BEIJING YU SHENG TANG PHARMACEUTICAL GROUP LIMITED
北京御生堂藥業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The Board of Directors (the "Board") of Beijing Yu Sheng Tang Pharmaceutical Group Limited (the "Company") hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2011 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

		Six months ended 30 September	
		2011	2010
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	4	**775,758**	406,077
Cost of sales		**(751,685)**	(398,327)
Gross profit		**24,073**	7,750
Net loss on investments at fair value through profit or loss	5	**(244,197)**	(67,642)
Other income and gains		**7,354**	2,174
Selling and distribution costs		**(1,930)**	(732)
Administrative expenses		**(19,225)**	(16,075)
Finance costs		**(9,930)**	(9,362)
Loss before taxation	5	**(243,855)**	(83,887)
Taxation	6	**4,639**	855
Loss for the period		**(239,216)**	(83,032)

	Notes	Six months ended 30 September **2011** ***HK$'000*** **(Unaudited)**	2010 *HK$'000* (Unaudited)
Other comprehensive income			
Exchange differences on translating foreign operations		**2,615**	1,938
Other comprehensive income for the period, net of tax		**2,615**	1,938
Total comprehensive expense for the period		**(236,601)**	(81,094)
Loss for the period attributable to:			
Owners of the Company	7	**(238,427)**	(82,979)
Non-controlling interests		**(789)**	(53)
		(239,216)	(83,032)
Total comprehensive expense attributable to:			
Owners of the Company		**(235,782)**	(81,047)
Non-controlling interests		**(819)**	(47)
		(236,601)	(81,094)
Loss per share attributable to owners of the Company	7		
Basic and diluted (HK cents per share)		**(5.79)**	(3.22)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	Notes	**As at 30 September 2011** *HK$'000* **(Unaudited)**	As at 31 March 2011 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**38,558**	37,354
Prepaid lease payments		**33,302**	32,870
Other deposits		**2,238**	2,187
Intangible asset		**156,160**	152,320
Goodwill		**9,935**	9,935
Total non-current assets		**240,193**	234,666
Current assets			
Inventories		**15,145**	14,179
Accounts and bills receivable	9	**407,802**	300,542
Prepayments, deposits and other receivables		**19,221**	62,540
Loans receivable		**26,440**	20,000
Investments at fair value through profit or loss		**496,032**	487,676
Pledged bank deposits		**26,399**	248,028
Cash and bank balances		**444,695**	509,938
Total current assets		**1,435,734**	1,642,903
Current liabilities			
Accounts and bills payable	10	**128,452**	218,680
Other payables and accruals		**183,208**	143,950
Tax payable		**478**	447
Bank advances for discounted bills	9	**274,691**	–
Bank loans		**32,300**	35,672
Total current liabilities		**619,129**	398,749
Net current assets		**816,605**	1,244,154
Total assets less current liabilities		**1,056,798**	1,478,820

	Notes	As at 30 September 2011 HK$'000 (Unaudited)	As at 31 March 2011 HK$'000 (Audited)
Non-current liabilities			
Convertible notes	11	**–**	161,347
Deferred tax liabilities		**16,383**	20,648
Total non-current liabilities		**16,383**	181,995
Net assets		**1,040,415**	1,296,825
Capital and reserves			
Share capital		**41,185**	41,185
Reserves		**1,000,783**	1,256,374
Equity attributable to owners of the Company		**1,041,968**	1,297,559
Non-controlling interests		**(1,553)**	(734)
Total equity		**1,040,415**	1,296,825

Notes:

1. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 September 2011 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities, which are carried at fair values. The condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Audit Committee.

2. Significant accounting policies

The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2011 except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA as discussed below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 April 2011.

The applicable new and revised HKFRSs adopted in the condensed consolidated interim financial statements are set out below:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (As revised in 2009)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new and revised HKFRSs has had no material effect on the preparation and presentation of the results and financial positions of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[1]
HKAS 19 (As revised in 2011)	Employee Benefits[3]
HKAS 27 (As revised in 2011)	Separate Financial Statements[3]
HKAS 28 (As revised in 2011)	Investments in Associates and Joint Ventures[3]
HK (IFRIC) – INT 20	Stripping Costs in The Production Phase of a Surface Mine[3]
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosure of Interest in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]

[1] Effective for annual periods beginning on or after 1 January 2012.

