KA SHUI INTERNATIONAL HOLDINGS LIMITED
嘉瑞國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 822)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

HIGHLIGHTS

- Turnover increased by 42.3% to HK$514,739,000 (2010 first half: HK$361,624,000)
- Gross profit grew by 40.5% to HK$92,769,000 (2010 first half: HK$66,029,000)
- Profit attributable to owners of the Company increased by 35.6% to HK$19,542,000 (2010 first half: HK$14,415,000)
- Basic earnings per share rose by 37.5% to HK2.2 cents (2010 first half: HK1.6 cents)
- Proposed an interim dividend of HK0.66 cents per share (2010 first half: HK1.3 cents per share)

The Board of Directors (the "Board") of Ka Shui International Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011, together with the comparative figures for the corresponding period in 2010.

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2011	2010
		HK$'000	*HK$'000*
	Note	**(unaudited)**	(unaudited)
Turnover	*3*	**514,739**	361,624
Cost of sales		**(421,970)**	(295,595)
Gross profit		**92,769**	66,029
Other income	*4*	**1,233**	798
Selling and distribution expenses		**(7,496)**	(5,181)
General and administrative expenses		**(58,594)**	(41,309)
Profit from operations		**27,912**	20,337
Finance costs	*5*	**(1,691)**	(1,049)
Profit before tax		**26,221**	19,288
Income tax expense	*6*	**(6,679)**	(4,873)
Profit for the period attributable to owners of the Company	*7*	**19,542**	14,415
Earnings per share	*9*		
– Basic *(HK cents)*		**2.2**	1.6
– Diluted *(HK cents)*		**2.2**	1.6

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**19,542**	14,415
Other comprehensive income for the period, net of tax:		
Exchange differences on translating foreign operations	**16,253**	3,705
Total comprehensive income for the period attributable to owners of the Company	**35,795**	18,120

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2011** ***HK$'000*** **(unaudited)**	As at 31 December 2010 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment	*10*	**454,609**	436,939
Club membership		**718**	718
Deposits paid for acquisition of property, plant and equipment		**3,061**	7,097
		458,388	444,754
Current assets			
Inventories		**204,848**	182,757
Trade receivables	*11*	**178,726**	154,333
Prepayments, deposits and other receivables		**28,526**	17,148
Financial assets at fair value through profit or loss		**4,661**	8,292
Pledged bank deposits		**–**	2,232
Bank and cash balances		**128,519**	122,532
		545,280	487,294
Current liabilities			
Trade payables	*12*	**106,957**	126,229
Deposits received		**4,309**	3,702
Other payables and accruals		**45,329**	48,416
Due to a related company		**1,736**	1,456
Bank borrowings		**207,480**	124,851
Current portion of obligations under finance leases		**11,749**	11,953
Current tax liabilities		**10,641**	9,615
		388,201	326,222
Net current assets		**157,079**	161,072
Total assets less current liabilities		**615,467**	605,826
Non-current liabilities			
Deferred tax liabilities		**2,388**	2,388
NET ASSETS		**613,079**	603,438
Capital and reserves			
Share capital		**88,796**	88,263
Reserves		**524,283**	515,175
TOTAL EQUITY		**613,079**	603,438

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporation information

The Group is principally engaged in the manufacture of zinc, magnesium and aluminum alloy die casting and plastic injection products and components which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products and automotive parts industries.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 January 2005.

2. Basis of preparation and significant accounting policies

The condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of the Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2010 annual financial statements. The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2011. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior periods.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. Turnover and segment information

Turnover represents the net amounts received and receivable for goods sold, net of returns and allowances to customers during the period.

For management purposes, the Group's operation is currently categorised into four operating divisions – zinc, magnesium and aluminium alloy die casting and plastic injection products and components. These divisions are the basis of the Group's four reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

Segment profits or losses do not include interest income, finance costs, gain or loss from derivative instruments, income tax expense, corporate income and corporate expenses.

