DAIDO

DAIDO GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00544)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

The board of directors (the ''Board'') of Daido Group Limited (the ''Company'') is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the ''Group'') for the six months ended 30th June, 2011, together with the comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

	NOTES	**Six months ended 30.6.2011** ***HK$'000*** **(unaudited)**	Six months ended 30.6.2010 *HK$'000* (unaudited)
Revenue	*3*	**83,728**	82,719
Direct costs		**(75,136)**	(72,214)
Gross profit		**8,592**	10,505
Other income	*4*	**3,687**	2,987
Other gains and losses	*5*	**67**	2,036
Selling and distribution expenses		**(2,272)**	(2,063)
Administrative expenses		**(11,700)**	(10,095)
Other operating expenses		**(4,973)**	-
Finance costs	*6*	**(3,539)**	(3,534)
Loss before tax	*7*	**(10,138)**	(164)
Tax (charge) credit	*8*	**(27)**	53
Loss for the period and total comprehensive loss for the period attributable to owners of the Company		**(10,165)**	(111)
Loss per share - basic and diluted	*10*	**HK(0.93) cent**	HK(0.01) cent

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30TH JUNE, 2011

	NOTES	**30.6.2011** *HK$'000* **(unaudited)**	31.12.2010 *HK$'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**18,934**	20,689
Goodwill		**8,836**	8,513
Available-for-sale investments		**88,920**	88,920
Financial assets fair value through profit or loss		**7,390**	7,767
Loans to an investee		**66,107**	63,412
Prepayment for acquisition of property, plant and equipment		**-**	70
Rental deposits paid		**18,804**	16,352
Pledged bank deposits		**78,717**	68,906
		287,708	274,629
CURRENT ASSETS			
Trade and other receivables	*11*	**60,756**	41,528
Investments held-for-trading		**770**	-
Bank balances and cash		**176,339**	153,561
		237,865	195,089
Assets classified as held for sale	*12*	**-**	19,500
		237,865	214,589
CURRENT LIABILITIES			
Trade and other payables	*13*	**20,283**	23,254
Tax payable		**7**	39
Obligations under finance leases		**154**	148
Convertible bonds		**24,040**	23,096
Promissory notes		**4,934**	4,762
		49,418	51,299
NET CURRENT ASSETS		**188,447**	163,290
TOTAL ASSETS LESS CURRENT LIABILITIES		**476,155**	437,919
CAPITAL AND RESERVES			
Share capital		**11,995**	9,996
Share premium and reserves		**409,042**	375,126
Equity attributable to owners of the Company		**421,037**	385,122
Non-controlling interest		**9,821**	8,120
		430,858	393,242

	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
NON-CURRENT LIABILITIES		
Obligations under finance leases	**393**	471
Amount due to a non-controlling shareholder of a subsidiary	**24,594**	24,594
Promissory notes	**19,982**	19,284
Deferred tax liabilities	**328**	328
	45,297	44,677
	476,155	437,919

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules) and with Hong Kong Accounting Standard 34 (HKAS 34), Interim Financial Reporting.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2010.

In the current interim period, the Group has applied, for the first time, the following new or revised standards and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

- *Improvements to HKFRSs* issued in 2010
- HKAS 24 (as revised in 2009) *Related Party Disclosure*
- Amendments to HKAS 32 *Classification of Rights Issues*
- Amendments to HK(IFRIC) - Int 14 *Prepayments of a Minimum Funding Requirement*
- HK(IFRIC) - Int 19 *Extinguishing Financial Liabilities with Equity Instruments*

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective.

The directors of the Company anticipate that the application of these new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment:

	Six months ended 30.6.2011 *HK$'000* **(unaudited)**	Six months ended 30.6.2010 *HK$'000* (unaudited)
Revenue for cold storage and related services	**83,728**	82,719
Segment result for cold storage and related services	**606**	3,335
Unallocated other income	**3,589**	2,903
Change in fair value of investment properties	**500**	1,800
Fair value loss on financial assets at fair value through profit or loss	**(377)**	-
Fair value loss on investments held-for-trading	**(111)**	-
Central administration expenses	**(5,833)**	(4,668)
Other operating expenses	**(4,973)**	-
Finance costs	**(3,539)**	(3,534)
Loss before tax	**(10,138)**	(164)

Segment result represents the profit earned or loss incurred by cold storage and related services without allocation of interest income, certain sundry income, change in fair value or gain on disposal of investment properties, fair value loss on financial instruments, central administration and other operating expenses and finance costs. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and assessment of segment performance.

