CHAMPION TECHNOLOGY HOLDINGS LIMITED

(Continued in Bermuda with limited liability)

Stock Code: 92

2010/2011 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Turnover was HK$3,125 million, up 4%
- Profit for the year was HK$95 million
- Adjusted EBITDA (excluding impairment) was HK$1,448 million, up 12%
- Profit attributable to owners of the Company was HK$57 million
- Earnings per share was HK1.15 cents

The board of directors (the "Board") of Champion Technology Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2011 with comparative figures for 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Turnover	*2*	**3,125,455**	3,011,768
Direct operating expenses		**(2,741,826)**	(2,564,306)
Gross profit		**383,629**	447,462
Other income		**13,199**	11,472
Distribution costs		**(42,590)**	(42,710)
General and administrative expenses		**(175,171)**	(185,515)
Impairment losses recognised for deposits and prepaid development costs		**(65,720)**	(85,800)
Research and development costs expensed		**(14,564)**	(16,856)
Finance costs		**(3,470)**	(3,902)
Profit before taxation		**95,313**	124,151
Taxation credit (charge)	*4*	**133**	(121)
Profit for the year		**95,446**	124,030
Other comprehensive (expense) income:			
Exchange difference arising on translation		**(2,134)**	5,001
Total comprehensive income for the year		**93,312**	129,031
Profit for the year attributable to:			
Owners of the Company		**56,763**	88,649
Non-controlling interests		**38,683**	35,381
		95,446	124,030

	Note	2011 HK$'000	2010 HK$'000
Total comprehensive income for the year attributable to:			
Owners of the Company		**55,561**	91,312
Non-controlling interests		**37,751**	37,719
		93,312	129,031
Earnings per share	6		
- Basic		**HK1.15 cents**	HK2.14 cents
- Diluted		**HK1.14 cents**	HK2.08 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**66,309**	58,848
Development costs for systems and networks		**3,203,621**	3,826,154
Goodwill		**36,795**	36,795
Intangible assets		**-**	590
Available-for-sale investments		**628,148**	628,148
Interest in an associate		**-**	-
Deposits and prepaid development costs		**3,843,105**	3,024,695
		7,777,978	7,575,230
Current assets			
Inventories		**25,568**	24,785
Trade and other receivables	7	**1,080,301**	1,088,788
Taxation recoverable		**10**	11
Deposits, bank balances and cash		**465,247**	278,611
		1,571,126	1,392,195
Current liabilities			
Trade and other payables	8	**103,388**	101,102
Warranty provision		**1,445**	1,142
Customers' deposits		**3,514**	3,509
Taxation payable		**-**	8
Bank borrowings - amount due within one year		**225,198**	199,183
Convertible bond		**64,341**	136,461
Overdrafts		**54,060**	37,370
		451,946	478,775
Net current assets		**1,119,180**	913,420
Total assets less current liabilities		**8,897,158**	8,488,650

	2011	2010
	HK$'000	*HK$'000*
Non-current liabilities		
Bank borrowings - amount due after one year	**-**	29,050
Retirement benefit obligations	**61,337**	61,786
Deferred taxation	**169**	281
	61,506	91,117
Net assets	**8,835,652**	8,397,533
Capital and reserves		
Share capital	**601,411**	406,842
Reserves	**6,780,821**	6,655,435
Equity attributable to owners of the Company	**7,382,232**	7,062,277
Non-controlling interests	**1,453,420**	1,335,256
	8,835,652	8,397,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. Basis of preparation and application of new and revised Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, and in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

In the current year, the Group has applied a number of amendments and interpretations issued by the HKICPA that are mandatorily effective for accounting periods beginning on 1 July 2010.

The application of those amendments and interpretations in the current year has had no material effect on the amounts reported in the consolidated financial statements and/or disclosures set out in the consolidated financial statements.

The Group has not early applied those new and revised standards and amendments that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new and revised standards and amendments will have no material impact on the results and financial position of the Group.