[2] Effective for annual periods beginning on or after 1 July 2011.

[3] Effective for annual periods beginning on or after 1 January 2013.

[4] Effective for annual periods beginning on or after 1 July 2012.

The Group is in the process of making an assessment of the impact of the above HKFRSs upon initial application but is not yet in a position to state whether the above HKFRSs would have a significant impact on the Group's and the Company's results of operations and financial position.

3. Segment information

In a manner consistent with the way in which information is reported internally to the chief operating decision maker for the purpose of resources allocation and performance assessment, the Group is currently organised into the following operating segments.

- the supply and procurement segment represents supply and procurement activities in metal minerals and recyclable metal materials;

- the pharmaceutical segment represents production and sale of Chinese medicine;

- the provision of finance segment represents provision of short-term loan financing activities; and

- the securities investment segment represents investment activities in equity securities and equity-linked notes.

The following is an analysis of the Group's revenue and results by reportable segments:

	Six months ended 30 September 2011 (Unaudited)				
	Supply and procurement	**Pharmaceutical**	**Provision of finance**	**Securities investment**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Segment revenue					
Sales to external customers	**747,427**	**11,452**	**1,784**	**15,095**	**775,758**
Segment results	**3,275**	**(6,261)**	**1,698**	**(229,101)**	**(230,389)**
Interest income and unallocated revenue and gains					**3,161**
Unallocated expenses					**(6,697)**
Finance costs					**(9,930)**
Loss before taxation					**(243,855)**
Taxation					**4,639**
Loss for the period					**(239,216)**

	Six months ended 30 September 2010 (Unaudited)				
	Supply and procurement	Pharmaceutical	Provision of finance	Securities investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue					
Sales to external customers	400,629	2,788	1,502	1,158	406,077
Segment results	2,710	(4,252)	1,443	(66,483)	(66,582)
Interest income and unallocated revenue and gains					739
Unallocated expenses					(8,682)
Finance costs					(9,362)
Loss before taxation					(83,887)
Taxation					855
Loss for the period					(83,032)

4. **Revenue**

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, interest income from provision of finance and dividend income from investments in listed equity securities during the period.

5. **Loss before taxation**

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The Group's loss before taxation is arrived at after charging:		
Staff costs including directors' remuneration	**5,260**	4,805
Retirement benefits schemes contributions	**404**	258
Total staff costs	**5,664**	5,063
Cost of inventories sold	**704,583**	395,646
Depreciation of property, plant and equipment	**1,218**	1,263
and after crediting:		
Bank interest income	**799**	780
Other interest income	**14**	1
Rental income	**90**	90
Exchange gains	**226**	149
Compensation received	**3,120**	–
Gain on repurchase of convertible notes	**2,159**	–
Other income	**946**	1,154
Net loss on investments at fair value through profit or loss:		
Net realised loss on investments in listed equity securities	**14,695**	9,096
Unrealised loss on investments in listed equity securities	**229,502**	58,546
Net loss on investments at fair value through profit or loss	**244,197**	67,642

6. Taxation

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current – Hong Kong		
Charge for the period	**80**	83
Over provision in prior period	**(50)**	–
	30	83
Deferred tax		
Charge for the period	**(4,669)**	(938)
	(4,639)	(855)

Hong Kong Profits Tax for the six months ended 30 September 2011 and 2010 was calculated at 16.5% of the estimated assessable profit for the period.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. Loss per share attributable to owners of the Company

The calculation of basic loss per share is based on the unaudited net loss for the period attributable to owners of the Company for the six months ended 30 September 2011 of HK$238,427,000 (six months ended 30 September 2010: HK$82,979,000) and the weighted average of 4,118,479,760 (six months ended 30 September 2010: 2,580,069,924) ordinary shares in issue during the period.

Basic and diluted loss per share for the six months ended 30 September 2011 and 2010 have been presented as equal because conversion of convertible notes and exercise of share options would decrease the loss per share, therefore, anti-dilutive.

8. Dividends

No dividends were declared during the six months ended 30 September 2011 (six months ended 30 September 2010: nil).