4. OTHER INCOME

	Six months ended 30.6.2011 *HK$'000* **(unaudited)**	Six months ended 30.6.2010 *HK$'000* (unaudited)
Bank interest income	**567**	450
Imputed interest income from loans to an investee	**2,695**	2,289
Sundry income	**425**	248
	3,687	2,987

5. OTHER GAINS AND LOSSES

	Six months ended 30.6.2011 *HK$'000* **(unaudited)**	Six months ended 30.6.2010 *HK$'000* (unaudited)
Change in fair value of investment properties	**500**	1,800
Gain on disposal of property, plant and equipment	**55**	236
Fair value loss on financial assets at fair value through profit or loss	**(377)**	-
Fair value loss on investments held-for-trading	**(111)**	-
	67	2,036

6. FINANCE COSTS

	Six months ended 30.6.2011 *HK$'000* **(unaudited)**	Six months ended 30.6.2010 *HK$'000* (unaudited)
Interest on obligations under finance leases	**24**	7
Imputed interest expense on amount due to a non-controlling shareholder of a subsidiary	**1,701**	1,674
Imputed interest expense on convertible bonds	**944**	871
Imputed interest expense on promissory notes	**870**	982
	3,539	3,534

7. LOSS BEFORE TAX

	Six months ended 30.6.2011 *HK$'000* **(unaudited)**	Six months ended 30.6.2010 *HK$'000* (unaudited)
Loss before tax for the period has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	**3,039**	3,118
Other operating expenses [(Note)]	**4,973**	-

Note: The amount mainly represents pre-operating expenses including rental expenses and staff cost incurred in the development of karaoke business in the People's Republic of China ("PRC").

8. TAX (CHARGE) CREDIT

	Six months ended 30.6.2011 *HK$'000* (unaudited)	Six months ended 30.6.2010 *HK$'000* (unaudited)
The tax (charge) credit comprises:		
Hong Kong Profits Tax		
Overprovision in prior period	**-**	25
PRC Enterprise Income Tax	**(27)**	-
Deferred tax		
Current period	**-**	28
	(27)	53

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the period.

The PRC Enterprise Income Tax is calculated at the applicable tax rate of 25% for the period.

9. DIVIDEND

No dividends were paid, declared or proposed during the reporting period. The directors do not recommend the payment of an interim dividend for the six months ended 30th June, 2011 and 30th June, 2010.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30.6.2011 *HK$'000* (unaudited)	Six months ended 30.6.2010 *HK$'000* (unaudited)
Loss for the purposes of basic and diluted loss per share	**(10,165)**	(111)
	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,092,381**	999,600

The weighted average number of ordinary shares for the six months ended 30th June, 2011 has been adjusted for share issue.

The computation of diluted loss per share for both periods do not assume the conversion of convertible bonds since it will result in a decrease in loss per share.

11. TRADE AND OTHER RECEIVABLES

Except for certain customers who are allowed 30 to 60 days credit period, no credit period is allowed by the Group in respect of provision of cold storage and related services.

Included in trade and other receivables are trade receivables, net of allowance for doubtful debts, of HK$34,286,000 (31.12.2010: HK$33,521,000) and amount due from non-controlling shareholder of a subsidiary of HK$18,243,000 (31.12.2010: HK$2,368,000). The amount due from non-controlling shareholder of a subsidiary represents funds held for arrangement of financing to another subsidiary, which is unsecured, interest-free and repayable on demand.

The aged analysis of trade receivables by invoice dates are as follows:

	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 - 30 days	**13,684**	15,276
31 - 60 days	**10,950**	11,936
61 - 90 days	**5,804**	6,299
91 - 120 days	**3,848**	7
More than 120 days	**-**	3
	34,286	33,521

12. ASSETS CLASSIFIED AS HELD FOR SALE

In February 2010, the Group entered into a sale and purchase agreement to dispose of its entire interest in a subsidiary of which major assets are the investment properties with carrying amount of HK$19,500,000 as at 31st December, 2010 at the consideration of HK$20,000,000 (subject to adjustment).

In February 2011, the Group entered into a supplemental agreement to dispose only the investment properties of the subsidiary at a consideration of HK$20,000,000. The transaction was completed on 31st May, 2011.

13. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$4,750,000 (31.12.2010: HK$5,218,000) and amount due to non-controlling shareholder of a subsidiary of HK$6,317,000 (31.12.2010: HK$6,958,000). The amount due to non-controlling shareholder of a subsidiary is unsecured, interest-free and repayable on demand.

The aged analysis of trade payables by invoice dates are as follows:

	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 - 30 days	**3,829**	3,646
31 - 60 days	**666**	1,487
61 - 90 days	**163**	85
91 - 120 days	**92**	-
	4,750	5,218

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL RESULTS

For the six months ended 30th June, 2011, total revenue of the Group amounted to approximately HK$84 million, up 1.2% when compared to approximately HK$83 million in the first half of the previous financial year.

Loss attributable to owners of the Company was approximately HK$10 million. The loss was mainly attributable to (i) the increase in the Group's operation costs, which led to a decline in gross profit margin; and (ii) the expenses incurred for the setup of the Group's KTV business in Mainland China. Loss per share was HK0.93 cent.

The Group is principally engaged in the operations of cold storage and related services, investment holdings, as well as operation of karaoke outlets and related services ("KTV") in Mainland China.

BUSINESS REVIEW

Cold storage and related services

The Group's core business, cold storage and related services operation, managed to maintain stable performance during the six months ended 30th June, 2011 as the robust growth in the Hong Kong economy boosted consumers' income and confidence, supporting demand for frozen food and therefore demand for cold storage services.

During the six-month period, the Hong Kong economy extended its strong advance from 2010, with the gross domestic product ("GDP") growing robustly by 7.5% year-on-year in the first quarter and 5.1% year-on-year in the second quarter compared with the 6.8% expansion in whole year 2010, according to data from the Census and Statistics Department ("C&SD").

Meanwhile, the Group's cold storage operation also benefited from flourishing inbound and outbound trading activities, which saw a 7.9% percent increase in imports in volume terms during the first half of 2011 compared with the same period in 2010 based on data from the C&SD.

As a result of the favourable economic conditions, the occupancy rate of the Group's cold storages remained stable during the six month period ended 30th June, 2011 after achieving a high occupancy rate last year, driven by a surge in demand for cold storage from Hong Kong importers due to the import policy enforced by the Chinese Government.

However, the profit margin of the cold storage operation narrowed further in the period due to a surge in operating costs stemming from higher energy cost, utilities, and maintenance fee.

The implementation of the minimum wage ordinance by the Hong Kong government also contributed to the higher operating costs of the Group as the cold storage and logistic services business are some what labour intensive.

The Group's logistics services operation, which mainly serves our cold storage customers, remained stable during the six month period. As the existing capacity of cold storage is not enough to meet demand from all customers, the Group provided logistic services to cold storage customers by helping them in transferring goods. This helped boosted the Group's overall profit margin in this business segment.

The Group produces edible ice cubes and industrial ice bars for consumption purpose and construction use respectively.

The Ice cubes business remained stable and is expected to continuously contribute positively to the Group's overall performance as it secures the business with an exclusive supply agreement with the buyer.

The sales of industrial ice bars were also stable during the period and are expected to grow in the future as the construction works accelerate in major infrastructure projects such as the Hong Kong-Zhuhai-Macau Bridge, the New Cruise Terminal and the Guangzhou-Shenzhen-Hong Kong Express Rail Link.

Karaoke outlets and related services ("KTV")
The Group diversified its core business into KTV operation in Mainland China by setting up joint ventures in December 2010.

The KTV operation recorded an operating loss during the six months ended 30th June, 2011 as the business was still in the investment phase.

Investments
For the Group's investments in Macau, both the operating performance and the financial situation of the hotel resort operation have improved over the six month period as Macau's inbound tourism continues to flourish.

The occupancy rate of the hotel has improved, thanks to the continuous influx of visitors, particularly mainland tourists.

Visitor arrivals in Macau totaled approximately 13.25 million in the first six months of 2011, increased by 8.3% year-on-year as compared with the approximately 12.23 million in the same period in 2010, according to data from the Macau Government Tourism Office ("MGTO").

Visitors from the Mainland China, who are one of the major client groups of the hotel resort, jumped 14.9% year-on-year to approximately 7.48 million in the period from approximately 6.51 million in the same period in 2010, according to the MGTO.