2. Turnover and segment information

(a) Turnover

Turnover represents the net amounts received and receivable for goods sold and services provided by the Group to outside customers, licensing fees and leasing income received and receivable, and distributions/dividends received and receivable from the Group's investments in e-commerce projects and strategic investments during the year.

The turnover of the Group comprises the following:

	2011	2010
	HK$'000	*HK$'000*
Sales of systems products	**1,900,613**	1,849,527
Rendering of services and software licensing	**1,090,742**	1,049,945
Leasing of systems products	**22,520**	22,247
Guaranteed distribution income	**-**	13,628
Dividend income	**111,580**	76,421
	3,125,455	3,011,768

(b) Segment information

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, that are regularly reviewed by the directors of the Company, for the purpose of allocating resources to segments and assessing their performance.

Three reportable segments under HKFRS 8 Operating Segments are identified as follows:

- Systems sales and licensing - includes income from sales of systems products, software licensing and customisation, and provision of related services
- Leasing of systems products - includes income from leasing of systems products
- Strategic investments - includes income from investments

The accounting policies of the reportable segments are the same as the Group's accounting policies described in the consolidated financial statements. Segment results represent the profit (loss) before taxation earned by each segment, excluding interest income, finance costs, unallocated income and expenses such as central administration costs and directors' salaries. This is the measure reported to the directors of the Company, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below:

	Systems sales and licensing	**Leasing of systems products**	**Strategic investments**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2011				
TURNOVER				
External and total revenue	**2,991,355**	**22,520**	**111,580**	**3,125,455**
RESULTS				
Segment result	**19,069**	**(268)**	**95,224**	**114,025**
Interest income				**6,404**
Finance costs				**(3,470)**
Unallocated expenses, net				**(21,646)**
Profit before taxation				**95,313**
Year ended 30 June 2010				
TURNOVER				
External and total revenue	2,899,472	22,247	90,049	3,011,768
RESULTS				
Segment result	84,154	864	66,532	151,550
Interest income				7,607
Finance costs				(3,902)
Unallocated expenses, net				(31,104)
Profit before taxation				124,151

	Systems sales and licensing *HK$'000*	Leasing of systems products *HK$'000*	Strategic investments *HK$'000*	Consolidated *HK$'000*
<u>Year ended 30 June 2011</u>				
Amounts included in the measure of segment profit or loss:				
Depreciation and amortisation	**1,282,097**	**944**	**-**	**1,283,041**
Impairment losses recognised for deposits and prepaid development costs	**65,720**	**-**	**-**	**65,720**
Gain on disposal of available-for-sale investments	**-**	**-**	**(109)**	**(109)**
Gain on disposal of property, plant and equipment	**(38)**	**-**	**-**	**(38)**
<u>Year ended 30 June 2010</u>				
Amounts included in the measure of segment profit or loss:				
Depreciation and amortisation	1,083,143	737	-	1,083,880
Impairment losses recognised for deposits and prepaid development costs	85,800	-	-	85,800
Gain on disposal of property, plant and equipment	(35)	-	-	(35)

No assets and liabilities are included in the measure of segment reporting as they are not regularly reviewed by the directors of the Company.

(c) Geographical information

The following table provides an analysis of the Group's revenue and non-current assets by location of customers and by location of assets respectively:

	Revenue		**Non-current assets**	
	Year ended 30 June		**At 30 June**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China (including Hong Kong and Macau)	**2,454,240**	2,331,832	**7,103,421**	6,909,780
Europe (mainly United Kingdom and Germany)	**474,474**	489,243	**43,955**	34,854
Others	**196,741**	190,693	**2,454**	2,448
	3,125,455	3,011,768	**7,149,830**	6,947,082

Note: Non-current assets exclude the Group's available-for-sale investments.

