DREAM INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 1126)

2011 INTERIM RESULTS

The Board of Directors (the "Board") of Dream International Limited (the "company") hereby announce the unaudited consolidated results of the company and its subsidiaries (the "group") for the six months ended 30 June 2011 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2011 — UNAUDITED

		Six months ended 30 June	
		2011	2010
	Note	***HK$'000***	*HK$'000*
Turnover	*2*	**460,934**	645,530
Cost of sales	*9*	**(343,363)**	(439,128)
Gross profit		**117,571**	206,402
Other revenue		**5,981**	4,355
Other net gain		**1,763**	2,648
Distribution costs		**(25,032)**	(58,696)
Administrative expenses		**(71,110)**	(67,692)
Profit from operations		**29,173**	87,017
Finance costs	*3(a)*	**(496)**	(491)
Share of losses of associates		**(268)**	(194)
Profit before taxation	*3*	**28,409**	86,332
Income tax	*4*	**(2,933)**	(10,251)
Profit for the period		**25,476**	76,081
Attributable to:			
Equity shareholders of the company		**25,985**	75,717
Non-controlling interests		**(509)**	364
Profit for the period		**25,476**	76,081
Earnings per share	*6*		
Basic and diluted		**HK3.9 cents**	HK11.3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011 — UNAUDITED

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Profit for the period	**25,476**	76,081
Other comprehensive income for the period (after tax and reclassification adjustments):		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**10,033**	(1,234)
Available-for-sales securities: net movement in fair value reserve	**(10)**	186
	10,023	(1,048)
Total comprehensive income for the period	**35,499**	75,033
Attributable to:		
Equity shareholders of the company	**35,642**	74,573
Non-controlling interests	**(143)**	460
Total comprehensive income for the period	**35,499**	75,033

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2011 — UNAUDITED

	Note	At 30 June 2011 HK$'000	At 31 December 2010 HK$'000
Non-current assets			
Fixed assets	*8*		
— Interests in leasehold land held for own use under operating leases		**18,184**	20,022
— Other property, plant and equipment		**160,028**	163,838
		178,212	183,860
Long term receivables		**6,459**	7,231
Prepayments		**1,994**	1,992
Intangible assets		**16,020**	16,690
Interests in associates		**262**	522
Other financial assets	*7*	**32,334**	10,162
Deferred tax assets		**12,499**	13,625
		247,780	234,082
Current assets			
Inventories	*9*	**233,764**	197,813
Trade and other receivables	*10*	**191,176**	224,085
Current tax recoverable		**125**	—
Other financial assets	*7*	**7,105**	19,030
Bank deposits		**24,930**	16,006
Cash and cash equivalents		**164,351**	261,534
Assets held for sale		**—**	2,722
		621,451	721,190
Current liabilities			
Trade and other payables	*11*	**181,171**	264,738
Bank loans		**7,254**	7,904
Current tax payable		**6,653**	17,019
		195,078	289,661
Net current assets		**426,373**	431,529
Total assets less current liabilities		**674,153**	665,611

CONSOLIDATED BALANCE SHEET *(CONTINUED)*
AT 30 JUNE 2011 — UNAUDITED

	At 30 June 2011 HK$'000	At 31 December 2010 HK$'000
Non-current liabilities		
Bank loans	**6,031**	6,101
Net defined benefit retirement obligation	**268**	268
	6,299	6,369
NET ASSETS	**667,854**	659,242
CAPITAL AND RESERVES		
Share capital	**52,303**	52,303
Reserves	**600,585**	591,830
Total equity attributable to equity shareholders of the company	**652,888**	644,133
Non-controlling interests	**14,966**	15,109
TOTAL EQUITY	**667,854**	659,242

NOTES TO THE INTERIM FINANCIAL RESULTS

1. General information

The principal activities of the group are the design, development, manufacture and sale of plush stuffed and, steel and plastic toys.

The company is a limited liability company incorporated in Hong Kong. The address of its registered office is 8th Floor, Tower 5, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

The company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

2. Segment reporting

The group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the group's most senior executive management for the purposes of resource allocation and performance assessment, the group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Plush stuffed toys: this segment is involved in the design, development, manufacture and sale of plush stuffed toys. These products are either sourced externally or are manufactured in the group's manufacturing facilities located primarily in the People's Republic of China (the "PRC") and Vietnam and sold to customers mainly located in Japan and North America.

