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**ENM HOLDINGS LIMITED**

**安寧控股有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock code: 128)

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

The Board of Directors (the “Board”) of ENM Holdings Limited (the “Company”) herein present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2010, together with the unaudited and restated comparative amounts for the corresponding period in 2009.

The interim report has not been audited, but has been reviewed by the Company’s audit committee and the Company’s auditor.

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

	<b>Six months ended 30 June</b>	
<i>Note</i>	<b>2010 HK\$'000 (unaudited)</b>	<b>2009 HK\$'000 (unaudited and restated)</b>
<b>Revenue</b>	<b>128,747</b>	100,790
Cost of sales	<u>(58,253)</u>	<u>(42,156)</u>
<b>Gross profit</b>	<b>70,494</b>	58,634
Other income	<b>3,355</b>	2,289
Selling and distribution costs	<b>(44,955)</b>	(42,669)
Administrative expenses	<b>(35,457)</b>	(34,583)
Other operating income, net	<u><b>8,028</b></u>	<u>36,881</u>
<b>Profit from operations</b>	<b>1,465</b>	20,552
Fair value gains on investment properties	<b>600</b>	-
Deficits write-back/(deficits) on revaluation of resort and recreational club properties	<b>1,527</b>	(9,786)
Finance costs	4 <b>(523)</b>	(385)
Share of loss of an associate	<u><b>(312)</b></u>	<u>(1,276)</u>
<b>Profit before tax</b>	<b>2,757</b>	9,105
Income tax expense	5 <u>-</u>	<u>-</u>
<b>Profit for the period</b>	6 <u><b>2,757</b></u>	<u>9,105</u>
<b>Attributable to:</b>		
Owners of the Company	<b>2,778</b>	9,113
Non-controlling interests	<u><b>(21)</b></u>	<u>(8)</u>
	<u><b>2,757</b></u>	<u>9,105</u>
<b>Earnings per share</b>	7	
Basic	<u><b>0.17 cents</b></u>	<u>0.55 cents</u>
Diluted	<u><b>N/A</b></u>	<u>N/A</u>

**CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

	<b>Six months ended 30 June</b>	
	<b>2010</b> <i>HK\$'000</i> <i>(unaudited)</i>	2009 <i>HK\$'000</i> <i>(unaudited and restated)</i>
<b>Profit for the period</b>	<u>2,757</u>	<u>9,105</u>
<b>Other comprehensive income:</b>		
Exchange differences on translating foreign operations	182	87
Fair value changes of available-for-sale debt investments	63	3,426
Release of revaluation reserve upon disposal of available-for-sale debt investments	<u>-</u>	<u>(1,469)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>245</u>	<u>2,044</u>
<b>Total comprehensive income for the period</b>	<u><u>3,002</u></u>	<u><u>11,149</u></u>
<b>Attributable to:</b>		
Owners of the Company	2,992	11,157
Non-controlling interests	<u>10</u>	<u>(8)</u>
	<u><u>3,002</u></u>	<u><u>11,149</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2010**

	<i>Note</i>	<b>30 June 2010 HK\$'000 (unaudited)</b>	31 December 2009 HK\$'000 (audited and restated)
<b>Non-current assets</b>			
Property, plant and equipment		<b>110,872</b>	103,855
Investment properties		<b>102,900</b>	100,700
Interest in an associate		<b>21,053</b>	21,423
Available-for-sale equity investments		<b>39,420</b>	39,420
Available-for-sale debt investments – note receivables		<b>5,188</b>	-
Available-for-sale debt investments – convertible bonds		<b>26,051</b>	24,615
Intangible assets		<b>1,679</b>	-
<b>Total non-current assets</b>		<b>307,163</b>	290,013
<b>Current assets</b>			
Inventories		<b>48,958</b>	53,490
Trade receivables	9	<b>3,820</b>	2,761
Prepayments, deposits and other receivables		<b>27,415</b>	37,601
Note receivables		<b>31,980</b>	27,230
Financial assets at fair value through profit or loss	10	<b>180,708</b>	198,076
Option derivatives – convertible bonds		<b>2,808</b>	4,170
Pledged bank deposits		<b>10,342</b>	10,342
Time deposits		<b>314,986</b>	363,514
Cash and bank balances		<b>94,897</b>	53,084
<b>Total current assets</b>		<b>715,914</b>	750,268
<b>Current liabilities</b>			
Trade and other payables	11	<b>30,927</b>	36,606
Interest-bearing bank and other borrowings		<b>8,480</b>	16,011
Current portion of debentures		<b>897</b>	293
Other loans		<b>-</b>	5,427
<b>Total current liabilities</b>		<b>40,304</b>	58,337
<b>Net current assets</b>		<b>675,610</b>	691,931
<b>Total assets less current liabilities</b>		<b>982,773</b>	981,944