3. Depreciation and amortisation

	2011 ***HK$'000***	2010 *HK$'000*
Amortisation on:		
Development costs for systems and networks, included in direct operating expenses	**1,271,112**	1,071,804
Intangible assets, included in general and administrative expenses	**590**	2,360
Depreciation of property, plant and equipment, included in general and administrative expenses	**11,339**	9,716
Total depreciation and amortisation	**1,283,041**	1,083,880

4. Taxation (credit) charge

	2011	2010
	HK$'000	*HK$'000*
The (credit) charge comprises:		
Deferred taxation	**(133)**	121

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) on the estimated assessable profits derived from Hong Kong. No provision for taxation has been made as the Group's income neither arises in, nor is derived from Hong Kong. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The low effective tax rate is attributable to the fact that a substantial portion of the Group's profit neither arises in, nor is derived from, Hong Kong and is accordingly not subject to Hong Kong Profits Tax and such profit is either exempt from or not subject to taxation in any other jurisdictions.

5. Dividends

	2011	2010
	HK$'000	*HK$'000*
2011 final dividend proposed in scrip form equivalent to HK0.10 cent (2010: HK0.25 cents) per share, with a cash option	**6,014**	10,171
2011 interim dividend paid in scrip form equivalent to HK0.30 cents (2010: HK0.30 cents) per share, with a cash option	**17,774**	12,103
Special dividend by way of distribution in specie (Note)	**19,463**	-
	43,251	22,274

The proposed final dividend for 2011 is calculated on the basis of 6,014,110,442 shares (2010: 4,068,421,130 shares) in issue on 30 June 2011.

Note: On 28 March 2011, the directors declared a special dividend by way of distribution in specie of one share of DIGITALHONGKONG.COM ("Digital HK") for approximately every 527 shares of the Company held. A total of 11,250,000 shares with an aggregate market value of HK$19,463,000 were recognised as distribution during the year ended 30 June 2011.

6. Earnings per share

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

	2011	2010
	HK$'000	*HK$'000*
Earnings attributable to owners of the Company for the purpose of calculating basic earnings per share	**56,763**	88,649
Interest on convertible bond	**800**	1,365
Earnings for the purpose of calculating diluted earnings per share	**57,563**	90,014

	Number of shares *('000)*	
	2011	2010
Weighted average number of shares for the purpose of calculating basic earnings per share	**4,924,371**	4,150,016
Effect of dilutive potential ordinary shares:		
Convertible bond	**140,741**	182,952
Weighted average number of shares for the purpose of calculating diluted earnings per share	**5,065,112**	4,332,968

The weighted average number of shares and the effect of dilutive potential ordinary shares in respect of a convertible bond of the Company for the purpose of calculating the earnings per share have been adjusted on the assumption that the rights issue of the Company completed during the year ended 30 June 2011 on the basis of four rights shares for every nine existing shares held had been effective on 1 July 2009.

7. Trade and other receivables

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**843,421**	834,049
Advance to suppliers	**204,443**	217,230
Others	**32,437**	37,509
	1,080,301	1,088,788

The Group maintains a well-defined credit policy regarding its trade customers depending on their credit worthiness, nature of services and products, industry practice and condition of the market with credit period ranging from 30 days to 180 days. The advance to suppliers and other receivables are unsecured, non-interest bearing and refundable, which are expected to be realised in the next twelve months from the end of the reporting period.

The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	2011	**2010**
	HK$'000	*HK$'000*
0 - 60 days	**399,176**	385,660
61 - 90 days	**306,100**	272,073
91 - 180 days	**138,139**	173,994
> 180 days	**6**	2,322
	843,421	834,049

8. Trade and other payables

As at 30 June 2011, the balance of trade and other payables included trade payables of HK$21,372,000 (2010: HK$15,022,000). The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	2011	2010
	HK$'000	*HK$'000*
0 - 60 days	**11,801**	11,127
61 - 90 days	**522**	547
91 - 180 days	**7,464**	3,348
> 180 days	**1,585**	-
	21,372	15,022

The credit period for purchases of goods ranged from 30 days to 60 days.