— Steel and plastic toys: this segment is involved in the design, development, manufacture and sale of steel and plastic toys. These products are manufactured in the PRC and sold to customers mainly located in the PRC and Japan.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial results has been prepared in a manner consistent with the information used by the group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of club memberships, interests in associates, investments in financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade creditors and accruals attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments.

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. Other than reporting inter-segment sales, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the group's reportable segments as provided to the group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

Six months ended 30 June	**Plush stuffed toys**		**Steel and plastic toys**		**Total**	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**418,046**	574,469	**42,888**	71,061	**460,934**	645,530
Inter-segment revenue	**349**	—	**—**	—	**349**	—
Reportable segment revenue	**418,395**	574,469	**42,888**	71,061	**461,283**	645,530
Reportable segment profit (adjusted EBITDA)	**45,298**	95,724	**1,462**	5,384	**46,760**	101,108
Reportable segment assets	**538,872**	538,258	**109,691**	108,216	**648,563**	646,474
Additions to non-current segment assets during the period	**8,456**	69,717	**3,286**	1,173	**11,742**	70,890
Reportable segment liabilities	**151,570**	228,144	**66,827**	65,633	**218,397**	293,777

(b) Reconciliations of reportable segment revenue, profit, assets and liabilities

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**461,283**	645,530
Elimination of inter-segment revenue	**(349)**	—
Consolidated turnover	**460,934**	645,530

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Profit		
Reportable segment profit	**46,760**	101,108
Share of losses of associates	**(268)**	(194)
Interest income	**1,793**	991
Depreciation and amortisation	**(12,321)**	(11,352)
Finance costs	**(496)**	(491)
Unallocated head office and corporate expenses	**(7,059)**	(3,730)
Consolidated profit before taxation	**28,409**	86,332

	At 30 June	At 31 December
	2011	2010
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**648,563**	646,474
Elimination of inter-segment receivables	**(36,958)**	(28,771)
	611,605	617,703
Club memberships	**16,020**	16,690
Interests in associates	**262**	522
Other financial assets	**39,439**	29,192
Deferred tax assets	**12,499**	13,625
Current tax recoverable	**125**	—
Unallocated head office and corporate assets	**189,281**	277,540
Consolidated total assets	**869,231**	955,272

	At 30 June 2011 *HK$'000*	At 31 December 2010 *HK$'000*
Liabilities		
Reportable segment liabilities	**218,397**	293,777
Elimination of inter-segment payables	**(36,958)**	(28,771)
	181,439	265,006
Current tax payable	**6,653**	17,019
Unallocated head office and corporate liabilities	**13,285**	14,005
Consolidated total liabilities	**201,377**	296,030

3. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June 2011 *HK$'000*	 2010 *HK$'000*
(a) Finance costs:		
Interest expense on bank borrowings wholly repayable within five years	**496**	491
(b) Other items:		
Amortisation:		
— land lease premium	**205**	228
— intangible assets	**—**	338
Depreciation	**12,116**	10,786
Operating lease charges: minimum lease payments in respect of property rentals	**11,139**	10,217
Inventories write-down and losses	**2,748**	2,034
Reversal of write-down of inventories	**(747)**	(6,551)
Bank interest income	**(1,284)**	(645)
Interest income from other financial assets	**(509)**	(346)
Net unrealised loss/(gain) on financial assets designated as fair value through profit or loss	**77**	(709)

4. Income tax

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Current tax— Hong Kong Profits Tax	**1,136**	2,699
Current tax— Outside Hong Kong	**1,188**	5,908
Deferred taxation	**609**	1,644
	2,933	10,251

5. Dividends

(a) Dividends payable to equity shareholders attributable to the interim period

	At 30 June	At 31 December
	2011	2010
	HK$'000	*HK$'000*
Interim dividend declared and paid after the interim period of HK nil cents per ordinary share (2010: HK2 cents per ordinary share)	**—**	13,371

(b) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK4 cents per ordinary share (six months ended 30 June 2010: HK3 cents per ordinary share)	**26,887**	20,056

6. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the company of HK$25,985,000 (six months ended 30 June 2010: HK$75,717,000) and the weighted average number of ordinary shares of 672,165,000 shares (six months ended 30 June 2010: 668,529,000 shares).

(b) Diluted earnings per share

The company did not have dilutive potential ordinary shares outstanding during the six months ended 30 June 2011 and 2010. Accordingly, the diluted earnings per share is the same as the basic earnings per share for the periods presented.