An analysis of the Group's turnover and results for the period by business segments is as follows:

	Zinc alloy die casting	Magnesium alloy die casting	Aluminium alloy die casting	Plastic injection	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
For the six months ended 30 June 2011					
Turnover					
Sales to external customers	**162,356**	**108,362**	**127,813**	**116,208**	**514,739**
Segment profit	**12,274**	**9,880**	**11,407**	**3,475**	**37,036**

	Zinc alloy die casting	Magnesium alloy die casting	Aluminium alloy die casting	Plastic injection	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited) (restated)	(unaudited)	(unaudited)	(unaudited) (restated)	(unaudited)
For the six months ended 30 June 2010					
Turnover					
Sales to external customers	166,321	70,684	82,863	41,756	361,624
Segment profit	11,825	5,152	9,575	418	26,970

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Reconciliation of segment profit or loss		
Total profit or loss of reportable segments	**37,036**	26,970
Unallocated amounts:		
Interest income	**176**	282
Loss on financial assets/liabilities at fair value through profit or loss	**(1,754)**	(1,200)
Finance costs	**(1,691)**	(1,049)
Corporate income	**–**	118
Corporate expenses	**(7,546)**	(5,833)
Consolidated profit before tax for the period	**26,221**	19,288

4. Other income

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**176**	282
Gain on disposal of property, plant and equipment	**83**	83
Others	**974**	433
	1,233	798

5. Finance costs

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expenses on bank loans and overdrafts	**1,555**	818
Finance lease charges	**136**	231
	1,691	1,049

6. Income tax expense

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	**950**	2,059
Current tax – People's Republic of China ("PRC") enterprise income tax		
Provision for the period	**5,729**	2,814
	6,679	4,873

Hong Kong Profits Tax has been provided at a rate of 16.5% for the six months ended 30 June 2011 (for the six months ended 30 June 2010: 16.5%) on the estimated assessable profits for the relevant period. Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates based on existing legislation, interpretation and practices in respect thereof.

7. Profit for the period

The Group's profit for the period is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Allowance for inventories	**–**	676
Depreciation of property, plant and equipment	**28,109**	24,420
Gain on disposal of property, plant and equipment	**(83)**	(83)
Loss on financial assets/liabilities at fair value through profit or loss	**1,754**	1,200

8. Dividends

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Proposed interim dividend – HK0.66 cents (2010: HK1.3 cents) per ordinary share	**5,861**	11,457
Final dividend for the year ended 31 December 2010 approved and paid – HK3.2 cents (2009: HK1.1 cents) per ordinary share	**28,393**	9,694
	34,254	21,151

9. Earnings per share

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

	For the six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**19,542**	14,415
Number of shares		
Weighted average number of ordinary shares used in basic earnings per share calculation	**884,991,720**	880,458,359
Effect of dilutive potential ordinary shares arising from share options	**5,199,271**	1,560,187
Weighted average number of ordinary shares used in diluted earnings per share calculation	**890,190,991**	882,018,546

10. Property, plant and equipment

During the six months ended 30 June 2011, the Group had disposed of certain property, plant and equipment with a carrying amount of approximately HK$52,000 (unaudited) (for the six months ended 30 June 2010: HK$700,000 (unaudited)) for proceeds of approximately HK$135,000 (unaudited) (for the six months ended 30 June 2010: HK$783,000 (unaudited)), resulting in a gain on disposal of approximately HK$83,000 (unaudited) (for the six months ended 30 June 2010: HK$83,000 (unaudited)).

In addition, the Group had acquired property, plant and equipment of approximately HK$33,267,000 (unaudited) (for the six months ended 30 June 2010: HK$15,367,000 (unaudited)).