Other payables mainly represent receipts in advance and accruals.

FINAL DIVIDEND AND SCRIP DIVIDEND SCHEME

Subject to the approval of shareholders at the forthcoming annual general meeting of the Company, the Board has proposed a final dividend of HK0.10 cent per share for the year ended 30 June 2011 (2010: HK0.25 cents per share) to shareholders whose names appear on the register of members of the Company on 9 December 2011. Taking into account the interim dividend of HK0.30 cents (2010: HK0.30 cents) per share paid on 11 May 2011, total dividend per share for the year would be HK0.40 cents (2010: HK0.55 cents); and together with the special dividend by way of distribution in specie of 11,250,000 shares of Digital HK to shareholders of the Company on 12 May 2011, total dividend for the year would be HK$43 million, compared with HK$22 million of last year.

The final dividend will be satisfied by allotment of new shares of the Company, credited as fully paid, by way of scrip dividend, with an alternative to the shareholders to elect to receive such dividend (or part thereof) in cash in lieu of such allotment (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme is subject to the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of a listing of and permission to deal in the shares to be issued pursuant thereto. A circular setting out the details of the Scrip Dividend Scheme together with the form of election will be sent to the shareholders of the Company as soon as practicable.

It is expected that certificates for shares to be issued under the Scrip Dividend Scheme and dividend warrants will be despatched to those entitled thereto on or before 17 January 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 8 December 2011 to 9 December 2011, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the above final dividend and the Scrip Dividend Scheme, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 7 December 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

The year under review was marked by the most challenging economic environment in decades, with the global economy in turmoil. The Euro Zone lurches from one debt crisis to another, while the world's largest economy - the United States - loses an AAA rating. Japan remains plagued by economic woes and political instability, and political unrest in the Middle East and North Africa continues to dampen investment sentiment across the globe. China, seen as a panacea to many of the world's economic ills, faces high inflation and a slowdown amid faltering growth in the main developed economies.

Uncertainties in the business climate continue to depress levels of public and private sector spending. Such market conditions have slowed the pace of growth of the Group, and continue to put pressure on profit margins. Prudent financial management enables the Group's fundamentals to remain positive.

Financial Results

For the year under review (the "Year"), the Group's turnover increased by 4 percent to HK$3,125 million from HK$3,012 million for the previous year (the "Previous Year"). Profit for the Year was HK$95 million and profit attributable to owners of the Company was HK$57 million as compared with HK$124 million and HK$89 million respectively for the Previous Year. Earnings per share for the Year was HK1.15 cents, compared with HK2.14 cents for the Previous Year. The Group's gross margin continued to be under pressure, declining to 12.3 percent from 14.9 percent for the Previous Year. The fall was exacerbated by increasing amortisation arising from the Group's continued investment in the development of advanced technology products. EBITDA increased by 14 percent to HK$1,382 million from HK$1,212 million for the Previous Year. In view of the less than optimistic outlook for the global economy, with the exception of China and a few emerging markets, the Group continued to adopt a prudent approach for its investment projects pending signs of recovery. During the Year, the Group had recognised impairment losses of HK$65.7 million (2010: HK$85.8 million) for deposits and prepaid development costs for systems and networks. Excluding the impairment losses, adjusted EBITDA for the Year was HK$1,448 million, compared with HK$1,298 million for the Previous Year.

The Group continued to review and exercise cost control measures. Distribution costs remained stable at HK$42.6 million (2010: HK$42.7 million), while general and administrative expenses dropped 6 percent to HK$175 million (2010: HK$186 million) and research and development costs expensed decreased by 14 percent to HK$14.6 million (2010: HK$16.9 million). Total staff costs included in cost of sales and general and administrative expenses remained stable at HK$131 million. As a result of a continuing roll-out of new systems and networks, depreciation and amortisation expenses rose 18 percent to HK$1,283 million (2010: HK$1,084 million).