7. Other financial assets

	At 30 June 2011 *HK$'000*	At 31 December 2010 *HK$'000*
Non-current		
Equity-linked securities *(notes (i) & (vii))*	**10,698**	3,442
Available-for-sale debt securities — unlisted *(note (ii))*	**7,036**	6,720
Available-for-sale equity securities — unlisted *(note (iii))*	**14,600**	—
	32,334	10,162
Current		
Equity-linked securities *(notes (iv) & (vii))*	**3,647**	—
Equity-linked deposits *(notes (v) & (vii))*	**—**	15,645
Held-to-maturity debt securities — unlisted *(note (vi))*	**3,458**	3,385
	7,105	19,030
	39,439	29,192

Notes:

(i) Equity-linked securities as at 30 June 2011 represent two structured funds placed with investment banks in Korea, amounting to HK$3,399,000 and HK$7,299,000, with guaranteed principal and variable interest linked to the Korea Composite Stock Price Index 200 and maturity date of 8 February 2014 and 10 August 2012, respectively.

Equity-linked securities as at 31 December 2010 represented 18 months structured funds placed with an investment bank in Korea with guaranteed principal and variable interest linked to the Korea Composite Stock Price Index 200, with a maturity date of 25 May 2012.

(ii) Available-for-sale debt securities — unlisted represents an investment in bonds issued by an investment bank in Korea with a maturity date of 30 March 2039. Management has no intention to hold the investment to maturity.

(iii) Available-for-sale equity securities — unlisted represents an investment in a Korean private company.

(iv) Equity-linked securities represent 18 months structured funds placed with an investment bank in Korea with guaranteed principal and variable interest linked to the Korea Composite Stock Price Index 200, with a maturity date of 25 May 2012.

(v) Equity-linked deposits represented 12 months deposits placed with an investment bank in Korea with guaranteed principal and variable interest linked to the Korea Composite Stock Price Index 200, with a maturity date of 10 February 2011.

(vi) Held-to-maturity debt securities — unlisted represents an investment in commercial paper with a maturity date of 12 January 2012 and interest-bearing at 6.50% per annum.

(vii) These financial assets are designated as fair value through profit or loss.

(viii) None of the above other financial assets are past due or impaired.

8. Fixed assets

During the six months ended 30 June 2011, the group acquired items of fixed assets with a cost of HK$11,742,000 (six months ended 30 June 2010: HK$42,514,000). Items of fixed assets with a net book value of HK$6,820,000 were disposed of during the six months ended 30 June 2011 (six months ended 30 June 2010: HK$544,000), resulting in a gain on disposal of HK$7,008,000 (six months ended 30 June 2010: HK$287,000).

On 15 April 2011, a PRC subsidiary of the company disposed of a warehouse together with the associated land use right (the "Land and Warehouse") at Suzhou, the PRC at a consideration of RMB10,933,000 (equivalent to HK$13,010,000). After the disposal, the subsidiary is entitled to occupy the Land and Warehouse from 1 May 2011 to 31 December 2012 without additional consideration. The transaction is considered as a sales and operating leaseback arrangement and recorded a gain on disposal of RMB5,865,000 (equivalent to HK$6,980,000) for the period ended 30 June 2011.

In addition, during the period ended 30 June 2010, the group disposed of fixed assets with a net book value of HK$9,763,000 through the disposal of interest in a subsidiary.

9. Inventories

During the six months ended 30 June 2011, an amount of HK$747,000 (six months ended 30 June 2010: HK$6,551,000) has been recognised as a reversal of write-down of inventories. The reversal arose due to an increase in the estimated net realisable value as a result of the sales of aged inventories to customers.

10. Trade and other receivables

Included in trade and other receivables are debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis:

	At 30 June 2011 *HK$'000*	At 31 December 2010 *HK$'000*
Current	**81,711**	141,481
Less than 1 month past due	**34,749**	7,136
1 to 3 months past due	**1,886**	7,455
More than 3 months but less than 12 months past due	**1,210**	1,158
More than 12 months past due	**92**	87
Trade debtors and bills receivable, net of allowance for doubtful debts	**119,648**	157,317
Other receivables and prepayments	**65,965**	60,389
Amount due from ultimate holding company	**5,516**	5,246
Amount due from a fellow subsidiary	**47**	1,133
	191,176	224,085

The group generally grants a credit period of 30 days to 60 days to its customers. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted.

11. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

	At 30 June 2011 *HK$'000*	At 31 December 2010 *HK$'000*
Due within 1 month or on demand	**30,303**	58,004
Due after 1 month but within 3 months	**21,124**	49,715
Due after 3 months but within 6 months	**5**	—
Due after 6 months but within 1 year	**32**	83
Due after 1 year	**—**	22
Total creditors	**51,464**	107,824
Accrued charges and other payables	**108,090**	135,074
Loan from non-controlling interests	**15,564**	15,550
Amount due to ultimate holding company	**891**	805
Amounts due to fellow subsidiaries	**4,318**	3,406
Amount due to an associate	**844**	2,079
	181,171	264,738

MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

The first half of 2011 has been a challenging start for the Group. Turmoil surrounding the world economy combined with the earthquake in Japan, a major toy market, impacted on the toy industry. Dream International Limited (the "Company") and its subsidiaries (collectively the "Group") inevitably encountered a setback during the period under review.

For the six months ended 30 June 2011, the Group's turnover amounted to HK$460.9 million, representing a decrease of 28.6% compared with the same period last year (2010: HK$645.5 million). The decline was primarily due to weakened market demand in Japan, the Group's largest market, following the earthquake in March 2011. Another key factor was that an order from a Brazilian customer was booked during the last corresponding period, while a further order from the same customer was delayed during the reporting period.

Gross profit reached HK$117.6 million (2010: HK$206.4 million), with gross margin at 25.5% (2010: 32.0%). Decrease in gross margin was mainly due to the different categorization of expenses of licensing orders and orders from the Brazilian customer from general orders, as well as decline in sales from the steel and plastic toy business which dragged down the gross margin of the segment. The Group recorded an operating profit of HK$29.2 million (2010: HK$87.0 million), while net profit amounted to HK$25.5 million (2010: HK$76.1 million), with net margin at 5.5% (2010: 11.8%).

Despite the adverse conditions experienced in the first half year, the Group remained financially sound with cash and bank deposits of HK$189.3 million (31 December 2010: HK$277.5 million) as at 30 June 2011.

Business Review

Product Analysis

Plush stuffed toy segment

During the period, the plush stuffed toys business recorded turnover of HK$418.0 million, accounting for 90.7% of the Group's total turnover. Original Equipment Manufacturing ("OEM") remained the core business of the Group, representing 89.2% of plush stuffed toys' sales. For the OEM business, the Group continued its strategy of nurturing closer cooperation with existing customers, which are famous character owners and licensors. During the period, sales to Japanese customers dropped as a result of the earthquake though orders are expected to pick up gradually later this year. The Group is phasing out its licensing business in view of strong demand from the OEM business, as well as to improve profitability. Still, the Group was able to retain certain clients of the licensing business and will work with them on an OEM basis.

Original Design Manufacturing ("ODM") business accounted for 10.8% of plush stuffed toys' sales. The Group received a second order from a globally renowned Brazilian consumer brand to manufacture premium gifts for its promotion campaign; however, the Group was instructed by the client to delay shipment during the period. The Group has actively sought to finalize details with the client regarding the order, such as shipment date and order size.

Steel and plastic toy segment

The steel and plastic toy segment recorded sales of HK$42.9 million, accounting for 9.3% of the Group's total turnover. The lower sales contribution was indicative of unfavourable market sentiment in Japan and North America that led to a year-on-year segmental sales decline of 39.6%. In response to the slump, the Group improved the design and functionality of a new concept scooter that is now in the process of reaching the prototype stage. The scooter will subsequently be sent to several customers to test market response, and is expected to be launched by early next year in the US.

With regards to the China market, "Great" and "Far Great" branded products performed steadily during the first half year. The Group achieved a breakthrough in terms of penetrating the domestic market. An existing Japanese client started a new tricycle product line to tap the high-end China market and the Group was responsible for their manufacturing activities. Sales volume of such products grew steadily during the period.

The Group introduced ride-on products for the Tom and Jerry characters, targeting the China domestic market, which helped to diversify the Group's licensing business and revenue streams.

Market Analysis

For the six months ended 30 June 2011, Japan remained the largest market for the Group despite the earthquake in March, accounting for approximately 40.1% of total turnover. North America-traditionally a major toy market-was second, contributing 35.9% of the Group's total turnover. The European market accounted for approximately 21.3% of total turnover, while China took up 2.0%.

