2010 to HK\$203,071,000 as at 30 June 2011. It was also mainly attributable to the increase in efficiency of settlement to merchants of payment business.

Deposits received, sundry creditors and accruals

The Group's deposits received, sundry creditors and accruals increased by HK\$14,193,000 from HK\$84,489,000 as at 31 December 2010 to HK\$98,682,000 as at 30 June 2011. The increase was mainly attributable to the increase in deposits and increase in other creditors incurred in the ordinary course of development of the Group.

Liquidity and financial resources

At 30 June 2011, the Group had net current assets of HK\$111,902,000. Current assets comprised inventories of HK\$23,348,000, debtors of HK\$52,713,000, trade deposits of HK\$3,875,000, other deposits, prepayments and other receivables of HK\$84,639,000, financial assets at fair value through profit or loss of HK\$16,518,000, prepaid land lease premium of HK\$1,112,000, tax recoverable of HK\$50,000, pledged bank deposits of HK\$113,185,000 and cash and bank balances of HK\$354,726,000.

Current liabilities comprised bank loans of HK\$232,652,000, trade payable of HK\$132,000 payable to merchants of HK\$203,071,000, deposits received, sundry creditors and accruals of HK\$98,682,000 and tax payable of HK\$3,727,000.

The gearing ratio (defined as a percentage of total liabilities less deferred tax liability over total assets) of the Group at 30 June 2011 was 55% (31 December 2010: 58%).

The Board considers that the Group's existing financial resources are sufficient to fulfill its commitments, current working capital requirements and further development. In the long term, the Board believes that the Group will continue to fund its foreseeable expenditures through cash flow from operations. However, for a more massive scale of expansion and development, debt or equity financing may be required.

EMPLOYEES

At 30 June 2011, the total number of employees of the Group was 547 (31 December 2010: 468), representing a 17% increase as compared with that at 31 December 2010. The dedication and contribution of the Group's staff during the six months ended 30 June 2011 are greatly appreciated and recognised.

Employees (including directors) are remunerated according to their performance and working experience. on top of basic salaries, discretionary bonus and share options may be granted to eligible employee by reference to the Group's performance as well as the individual's performance.

In addition, the Group also provides social security benefits to its staff such as Mandatory Provident Fund Scheme in Hong Kong and the pension scheme in PRC.

TREASURY POLICIES

The Group adopted a conservative approach towards its treasury policies. the Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the current period, the Group injected capital of US\$ 1,300,000 to Hyle Maestro Wooding (Shanghai) Limited ("HM Wooding"), a subsidiary of the Group to enlarge its share capital. The registered capital of HM Wooding increased from US\$ 1,080,000 to US\$ 2,380,000. The Group believes the registered capital increment is in line with the growth of timber trading and furniture manufacturing business, and the investment will enhance the competitiveness of HM Wooding.

CHARGES ON GROUP'S ASSETS

At 30 June 2011, leasehold land with a net book value of HK\$3,251,000 (31 December 2010: HK\$3,295,000), properties held under medium-term lease with a net book value of HK\$23,749,000 (31 December 2010: HK\$26,183,000), investment properties with carrying value of HK\$116,990,000 (31 December 2010: HK\$114,600,000), prepaid land lease premium with a net book value of HK\$36,852,000 (31 December 2010: HK\$40,258,000) and pledged bank deposit of HK\$113,185,000 (31 December 2010: HK\$Nil) were pledged to banks to secure banks loans granted to subsidiaries of the Group.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no detailed future plans for material investment or capital assets at 30 June 2011.

CURRENCY RISK

Currently, the market anticipates moderate appreciation pressure on Renminbi. the Group has not implemented any formal policy in dealing with this foreign currency risk. However, in view of the fact that the Group's core business is mainly transacted in Renminbi and significant portion of assets are denominated in Renminbi, the exposure of the Group's risk from exchange rate fluctuation was minimal. For the six months ended 30 June 2011, the Group did not enter into any arrangement to hedge its foreign currency exposure. However, the management monitors the related foreign currency exposure closely and will consider hedging significant currency exposure should the need arise.