Finance costs for the Year were HK$3.5 million, which were at about similar level as the Previous Year. The Group's financial position remains positive with low gearing.

Review of Operations

During the Year, China's economy remained robust. However, exports registered slower growth due to the fragile state of many western economies, which resulted in a cautious investment sentiment and contributed to a slower pace of market activities. The Group continued to focus on innovative communications and security solutions and services customised to achieve high reliability and high integrity. However, the interruption in the supply of key components and products sourced from Japan since March this year had adversely affected the Group's new product development, hence, restraining revenue growth.

The Group's strategic investment in In-Car telematics solutions, anti-radiation products to counteract radio transmission from mobile phones, as well as smart logistics solutions, continued. These investments were subject to periodic review to determine if progress was in line with the original plans and if the anticipated benefits could be achieved. Where required, impairment provisions at an appropriate level would be made.

Meanwhile, the Group's Homeland Security Division has been working with international partners to offer comprehensive customised solutions for integrated security systems ranging from access control, video monitoring, alarm processing, internal and external intruder detection, perimeter systems, communications network monitoring, to command control and communications. The Group's products had been exhibited at a number of trade shows and exhibitions in China, and its booths were well-attended and drew a lot of interest. In May this year, the Group participated in The 4th China (Beijing) International Exhibition and Symposium on Police Equipment and Anti Terrorism Technology and Equipment (第四屆中國（北京）國際警用裝備及反恐技術裝備展覽會暨學術研討會) organised by Beijing Municipal Public Security Bureau.

For the Year, China sales accounted for HK$2,454 million of the Group's turnover as compared with HK$2,332 million for the Previous Year.

In Europe, the global economic climate continued to influence the Group's trading position. The austerity measures adopted by governments across Europe had slowed spending and delayed project rollout. In particular, the Group's business in the United Kingdom ("UK") declined as its government embarked on the deepest spending cuts in a generation. The Group maintained its focus on emergency services, NHS (National Health Services) projects and fire control sectors, where some projects were either delayed, suffered from reduced budget, or were even scrapped. To alleviate the shortfall in the UK operation, the Group put more effort on other European markets where its innovative range of personal security products had been well received. Turnover of European operations was HK$474 million, compared with HK$489 million for the Previous Year.

Kantone Holdings Limited (“Kantone”)

Kantone’s turnover was HK$1,341 million, compared with HK$1,290 million for the Previous Year. Sales in China were in line with the country’s economic development. With Central Government’s support of the science and technology sector in general, sales and marketing activities for Kantone’s customised solutions and products continued. In Europe, fiscal tightening across the board posed great challenges to Kantone’s business operation. However, Kantone’s innovative range of personal security products and centralised messaging and building management solutions had helped to maintain business momentum. Additionally, such products and solutions enabled it to expand into new market sectors such as the care homes for the elderly and dementia patients.

For e-gaming and online entertainment, Kantone continued to provide integrated gaming technology solutions, online payment channels and sales networks, with revenue steadily increasing. In line with new legislation and provisions governing the operation of lottery on Mainland China, Kantone adjusted its business model accordingly. Investments in the e-lottery project were subject to periodic review to determine if progress was in line with original plans, and if the anticipated benefits could be achieved.

Digital HK

Digital HK recorded a loss of HK$2,565,000 on turnover of HK$3,124,000 for the Year, compared with a loss of HK$2,478,000 on turnover of HK$3,058,000 in the Previous Year. Digital HK continues to seek collaboration partners to provide more innovative business solutions. Its board of directors will also conduct a detailed review of its operations with a view to developing a corporate strategy to broaden its income stream.