9. Accounts and bills receivable

	As at 30 September 2011	As at 31 March 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Accounts receivable	**124,530**	10,822
Bills receivable	**283,272**	289,720
	407,802	300,542

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Accounts and bills receivable are non-interest bearing. The carrying amounts of the accounts and bills receivable approximate to their fair values.

An aged analysis of the accounts and bills receivable at the end of the reporting period, based on invoice date, and net of impairment, is as follows:

	As at 30 September 2011	As at 31 March 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**362,985**	141,675
31 to 60 days	**1,961**	23,784
61 to 90 days	**36,285**	130,025
91 to 180 days	**1,855**	4,125
Over 180 days	**4,716**	933
Total	**407,802**	300,542

A subsidiary of the Group discounted bills receivable amounting to approximately HK$274,691,000 (31 March 2011: nil) to banks in exchange for cash as at 30 September 2011. The transactions have been accounted for as collateralised bank advances.

10. Accounts and bills payable

An aged analysis of the accounts and bills payable at the end of the reporting period, based on invoice date, is as follows:

	As at 30 September 2011 ***HK$'000*** **(Unaudited)**	As at 31 March 2011 *HK$'000* (Audited)
Within 30 days	**123,733**	84,101
31 to 60 days	**–**	867
61 to 90 days	**–**	126,543
91 to 180 days	**991**	2,579
Over 180 days	**3,728**	4,590
Total	**128,452**	218,680

The accounts and bills payable are non-interest bearing and are normally settled on 60 days term. As at 30 September 2011, the Group had bills payable of approximately HK$10,162,000 (31 March 2011: HK$216,284,000), which were ranged from within 30 days to over 180 days.

11. Convertible notes

	As at 30 September 2011 ***HK$'000*** **(Unaudited)**	As at 31 March 2011 *HK$'000* (Audited)
Convertible Notes 2010 (as defined below) – classified as non-current liabilities	**–**	161,347

Notes:

On 8 January 2010, the Company entered into a placing agreement with Kingston Securities Limited ("Kingston"), pursuant to which Kingston agreed, amongst other things, to procure on a best effort basis, placees to subscribe in cash of the Company's convertible notes (the "Convertible Notes 2010") with principal amount up to HK$244,900,000 at an initial conversion price of HK$0.62 per share. The Convertible Notes 2010 will be due on 27 January 2013 and is interest-bearing at 1% per annum. On 28 January 2010, the Convertible Notes 2010 in the aggregate principal amount of HK$244,900,000 were issued to not less than six placees.

On 29 January 2010, three placees converted the Convertible Notes 2010 of an aggregate principal amount of HK$55,800,000, which resulted in a total number of 90,000,000 shares of HK$0.01 each being issued by the Company.

During the year ended 31 March 2011, there were neither conversion nor redemption of the Convertible Notes 2010 and the outstanding principal amount of the Convertible Notes 2010 was remained at HK$189,100,000 as at 31 March 2011.

The fair value of the liability component of the Convertible Notes 2010 was estimated at their respective issuance dates using an equivalent market interest rate for a similar note without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The effective interest rate of the liability component range is 10.43%.

During the six months ended 30 September 2011, there was no conversion of the Convertible Notes 2010 and the Group repurchased all of the outstanding Convertible Notes 2010 in the aggregate principal amount of HK$189,100,000 (the "Repurchased Notes") at a consideration of HK$187,209,000 on 23 September 2011, which represented a discount of 1% on the aggregate principal amount of the Repurchased Notes. The holders of the Repurchased Notes also agreed that the accrued interests of the Repurchased Notes in the amount of approximately HK$1,233,000 calculated up to the date of repurchase of the Repurchased Notes be waived. The consideration paid was first allocated to the liability component with the residual of approximately HK$19,809,000 being assigned to the repurchase of the equity component. A gain on repurchase of convertible notes of approximately HK$2,159,000 was recognized in the profit or loss. There were no outstanding Convertible Notes 2010 as at 30 September 2011.

The movement of the liability component of the convertible notes for the period is set out below:

	As at 30 September 2011 *HK$'000* **(Unaudited)**	As at 31 March 2011 *HK$'000* (Audited)
Liability component at the beginning of the period/year	**161,347**	147,882
Interest expenses for the period/year	**7,890**	15,356
Interest paid	**(912)**	(1,891)
Repurchase of convertible notes	**(168,325)**	–
Liability component at the end of the period/year	**–**	161,347

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2011 (six months ended 30 September 2010: nil).