CONTINGENT LIABILITIES

The Directors consider that the Group had no contingent liabilities at 30 June 2011.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 June 2011, the interests or short positions of the directors and chief executives or their associates of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO")) which (i) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept

under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules were as follows:

Name of Director	Interests in ordinary shares			Total interests in ordinary interests	Total interests in underlying shares (Note 2)	Aggregate interests	% of the Company's issued share capital
	Personal interests	Family interests	Corporate interests				
Executive Directors:							
Mr. Lau Yeung Sang (Note 1 and 2)	—	—	464,150,000	464,150,000	1,500,000	465,650,000	28.99%
Mr. Liu Ruisheng (Note 2)	—	—	—	—	15,000,000	15,000,000	0.93%
Madam Luan Yumin (Note 2)	15,000,000	—	—	15,000,000	200,000	15,200,000	0.95%
Madam Ren Lili	8,000,000	—	—	8,000,000	—	8,000,000	0.50%
Chang Hung Lun	—	—	—	—	—	—	—
Non-executive Director:							
Mr. Chow Cheuk Lap (Note 3)	—	—	67,540,000	67,540,000	—	67,540,000	4.21%
Independent Non-executive Directors:							
Mr. Meng Lihui (Note 2)	—	—	—	—	600,000	600,000	0.04%
Mr. Wan Xieqiu	—	—	—	—	—	—	—
Mr. Fong Heung Sang	—	—	—	—	—	—	—
Mr. Liu Ji (Note 2)	—	—	—	—	1,000,000	1,000,000	0.06%

Notes:

1. The corporate interests of Mr. Lau Yeung Sang in the ordinary shares of the Company are held by World One Investments Limited (“World One”). The entire issued share capital of World One is wholly and beneficially owned by Mr. Lau Yeung Sang. Mr. Lau Yeung Sang is therefore deemed to be interested in these ordinary shares.
2. The interests of Mr. Lau Yeung Sang, Mr. Liu Ruisheng, Madam Luan Yumin, Mr. Meng Lihui and Mr. Liu Ji in underlying shares of the Company represent the interests in share options granted to them under the share option schemes of the Company.

Details of the interests in the share options of the Company are separately disclosed in the section headed “Share Options”.

3. Total interests of Mr. Chow Cheuk Lap in issued ordinary shares of the Company include 67,540,000 shares held by Top Nation International Limited (“Top Nation”). Mr. Chow owns 50% beneficial interests in Top Nation and he is deemed to be interested in these ordinary shares held by Top Nation.
4. There were no debt securities nor debentures issued by the Group at any time during the six months ended 30 June 2011.

Save as disclosed above, so far as the directors are aware at 30 June 2011, none of the directors or chief executives or their associates of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to Model Code.

The directors confirmed that at 30 June 2011 and for the six months ended 30 June 2011,

- (i) the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings according to Model Code; and
- (ii) all the directors complied with the required standard of dealings and the Company's code of conduct regarding directors' securities transactions.

PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDING

So far as is known to any director or chief executive of the Company, at 30 June 2011, persons who have an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Company were as follows:

(a) Long positions in the shares of the Company

Name	Type of interests	Number of shares	Approximate percentage of interests
World One Investments Limited (Note 1)	Beneficial owner	464,150,000	28.90%
Ever City Industrial Limited (Note 2)	Beneficial owner	106,000,000	6.60%

Notes:

1. World One Investments Limited is wholly and beneficially owned by Mr. Lau Yeung Sang.
2. Ever City Industrial Limited is equally and beneficially owned by Mr. Choi Hung Fai and Mr. Zhou Hang.

(b) Long positions in underlying shares of equity derivatives of the Company

So far as the directors are aware, save as disclosed herein, no persons have long positions in underlying shares of equity derivatives of the Company.