Aside from more visitor arrivals, the occupancy rate of the hotel resort also benefited from the opening of Galaxy Entertainment Group's Galaxy Macau, a mega entertainment complex, which attracted many tourists to the area.

PLEDGE OF ASSETS
As at 30th June, 2011, banking facilities to the extent of HK$3.5 million (31st December, 2010: HK$3.5 million) of the Group were secured by the pledge of bank deposits amounting to HK$3.5 million (31st December, 2010: HK$3.5 million).

As at 30th June, 2011, bank deposits of approximately HK$75 million (31st December, 2010: approximately HK$65 million) were pledged to a bank which provides bank guarantees in favour of two landlords for a sum equivalent to 12 months rent payable by the Group under tenancy agreements.

LIQUIDITY AND FINANCIAL RESOURCES
As at 30th June, 2011, the Group had cash and bank balances of approximately HK$176 million. (31st December, 2010: approximately HK$154 million). The increase was mainly due to proceeds from issue of shares, proceeds on disposal of investment properties and net of cash used in operating activities. The gearing ratio, measured as non-current borrowings over equity attributable to owners of the Company was approximately 11% as at 30th June, 2011 (31st December, 2010: approximately 11%).

Monetary assets and liabilities of the Group are principally denominated in Hong Kong dollars. The directors consider the Group's exposure to exchange rate risks to be low. The Group will have relatively higher exposure to exchange rate risk when more KTV outlets operating in the Mainland China. The directors will review the exchange rate risks faced by the Group periodically. During the period under review, the Group's capital expenditure was financed by internal cash generation and new shares issue.

SHARE CAPITAL STRUCTURE

As at 31st December, 2010, the total issued share capital of the Company was HK$9,996,000 divided into 999,600,000 ordinary shares with a par value of HK$0.01 each.

On 30th March, 2011, the Company entered into share placing and subscription arrangements for the placement and subscription of 199,920,000 shares at HK$0.235 each. The share placing and subscription arrangements were completed on 4th April, 2011 and 8th April, 2011 respectively. The net proceeds of HK$46 million are used for general working capital.

For further details, please refer to the announcements of the Company dated 30th March, 2011 and 8th April, 2011.

As a result of the share placing and subscription arrangements, the total issued share capital of the Company was HK$11,995,200 divided into 1,199,520,000 ordinary shares with a par value of HK$0.01 each as at 30th June, 2011.

EMPLOYMENT AND REMUNERATION POLICY

As at 30th June, 2011, the total number of employees of the Group in Hong Kong and Mainland China was 316 (31st December, 2010: 271 employees). Remuneration is reviewed annually and in addition to the basic salaries, the Group also provides staff benefits including discretionary bonuses, Mandatory Provident Fund and professional tuition/training subsides for employees' benefit.

PROSPECTS

Looking ahead into the future, the Management is generally optimistic about the prospects for the Group's operations as the Hong Kong economy continues to grow and the inbound tourism in Macau remains boom.

The performance of the Group's cold storage business is expected to remain steady in the foreseeable future as the supply of cold storage in Hong Kong remains stable while demand for frozen food is likely to continue to steadily grow, driven by strong consumer confidence amidst robust economic growth and a favourable job market.

The Hong Kong economy is forecasted to expand 5%-6% in whole year 2011 after growing 7.2% year-on-year in the first quarter and 5.1% year-on-year in the second quarter, far exceeding the average annual growth of 4.0% over the past ten years, the Hong Kong government said in a statement on 12th August, 2011.

Increased economic activities helped improve the job market in Hong Kong, which saw the seasonally adjusted unemployment rate dropping to 3.5% in the three month ended June 2011 from 4.6% in the same period of 2010, according to latest data from C&SD.

Riding on the strong economic expansion and the favourable job market, Hong Kong's consumer confidence strengthened further over the first several months of 2011, with the headline consumer confidence index ("CCI") surging by 8 points in the first quarter of 2011 to 107 index points, to reach its highest level in 2.5 years, according to the latest Nielsen Company's Global Consumer Confidence Survey.

Strong consumer confidence contributed to the healthy growth in Hong Kong's private consumption expenditure which grew by 7.6% in the first quarter in real terms over a year earlier, according to data from the C&SD.

However, the Management concerns about rising operating costs, particularly the labour costs, which may put further pressure on the profit margins of the cold storage business.