BUSINESS REVIEW

For the six months ended 30 September 2011, the Group continued to register growth of its revenue and gross profit primarily as a result of the management's continuous efforts in developing the business of the Group. The Group reported revenue of HK$775,758,000, representing a growth of 91% from the previous period (30 September 2010: HK$406,077,000), and gross profit of HK$24,073,000, showing a 2.1 times increase over the previous period (30 September 2010: HK$7,750,000). The significant increase in the Group's revenue was mainly contributed by the growth of the Group's supply and procurement business, whereas the rise of the Group's gross profit was primarily attributed to the increase in dividend income from the Group's listed equity investments.

During the period under review, the Group's supply and procurement division continued to focus on the sourcing, transporting and supplying of metal minerals. When compared to the previous period, the division continued to achieve encouraging business results by reporting an 87% increase in revenue to HK$747,427,000 (30 September 2010: HK$400,629,000) and a 21% increase in operating profit to HK$3,275,000 (30 September 2010: HK$2,710,000). The increase in the division's revenue was mainly attributed to the strong demand of the division's steel mill customers in Mainland China during the first half of the financial year. Nevertheless, the division's operating profit grew at a much lesser rate mainly because a loss of approximately HK$8 million was incurred by the division due to the deviation of minerals content of a shipment of metal minerals transacted during the period. The Group has already initiated an arbitration claim against the supplier of that shipment, owing to uncertainty of the outcome of the arbitration, the compensation recoverable from the supplier has not been recognised in the Group's financial statements. During the previous period a claim of similar nature of approximately HK$5 million was made against another supplier, a large part of such claim was recovered during the current period and partly offset the effect of the HK$8 million loss mentioned. Owing to the series of financial tightening measures that have been imposed by the Chinese government on the property sector of the economy, the metal minerals market in the Mainland has been very volatile and there are signs that the demand of various metal minerals has slowed down which may affect the division's performance in the remainder of the financial year.

The Group continued to develop its pharmaceutical business that was acquired in early 2010. For the review period, the division reported revenue of HK$11,452,000 which represented an increase of 3.1 times over the previous period (30 September 2010: HK$2,788,000). The revenue of the division mainly comprised product sales of Jinhua Qinggan, which is a Chinese medicine for healing patients who have been infected with Influenza A (H1N1) and other types of influenza. Currently, Jinhua Qinggan is selling as a prescription drug to designated medical institutions in Beijing. The Group is in the process of applying for a new drug certificate for Jinhua Qinggan from the relevant authorities in the Mainland, whereupon the issuance of such certificate, the Group will be able to market Jinhua Qinggan as a non-prescription drug to the general public. The Group is still awaiting for the results of such application. For the review period, the division incurred operating loss of HK$6,261,000 (30 September 2010: HK$4,252,000) primarily due to the reasons that the sales volume of Jinhua Qinggan has not yet reached a scale that can cover operating costs of the division, in particular the high start-up costs in its early stage of operation.

The financing division continued to provide a stable income source to the Group for the period under review. When compared with the previous period, the interest income and operating profit generated by the financing division were up by 19% to HK$1,784,000 (30 September 2010: HK$1,502,000) and 18% to HK$1,698,000 (30 September 2010: HK$1,443,000). Such increases were mainly due to the higher average amount of loans advanced to customers over the previous period. The loan portfolio held by the Group amounted to HK$26,440,000 (31 March 2011: HK$20,000,000) at the period end.

The Group's securities investment division recorded revenue of HK$15,095,000 (30 September 2010: HK$1,158,000) representing mainly dividend from equity securities investments received during the period. As a whole, the division reported a loss of HK$229,101,000 (30 September 2010: HK$66,483,000) primarily as a result of the loss incurred from investing in Hong Kong listed equity securities, and that loss incurred comprised mainly unrealised holding loss of HK$229,502,000 (30 September 2010: HK$58,546,000) for listed equity securities measured at fair values at the period end date. During the review period, the Hong Kong stock market was very volatile largely caused by the continuance of the sovereign debts crises in Europe, the fear that the United States economy would go into a "double-dip" recession and the financial tightening measures imposed by the Chinese government on the banking and property sector of the economy. Investor confidence and market sentiments were weak for most part of the period and pressed down prices of listed securities invested by the Group. The Group's securities portfolio at the period end comprised mainly listed equity securities in conglomerate company, infrastructure company, property company, mining and resources company, industrial materials company, consumer goods retail company, healthcare services company, agricultural machinery company and financial services company. At the period end, the Group's securities portfolio was valued at HK$496,032,000 (31 March 2011: HK$487,676,000). The management expects that the division will perform better when investor confidence and positive market sentiments are restored in the stock markets.