11. Trade receivables

The Group normally allows credit terms to customers ranging from 7 to 90 days. The ageing analysis of trade receivables as at the balance sheet date, based on the invoice date, was as follows:

	As at 30 June 2011 *HK$'000* **(unaudited)**	As at 31 December 2010 *HK$'000* (audited)
0 to 30 days	**104,783**	96,799
31 to 60 days	**23,001**	25,334
61 to 90 days	**24,274**	16,830
91 to 180 days	**22,873**	14,756
Over 180 days	**3,795**	614
	178,726	154,333

12. Trade payables

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers. The ageing analysis of trade payables as at the balance sheet date, based on the date of receipt of goods purchased, was as follows:

	As at 30 June 2011 *HK$'000* **(unaudited)**	As at 31 December 2010 *HK$'000* (audited)
0 to 30 days	**65,021**	85,929
31 to 60 days	**19,307**	33,769
61 to 90 days	**10,475**	5,682
91 to 180 days	**6,721**	169
Over 180 days	**5,433**	680
	106,957	126,229

MANAGEMENT DISCUSSION AND ANALYSIS

(A) Overview

Riding on the growth momentum in the second half of 2010, the Group has achieved a growth in sales of 42.3% during the first half of 2011 as compared with the corresponding period last year. The management is confident that the Group's established business spectrum will maintain a satisfactory performance in the second half of the year.

Increase in wages, material prices, energy costs and appreciation of Renminbi continued to exert enormous pressure on the gross profit margin of all manufacturing industries. With the effort of tight cost control measures as well as passing on partial cost increases to its customers, the Group's gross profit margin for the period under review only dropped slightly by 0.3% to 18.0% as compared with that of the same period last year.

It is expected that the global economy will become very uncertain in the second half of the year as the recent European and United States debt crisis and turbulence in the worldwide stock markets may lead to further volatility in currencies, unstable consumers' confidence and persistent high unemployment rates. However, the Group is still cautiously optimistic that it can cope with such difficult operating environment in the second half of the year. The Group will utilize its capital prudently to pursue its business strategies with further gains in market share, capacity expansion through specialized manufacturing hubs, and operational excellence. The Group expects that this can deliver the maximum return to its shareholders as before.

(B) Financial Review

Following the Group's success in gaining further market share as well as exploring into new lines of business, the turnover of the Group for the six months ended 30 June 2011 recorded at HK$514,739,000 (2010 first half: HK$361,624,000), representing an increase of approximately 42.3% as compared with that of the corresponding period last year.

Gross profit for the period grew by 40.5% to approximately HK$92,769,000 (2010 first half: HK$66,029,000). As a result, profit attributable to owners of the Company amounted to HK$19,542,000 (2010 first half: HK$14,415,000), demonstrating an increase of 35.6% as compared with that of the same period last year.

(C) Business Review

Zinc alloy die casting business

The turnover of zinc alloy die casting business for the six months ended 30 June 2011 decreased slightly by 2.4% to HK$162,356,000 (2010 first half: HK$166,321,000 (restated)), which was mainly due to a temporary slowdown of orders from a key customer after the occurrence of the earthquake in Japan. Nevertheless, zinc alloy die casting business remained as a key constituent of the Group's operation which accounted for approximately 31.5% (2010 first half: 46.0% (restated)) of the Group's overall turnover. As such, the Group will exert more effort in developing new product markets by the application of thin wall zinc alloy in the 3C (communication, computer and consumer electronics) industries.

Magnesium alloy die casting business

The development of the Group's magnesium alloy die casting business during the period under review was more than satisfactory due to the persistent growing demand for magnesium alloy notebook computer components. The turnover of this business segment has achieved a remarkable growth of 53.3% to HK$108,362,000 as compared with that of the same period last year (2010 first half: 70,684,000), representing approximately 21.1% (2010 first half: 19.5%) of the Group's turnover during the period under review.

Aluminium alloy die casting business

Benefitting from the increase in market demand for 3C and household products, the Group's growth in aluminium alloy die casting business remained strong during the first half of 2011. The turnover of this business segment has increased substantially by 54.2% to HK$127,813,000 as compared with that of the same period last year (2010 first half: 82,863,000), accounting for 24.8% (2010 first half: 23.0%) of the Group's turnover.