(c) Short positions in the shares and underlying shares of equity derivatives of the Company

So far as the directors are aware, save as disclosed herein, no persons have short positions in the shares or underlying shares of equity derivatives of the Company.

SHARE OPTIONS

(A) GEM Share Option Schemes

Pursuant to the written resolutions passed by all the shareholders of the Company on 12 October 2001, the Company adopted the following share option schemes:

(i) Share Option Scheme

The purpose of the Share Option Scheme is to advance the interests of the Company and its shareholders by enabling the Company to grant options to attract, retain and reward all the directors (whether executive or non-executive and whether independent or not), the employees (whether full-time or part-time), any consultants or advisers of or to any company in the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid (“Eligible Persons”)) and any other persons who, in the absolute opinion of the board of directors (the “Board”), have contributed to the Group and to provide to the Eligible Persons a performance incentive for continued and improved service with the Group and by enhancing such persons’ contribution to increase profits by encouraging capital accumulation and share ownership. The directors may at their discretion, invite any Eligible Persons to take up options to subscribe for shares.

The maximum entitlement for any one participant (including both exercised and outstanding options) in any twelve-month period shall not exceed 1% of the total number of shares in issue.

The period within which the shares must be taken up under the option must not be more than ten years from the date of grant of the option. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price for shares in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion may determine save that such price shall not be less than the higher of (i) the closing price per share on GEM as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and (ii) the average of the closing prices per share on GEM as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the option.

(ii) Pre-IPO Share Option Schemes

The grantees of these schemes exercised all options before 1 January 2010 and there was no share option outstanding at 30 June 2011.

Upon termination of the GEM Share Option Schemes, no further options may be offered thereunder. However, in respect of the outstanding options, the provisions of the GEM Share Option Schemes shall remain in force. The outstanding options granted under the GEM Share Option Schemes shall continue to be subject to the provision of the GEM Share Option Schemes.

(B) New Share Option Scheme

The GEM Share Option Schemes adopted by the Company on 12 October 2001 were terminated, upon the listing of the shares of the Company being transferred from GEM to the Main Board of the Stock Exchange on 22 June 2010. The Board adopted a new share option scheme (“New Share Option Scheme”) which is compliance with the Listing Rules and obtained the approval of the shareholders in accordance with the Listing Rules at the Company’s extraordinary general meeting held on 12 August 2010.

The purpose of the New Share Option Scheme is to enable the Company to grant options to participants an incentive or rewards for their contributions to the Group.

The New Share Option Scheme was adopted for a period of ten years commencing from 12 August 2010 and will remain in force until 11 August 2020, after which period no further options will be offered or granted but the provisions of the scheme shall remain in full force and effect in all other respects with regard to options granted during the life of the scheme. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price for shares in respect of any option granted shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option but in any case the subscription price for shares shall be at least not lower than the higher of (i) the closing price of the share as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; (ii) the average of the closing prices of the share as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the share of the Company.

At 30 June 2011, the number of shares in respect of which options had been granted and outstanding under the GEM Share Option Schemes and New Share Option Scheme was 288,930,000, representing 18% of the issued share capital of the Company.

A summary of the movements of the share options granted under the GEM Share Option Schemes and New Share Option Scheme during the period is as follows:

Grantees	Date of grant	Vesting period	Exercise period	Exercise price	Number of share options				Outstanding at 30 June 2011	Market value per share at date of grant of option	Market value per share on exercise of option
					Outstanding at 1 January 2011	Granted during the period	Exercised during the period	Lapsed during the period			
Initial management, shareholders and employees	7 February 2002	Fully vested on 7 February 2002	7 February 2002 to 6 February 2012	HK\$1.300	350,000	—	—	(150,000)	200,000	HK\$1.300	—
Senior management and staff of the Group	9 April 2002	Fully vested on 9 April 2002	9 April 2002 to 8 April 2012	HK\$1.400	70,000	—	—	(20,000)	50,000	HK\$1.400	—
Director, senior management and staff of the Group	22 February 2008	Fully vested on 22 February 2008	22 February 2008 to 21 February 2011	HK\$0.300	3,780,000	—	—	(3,780,000)	—	HK\$0.255	—
		22 February 2008 to 22 February 2009	22 February 2009 to 21 February 2011	HK\$0.300	3,780,000	—	—	(3,780,000)	—	HK\$0.255	—
		22 February 2008 to 22 February 2010	22 February 2010 to 21 February 2011	HK\$0.300	3,780,000	—	—	(3,780,000)	—	HK\$0.255	—
Director, senior management and staff of the Group	9 April 2010	Fully vested on 9 April 2010	9 April 2010 to 8 April 2012	HK\$0.390	60,000,000	—	(22,800,000)	(20,000)	37,180,000	HK\$0.340	HK\$0.355–HK\$0.435
Director, senior management and staff of the Group	31 August 2010	Fully vested on 31 August 2010	31 August 2010 to 30 August 2013	HK\$0.360	155,520,000	—	(56,970,000)	(870,000)	97,680,000	HK\$0.310	HK\$0.355–HK\$0.465
Consultants, senior management and staff of the Group	19 May 2011	Fully vested on 19 May 2011	19 May 2011 to 18 May 2013	HK\$0.560	—	153,820,000	—	—	153,820,000	HK\$0.430	—
					<u>227,280,000</u>	<u>153,820,000</u>	<u>(79,770,000)</u>	<u>(12,400,000)</u>	<u>288,930,000</u>		

Note:

The Company received a consideration of HK\$1.00 from each of the grantees of the GEM Share Option Schemes and New Share Option Scheme.

COMPETITION AND CONFLICT OF INTERESTS

During the period, none of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

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

During the period, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate price paid HK\$'000
January 2011	<u>17,930,000</u>	<u>0.280</u>	<u>0.260</u>	<u>4,922</u>

The Company made repurchases with a view to enhancing shareholder value in the long term.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during six months ended 30 June 2011.

PRE-EMPTIVE RIGHTS

There are no provisions for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained the prescribed public float under the listing Rules up to the date of this interim result announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and provisions as set out in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Main Board CG Code"). The Company has complied with all the Code Provisions. It has also put in place certain Recommended Best Practices. The Board periodically reviews the corporate governance practices of the Company to ensure that they meet the requirements of the Main Board CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all directors, the directors have complied with the above-mentioned required standards of dealings regarding directors' securities transactions throughout the six months ended 30 June 2011.

DIVIDEND

The Board has declared an interim dividend of HK0.80 cents per share and a special dividend of HK1.20 cents per share for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil), which is payable on or about Friday, 16 September 2011 to shareholders whose names appear on the Registers of Members of the Company on Wednesday, 7 September 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 5 September 2011 to Wednesday, 7 September 2011 (both days inclusive). In order to qualify for the interim dividend and special dividend for the six months ended 30 June 2011, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at rooms 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 2 September 2011.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") in October 2001. The Board has confirmed that the terms of reference are in compliance with paragraph C.3.3 of the Main Board CG Code.

The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process and internal control systems.

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Meng Lihui, Mr. Fong Heung Sang and Mr. Liu Ji. The chairman of the Audit Committee is Mr. Meng Lihui.

Working closely with the management of the Company, the Audit Committee has reviewed the Company's interim results, the accounting principles and practices adopted by the Group, discussed with the Board and management the internal controls, risk management and financial reporting matters.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.uth.com.hk). The interim report for the six months ended 30 June 2011 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Universal Technologies Holdings Limited
Lau Yeung Sang
Chairman

Hong Kong, 19 August 2011

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Lau Yeung Sang
Mr. Liu Ruisheng
Madam Luan Yumin
Madam Ren Lili
Mr. Chang Hung Lun

Non-Executive Director:

Mr. Chow Cheuk Lap

Independent Non-Executive Directors:

Mr. Meng Lihui
Mr. Fong Heung Sang
Mr. Liu Ji