For the period ended 30 September 2011, the Group recorded loss attributable to owners of the Company of HK$238,427,000 (30 September 2010: HK$82,979,000) and basic loss per share of HK5.79 cents (30 September 2010: HK3.22 cents). The overall loss incurred by the Group was mainly attributed to the loss incurred by the Group's securities investment division during the period.

FINANCIAL REVIEW

At 30 September 2011, the Group had current assets of HK$1,435,734,000 (31 March 2011: HK$1,642,903,000) and liquid assets comprising cash and short-term securities investment of HK$940,727,000 (31 March 2011: HK$997,614,000) (excluding pledged bank deposits for trade facilities granted by banks). The Group's current ratio, calculated based on current assets of HK$1,435,734,000 (31 March 2011: HK$1,642,903,000) over current liabilities of HK$619,129,000 (31 March 2011: HK$398,749,000), was at a strong ratio of 2.3 at the period end (31 March 2011: 4.1).

The Group's finance costs for the current period included a notional interest on convertible notes of HK$7,890,000 (30 September 2010: HK$7,525,000) calculated in accordance with the Group's accounting policy on financial instruments, such notional interest required no cash outlay whereas interest requiring cash settlement amounted to HK$912,000 for the period (30 September 2010: HK$948,000). As announced by the Company on 23 September 2011, the Company repurchased all outstanding convertibles notes in the aggregate principal amount of HK$189,100,000 at the price of HK$187,209,000, representing a discount of 1% on the aggregate principal amount of such notes. The net gain on repurchase of the convertible notes amounted to HK$2,159,000.

At the period end, equity attributable to owners of the Company amounting to HK$1,041,968,000 (31 March 2011: HK$1,297,559,000) and is equivalent to an attributable amount of HK$0.25 (31 March 2011: HK$0.32) per share of the Company.

At the period end, the Group's indebtedness comprised of bank advances for discounted bills and bank loans totalling HK$306,991,000 (31 March 2011: HK$197,019,000 (including fair value of convertible notes)). The Group's gearing ratio, calculated on the basis of total indebtedness divided by total indebtedness and equity attributable to the Company's owners, was at a moderate ratio of 23% at the period end (31 March 2011: 13%). All bank loans were repayable within one year, denominated in Renminbi and bore interest at floating rates.

With the amount of liquid assets on hand as well as credit facilities granted by banks, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

PROSPECTS

In light of the uncertainties and challenges face by the world major economies and investment markets, the Group will continue to manage its businesses in a prudent manner for the remainder of the financial year. In light of new investments, the Group will continue with its cautious approach in identifying new investment opportunities with the view to create new value and a stable prospect to shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company had adopted the principles and complied with all the applicable provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2011 except for the following deviations:

Code Provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

The Independent Non-executive Directors of the Company are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in bye-law 87 of the Company's Bye-laws which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the CG Code.

Code Provision E.1.2

Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting of the Company.

Deviation

The Chairman of the Board, Mr. Suen Cho Hung, Paul, was unable to attend the annual general meeting of the Company held on 26 August 2011 as he had other important business engagement. However, Mr. Sue Ka Lok, an Executive Director and the Chief Executive Officer of the Company, had chaired the meeting in accordance with bye-law 63 of the Company's Bye-laws.

AUDIT COMMITTEE

The condensed consolidated interim financial statements of the Company for the six months ended 30 September 2011 have not been audited, but have been reviewed by the Audit Committee.

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

During the six months ended 30 September 2011, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 28 November 2011

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Mr. Bai Jianjiang and Ms. Lee Chun Yeung, Catherine as Executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang and Mr. Lu Xinsheng as Independent Non-executive Directors.

* *For identification purpose only*