Plastic injection moulding business

Plastic injection moulding business is a fast growing business of the Group and also one of the major focuses for the Group's future business development. During the period under review, the turnover of plastic injection moulding business was HK$116,208,000 (2010 first half: HK$41,756,000 (restated)), representing a robust growth of 178.3% as compared with that of the corresponding period last year. The contribution of this business segment to turnover also increased from 2010 first half's 11.5% to 22.6%.

(D) Honour attained

Wing Yu (Far East) Industries Company Limited, the Group's wholly-owned subsidiary engaging in surface finishing treatment, was awarded with the Hong Kong Awards for Industries – Productivity and Quality Award in June 2011. This has demonstrated that the Group's superior quality standards and devotion to continuous technological improvement have been well recognized by our customers and the public.

(E) Prospects

Looking forward, the continuing appreciation of Renminbi, together with the increase in minimum wages, have had a negative impact on our production costs. In addition, the rise in material prices and energy costs will also add pressure on our profitability. In view of this, the Group will continue to implement tight cost control measures and improve its productivity, with an aim to minimize the impact of these negative factors on its profit margins. Programmes have also been in place to speed up the automation of our manufacturing processes so as to achieve greater efficiencies and re-engineer our production processes for lower manufacturing costs. Moreover, the Group has taken appropriate actions to pass on certain cost increases to our customers so as to improve its gross profit margin.

In May 2011, the Group took part in an international lighting exhibition held in the United States in order to explore the market acceptance of its light emitting plasma ("LEP") lighting products. During this exhibition, our LEP street lamps and parking lot lights have received favourable feedback from the market as energy saving lighting devices have been gaining popularity worldwide and the Group has already received trial orders from its customers. Since environmental protection and energy saving issues continue to be the international hot topics, energy saving products will have enormous room for further business expansion in the future. The Group will persist its research and development in the use of magnesium alloy in LEP lighting products to cope with the market needs for high-quality products in order to enhance its competitiveness and market share.

During the period under review, the Group has also set up a marketing office in the United States with the purpose of tapping into the LEP lighting products' market in North America. The sales territory of the Group has therefore been expanded to North America and therefore it is anticipated that a positive contribution to the turnover of the Group be derived from this LEP sector in the coming future.

In addition, the Group will also strive to solicit suitable targets for merge and acquisition with an aim to further develop the business of the Group in the long run.

The plastic injection moulding business will continue to be the focus of our business development in the second half of the year. The Group's ability to provide one-stop comprehensive solution for customers seeking to consolidate their supply chain allows the Group to gain more and long term integrated orders from them. In addition, the enormous popularity of tablet personal computers and smart phones also provide ample business opportunities for the Group's plastic injection moulding business as the demand for protective cases of these products keeps on increasing sharply.

Following the launch of new computer operating systems, it is anticipated that the replacement demand for notebook computers will be accelerated as users who seek for greater functionality and faster speed are more willing to invest in new notebook computers. In this regard, the sale of notebook computers are expected to rise continuously and the Group's market share of notebook computer components will be further enlarged.

Due to the recent debt crisis in Europe and the United States, slowdown of orders after the occurrence of the earthquake in Japan together with the plunge in stock markets worldwide, it is expected that the global economic conditions in the second half of the year will become volatile and the operating environment for manufacturers will become very severe. Leveraging on the Group's leading position in the die casting industry, diversified business spectrum into LEP lighting products and plastic injection moulding business, persistent development in advanced production technology together with a solid and vast customer base, the management believes that the Group can successfully overcome the challenges ahead and create better returns for our shareholders in the forthcoming future.

(F) Liquidity and Financial Resources

As at 30 June 2011, the Group had bank and cash balances of approximately HK$128,519,000 (31 December 2010: HK$124,764,000), most of which were either denominated in US dollars, Renminbi or Hong Kong dollars.

Total interest-bearing borrowings of the Group as at 30 June 2011 were approximately HK$219,229,000 (31 December 2010: HK$136,804,000), comprising bank loans and overdrafts of approximately HK$207,480,000 (31 December 2010: HK$124,851,000) and obligations under finance leases of approximately HK$11,749,000 (31 December 2010: HK$11,953,000). All of these borrowings were denominated in Hong Kong dollars to which the interest rates applied were primarily subject to floating interest rate.