The outlook for sales of ice cubes and industrial ice bars also remains positive as construction works on a number of large-scale public infrastructure projects, including the Hong Kong-Zhuhai-Macau Bridge, the New Cruise Terminal at Kai Tak, the MTR Kwun Tong Line Extension, the MTR South Island Line (East) and the Guangzhou-Shenzhen-Hong Kong Express Rail Link, have commenced and are expected to last several years.

The prospect for the Group's investment in the hotel and resort operation in Macau remains positive amidst the flourishing inbound tourism.

The anticipated opening of more large-scale entertainment complexes in Macau's Cotai Strip following the opening of Galaxy Entertainment Group's mega entertainment resort Galaxy Macau in May 2011 is likely to attract more visitors to the area, benefiting nearby businesses including the Grand Waldo Hotel.

The China economy has recorded its prosperous growth since the success of the 11th Five-Year Plan (2006-2010). The growth momentum remains strong in the current 12th Five-Year Plan (2011-2015) period. In 2011, the China GDP surged robustly by 9.7% year-on-year in the first quarter and 9.5% year-on year in the second quarter, according to the data from National Bureau of Statistics of China.

Therefore, the Management sees bright prospects for the KTV business in Mainland China while the first KTV outlet in Beijing is scheduled to start test-run operation by the fourth quarter of 2011. The Group had secured three more outlets in Shanghai recently. The Group will further expand the business by opening more outlets in Beijing, Shanghai and other cities in the provinces of Jiangsu, Zhejiang and Hunan.

While striving to grow the Group's existing operations, the Management will continuously seek new investment opportunities with the aim of maximizing shareholders' value.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30th June, 2011 (2010: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2011.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

For the first half of 2011, the Board of the Directors is of the view that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, except for code provision A.4.1 of the CG Code.

Pursuant to code provision A.4.1, non-executive director should be appointed for a specific term of service. While there is no service contract was entered into between the Non-executive Director of the Company, Mr. Fung Wa Ko, and the Company for a specific term of service but his appointment is subject to retirement by rotation and offers himself for re-election in accordance with the Bye-Laws of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted a set of code of conduct for securities transactions by directors, the terms of which are not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Company's Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Company's Model Code during the period under review.

To enhance the corporate governance of the Group as a whole, all relevant employees who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company are subject to full compliance with the Company's Model Code. No incident of non-compliance was noted by the Company during the period under review.

Audit Committee

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial information for the six months ended 30th June, 2011 with the Directors. At the request of Audit Committee, the Group's external auditors have carried out a review of the unaudited interim financial information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises all of the three Independent Non-executive Directors, namely Mr. Leung Chi Hung, Mr. Fung Siu Kit, Ronny and Mr. Tse Yuen Ming. Mr. Leung Chi Hung is the chairman of the Audit Committee.

Internal Controls

The Group has adopted a series of internal control measures including the strengthening of reporting lines of senior management. As a routine procedure and part of the internal control system, Executive Directors and the senior management would meet at least one time regularly a week to review the financial and operating performance of each department.

The senior management of each department is also required to keep Executive Directors informed of material developments of the department's business and implementation of the strategies and policies set by the Board on a regular basis.

The Company has already started to setup the Group's KTV business in Mainland China during the period under review. In this new business division, the Group would also adopt a series of operation procedures and internal control policies to avoid any deficiency.

During the six months ended 30th June, 2011, the Board was satisfied that the internal control system is effective and that nothing has come to its attention to cause the Board to believe the Group's internal control system is inadequate. Moreover, the system will continue to be reviewed, added on or updated to provide for changes in the operating environment.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange's website at *www.hkexnews.hk* and the Company's website at *www.irasia.com/listco/hk/daido/index.htm* .

The 2011 interim report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the websites of each of the Stock Exchange and the Company in due course.

By order of the Board of
Daido Group Limited
Fung Wa Ko
Chairman

Hong Kong, 22nd August, 2011

As at the date of this announcement, the Board comprises executive directors, namely, Mr. Au Tat Wai, Mr. Choy Kai Sing, Mr. Ho Hon Chung, Ivan and Mr. Tang Tsz Man, Philip; non-executive director, namely, Mr. Fung Wa Ko; and independent non-executive directors, namely, Mr. Fung Siu Kit, Ronny, Mr. Leung Chi Hung and Mr. Tse Yuen Ming.