OUTLOOK

Global markets are likely to remain nervous and unsettled over the continuing debt crises in Europe and the slowdown in the United States. China, including Hong Kong, has adopted tightening credit policies and fiscal measures in efforts to combat inflation, giving rise to the prospect of further cooling measures which may slowdown the overall economy. The tragedy in Japan in March this year fuelled further uncertainties about global recovery, while continuing unrest in the Middle East and North Africa, and the ensuing speculation over oil prices are also market concerns that dampen investment sentiment across the globe. Under such conditions the Group will continue its prudent approach in forward planning and financial management.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position and Gearing

The Group’s financial position remained positive with a low gearing.

As at 30 June 2011, the Group had HK$465 million made up of deposits, bank balances and cash. Current assets were approximately HK$1,571 million (2010: HK$1,392 million) and current liabilities amounted to approximately HK$452 million (2010: HK$479 million). With net current assets of HK$1,119 million (2010: HK$913 million), the Group maintained a high level of financial liquidity. The gearing ratio of the Group, which calculation was based on the Group’s total borrowings of HK$344 million (2010: HK$402 million) and equity attributable to owners of the Company of HK$7,382 million (2010: HK$7,062 million), was 0.047 (2010: 0.057).

Total borrowings mainly comprised bank loans of HK$225 million (2010: HK$228 million), overdrafts of HK$54 million (2010: HK$37 million) and a convertible redeemable bond ("Convertible Bond") in the principal amount of HK$64 million (2010: HK$136 million). The outstanding principal amount of the Convertible Bond together with the interest were fully repaid on 19 September 2011.

As at 30 June 2011, all the bank loans are either repayable on demand or within one year (2010: HK$199 million repayable within one year, HK$4 million repayable in the second year and HK$25 million repayable in the third year). As at 30 June 2011, bank loans of HK$26.7 million repayable on demand according to the terms of the loan facilities were classified as current liabilities. Bank loans of HK$31 million (2010: HK$33 million) were secured by the Group's land and buildings with a carrying value of HK$8.5 million (2010: HK$7.9 million). The overdrafts are repayable on demand.

In January 2011, the Company issued 1,808,187,168 rights shares of HK$0.1 each at the subscription price of HK$0.15 per rights share on the basis of four rights shares for every nine existing shares held. The Company raised HK$192 million (net of expenses) for general working capital of the Group.

In April 2011, Kantone issued 2,121,658,738 rights shares of HK$0.1 each at a subscription price of HK$0.1 per rights share on the basis of two rights shares for every five Kantone's existing shares held. Kantone raised HK$208 million (net of expenses) for general working capital of the Kantone Group.

Treasury Policy

The Group is committed to financial prudence and maintains a positive financial position with low gearing. The Group finances its operation and business development by a combination of internally generated resources, capital markets instruments and banking facilities.

Other than the Convertible Bond, all the borrowings were used by subsidiaries of the Company bearing interest at floating rates. As all the Group's borrowings were denominated in their local currencies, the currency risk exposure associated with them was insignificant.

The Group does not engage in any speculative derivatives or structured product transactions, interest rate or foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expense, and where exposure to foreign exchange is anticipated, appropriate hedging instruments will be used.

Capital Commitments

As at 30 June 2011, the Group's capital commitments authorised but not contracted for was approximately HK$203 million (2010: HK$208 million) and its capital commitments contracted but not provided for was approximately HK$82 million (2010: Nil). These commitments are set aside for the acquisition of property, plant and equipment, and development of systems and networks.

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

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

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company complied with the code provisions in the Code on Corporate Governance Practices set out in Appendix 14 of the Rules Governing the Listing of Securities on the Exchange during the Year.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters and the above annual results.

By Order of the Board
Paul KAN Man Lok
Chairman

Hong Kong, 30 September 2011

As at the date of this announcement, the executive directors of the Company are Dr Paul Kan Man Lok, Mr Leo Kan Kin Leung and Mr Lai Yat Kwong; the non-executive director is Ms Shirley Ha Suk Ling; and the independent non-executive directors are Mr Terry John Miller, Mr Francis Gilbert Knight, Mr Frank Bleackley and Mr Lee Chi Wah.