Operational Analysis

As at 30 June 2011, the Group operated seven plants in total, of which four were in China and three in Vietnam, running at an average utilization rate of about 70.0%. As the first half year is traditionally the low season for manufacturing, production is expected to pick up in the remaining six months. In response to lower sales as a result of the delayed shipment to a Brazilian customer compounded by the earthquake in Japan, less production was outsourced during the period.

Prospects

The financial uncertainties hovering over the US and Europe have weakened consumer sentiment in the respective regions, while the natural disaster that struck Japan also dampened demand-all of which are major toy markets. In addition, rising material and labor costs in China combined with gradual appreciation of the Renminbi have presented challenges for most toy manufacturers in the country. Despite such concerns, the Group still sees some factors that are favorable for its development in the near future.

As the market consolidates as a result of the difficult operating environment, a substantial number of toy manufacturers have left the industry over the past few years. Reduction in available capacity has been occurring at a much faster pace than the decrease in order volume from major toy markets. In addition, the Japan market is expected to recover gradually during this year, which will create opportunities for large-scale toy manufacturers such as Dream International Limited. To cope with changing market conditions, as well as enhance profitability, the Group will continue to employ a dual production strategy, using self-owned production plants in China and Vietnam for a majority of orders while employing subcontractors when flexibility is called for.

Seeking sustainable business growth, the Group further diversified its product mix by setting up a new product category to produce plastic figures. The new plastic figures business will serve as one of the Group's latest initiatives to boost revenue in coming years. Thus far, product testing has been started, while the manufacturing site has been identified and will be located in Hanoi, Vietnam. Construction of manufacturing facilities, with an initial capacity to generate annual turnover of US$20 million, will be completed by this year end. Total investment cost will amount to around US$6 million.

With aggressive growth strategies, a healthy financial position and strong competitive advantages in the industry, the Group remains cautiously optimistic about the second half year. The management will closely monitor the market and will seize opportunities as they emerge so as to maximize returns for shareholders.

Number and Remuneration of Employees

At 30 June 2011, the Group had 8,552 employees (31 December 2010: 10,278) in Hong Kong, Mainland China, South Korea, US, Japan and Vietnam. The Group values its human resources and recognises the importance of attracting and retaining quality staff for its continuing success. Staff bonuses and share options are awarded based on individual performance.

Liquidity and Financial Resources and Gearing

The Group continued to maintain a reasonable liquidity position. As at 30 June 2011, the Group had net current assets of HK$426.4 million (31 December 2010: HK$431.5 million). The Group's total cash and cash equivalents as at 30 June 2011 amounted to HK$164.4 million (31 December 2010: HK$261.5 million). The total borrowings of the Group as at 30 June 2011 amounted to HK$13.3 million (31 December 2010: HK$14.0 million).

The Group's gearing ratio, calculated on the basis of total bank borrowings over the total shareholders' equity, was 2.0% at 30 June 2011 which was similar to 2.1% at 31 December 2010.

The Group has decided to add a new product line in plastic action figure business for future growth. Around US$6 million of capital expenditure is expected for the establishment of a new factory in Hanoi, Vietnam in 2011 and it will be wholly financed by internal resource.

Pledge on Group Assets

Bank borrowings are secured on the Group's buildings, plant and machinery and land use rights with a net book value as at 30 June 2011 of HK$38.1 million (31 December 2010: HK$38.1 million).

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

During the six-month period ended 30 June 2011, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six-month period ended 30 June 2011, the Company has fully complied with the Code on Corporate Governance Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the SEHK.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules regarding the Model Code. Based on specific enquires of the Company's directors, the directors have complied with the required standard set out in Model Code.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2011 (30 June 2010: HK2 cents per ordinary share).

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters of the interim results for the six months ended 30 June 2011.

By order of the Board
Young M. LEE
Vice President

Hong Kong, 26 August 2011

The Directors of the Company as at the date of this announcement are as follows:

Executive Directors
Mr. Kyoo Yoon Choi *(Chairman)*
Mr. Young M. Lee
Mr. James Chuan Yung Wang
Mr. Hyun Ho Kim

Independent Non-Executive Directors
Professor Cheong Heon Yi
Professor Byong Hun Ahn
Mr. Tae Woong Kang