As at 30 June 2011, the gearing ratio (a ratio of the sum of total interest-bearing borrowings and obligations under finance leases divided by total equity) of the Group was approximately 35.8% (31 December 2010: 22.7%).

As at 30 June 2011, the net current assets of the Group were approximately HK$157,079,000 (31 December 2010: HK$161,072,000), which consisted of current assets of approximately HK$545,280,000 (31 December 2010: HK$487,294,000) and current liabilities of HK$388,201,000 (31 December 2010: HK$326,222,000), representing a current ratio of approximately 1.4 (31 December 2010: 1.5).

(G) Exposure to Foreign Exchange Risk

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Hong Kong dollars and Renminbi. During the period under review, the exchange rates between US dollars, Hong Kong dollars and Renminbi were fairly stable. The Group will closely evaluate the Group's foreign currency exposure on a continuing basis and take further actions to minimize its exposure whenever necessary.

(H) Contingent Liabilities

As at 30 June 2011, the Group had no material contingent liabilities.

(I) Charge on Assets

As at 30 June 2011, the Group's banking facilities were secured by guarantees given by the following assets: (a) lessors' title to the leased assets under finance leases; and (b) a property situated in Hong Kong owned by the Group.

(J) Human Resources

As at 30 June 2011, the Group had approximately 4,700 full-time employees (31 December 2010: 4,700). The Group attributes its success to the hard work and dedication of its staff as a whole, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides competitive salary package, including retirement scheme, medical benefit and bonus. The Group's remuneration policy and structure is determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme as incentive and reward for those qualifying staff who have made contribution to the Group.

The Group provides regular training courses for different level of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organizes different kinds of recreational activities, including New Year gathering, various sport competitions and interest groups. The aim is to promote interaction among staff, establish harmonious team spirit and promote healthy lifestyle.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK0.66 cents per share for six months ended 30 June 2011 payable on or about Monday, 19 September 2011, to the shareholders whose names appear on the register of members of the Company on Friday, 9 September 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7 September 2011 to Friday, 9 September 2011, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 6 September 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2011, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the period under review.

AUDIT COMMITTEE

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review and approve the financial reporting process and internal control system of the Group and provide advice and comments to the Board. The Audit Committee comprises four independent non-executive directors, namely Mr. Yeow Hoe Ann, John, Mr. Sun Kai Lit, Cliff *BBS, JP* and Ir Dr. Lo Wai Kwok *BBS, MH, JP* and Mr. Andrew Look and is chaired by Mr. Yeow Hoe Ann, John, a qualified accountant with extensive experience in financial reporting and controls.

NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 for the purpose of making recommendations to the Board on the appointment of directors and the management of the Board succession. The members of the Nomination Committee are Mr. Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *BBS, MH, JP*, Mr. Yeow Hoe Ann, John, Mr. Andrew Look and Dr. Keung Wing Ching. Mr. Sun Kai Lit, Cliff *BBS, JP* is the Chairman of the Nomination Committee.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee include reviewing and determining the terms of remuneration packages, the award of bonuses and other compensation payable to directors and senior management. The Remuneration Committee consists of Mr. Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *BBS, MH, JP*, Mr. Yeow Hoe Ann, John, Mr. Andrew Look and Dr. Keung Wing Ching. The Chairman of Remuneration Committee is Mr. Sun Kai Lit, Cliff *BBS, JP*, an independent non-executive director.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they have fully complied with the required standard set out in the Model Code during the period under review.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2011.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend our sincere appreciation to our customers, suppliers and shareholders for their continuing support, and our management and staff for their dedication and contribution to the Group throughout the period.

By order of the Board
LEE YUEN FAT
Chairman

Hong Kong, 19 August 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lee Yuen Fat, Dr. Keung Wing Ching, Mr. Wong Wing Chuen and Mr. Chan Tat Cheong, Alan, and four independent non-executive directors, namely Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP, Mr. Yeow Hoe Ann John and Mr. Andrew Look.