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2010**

	<i>Note</i>	<b>30 June 2010 HK\$'000 (unaudited)</b>	31 December 2009 HK\$'000 (audited and restated)
<b>Total assets less current liabilities</b>		<u><b>982,773</b></u>	<u>981,944</u>
<b>Non-current liabilities</b>			
Debentures		<b>4,927</b>	5,514
Interest-bearing bank and other borrowings		<b>14</b>	23
Deferred revenue		<u><b>15,243</b></u>	<u>16,820</u>
<b>Total non-current liabilities</b>		<u><b>20,184</b></u>	<u>22,357</u>
<b>NET ASSETS</b>		<u><b>962,589</b></u>	<u>959,587</u>
<b>Capital and reserves</b>			
Issued capital		<b>16,507</b>	16,507
Reserves		<u><b>945,239</b></u>	<u>942,247</u>
Equity attributable to owners of the Company		<b>961,746</b>	958,754
Non-controlling interests		<u><b>843</b></u>	<u>833</u>
<b>TOTAL EQUITY</b>		<u><b>962,589</b></u>	<u>959,587</u>

*Notes:*

**1. Basis of Preparation**

These condensed financial statements 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 applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These condensed financial statements should be read in conjunction with the 2009 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2009 except as stated in note 2 below.

**2. Adoption of New and Revised Hong Kong Financial Reporting Standards**

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years except as stated below.

**Classification of Land Leases**

Amendments to HKAS 17 “Leases” deleted the guidance in HKAS 17 that when the land has an indefinite economic life, the land element is normally classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term. In accordance with the amendments to HKAS 17, a leasehold land is classified as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership to the Group.

Before the amendments, the leasehold land was classified as operating lease and included in prepaid land premiums carried at cost less accumulated amortisation. Following the adoption of the amendments to HKAS 17, the Group has reclassified its interest in leasehold land to finance leases which are included in resort and recreational club properties under “Property, plant and equipment” and are carried at fair value less subsequent depreciation and impairment losses. The difference between the net carrying amount and the valuation at end of each reporting period is recognised in the property revaluation reserve.

## 2. Adoption of New and Revised Hong Kong Financial Reporting Standards (Continued)

### Classification of Land Leases (Continued)

Amendments to HKAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in these condensed financial statements as follows:

	At 30 June 2010 <i>HK\$'000</i>	At 31 December 2009 <i>HK\$'000</i>	At 1 January 2009 <i>HK\$'000</i>
Increase in Property, plant and equipment	15,900	16,300	28,900
Decrease in Prepaid land premiums	(2,870)	(2,909)	(2,986)
Decrease in Accumulated losses	(14,474)	(13,391)	(28,573)
Decrease in Property revaluation reserves	1,444	-	2,659

	Six months ended 30 June	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Increase in deficits write-back/(deficits) on revaluation of resort and recreational club properties	1,262	(9,584)
Decrease in other operating income, net	(179)	(337)
Increase/(decrease) in profit for the period	1,083	(9,921)
Decrease in (gains)/losses on property revaluation recognised in other comprehensive income	(1,444)	2,659
Decrease in total comprehensive income for the period	(361)	(7,262)
Increase/(decrease) in earnings per share	0.07 cents	(0.60 cents)

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

### 3. Segment Information

	Wholesale and retail of fashion wear and accessories <i>HK\$'000</i> <i>(unaudited)</i>	Tele- communications operations <i>HK\$'000</i> <i>(unaudited)</i>	Resort and recreational club operations <i>HK\$'000</i> <i>(unaudited)</i>	Investments and treasury <i>HK\$'000</i> <i>(unaudited)</i>	Total <i>HK\$'000</i> <i>(unaudited)</i>
<b>6 months ended 30 June 2010:</b>					
Revenue from external customers	<b>116,887</b>	-	<b>7,268</b>	<b>4,592</b>	<b>128,747</b>
Segment profit/(loss)	<b>2,641</b>	<b>(4,078)</b>	<b>4,257</b>	<b>158</b>	<b>2,978</b>
<b>As at 30 June 2010:</b>					
Segment assets	<b>106,258</b>	<b>8,405</b>	<b>182,369</b>	<b>704,992</b>	<b>1,002,024</b>
6 months ended 30 June 2009:					
Revenue from external customers	86,139	-	6,678	7,973	100,790
Segment profit/(loss), as restated	(8,598)	(3,620)	(2,508)	36,834	22,108
As at 31 December 2009:					
Segment assets, audited and as restated	109,601	16,459	178,820	713,978	1,018,858

<b>Six months ended 30 June</b>	
<b>2010</b>	<b>2009</b>
<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b><i>(unaudited)</i></b>	<b><i>(unaudited and restated)</i></b>

#### Reconciliations of segment profit or loss:

Total profit or loss of reportable segments	<b>2,978</b>	22,108
Corporate administrative expenses	<b>(1,513)</b>	(1,556)
Share of loss of an associate	<b>(312)</b>	(1,276)
Fair value gains on investment properties	<b>600</b>	-
Deficits write-back/(deficits) on revaluation of resort and recreational club properties	<b>1,527</b>	(9,786)
Finance costs	<b>(523)</b>	(385)
Consolidated profit for the period	<b>2,757</b>	9,105



4. **Finance Costs**

	<b>Six months ended 30 June</b>	
	<b>2010</b>	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest on bank loans and overdrafts	<b>441</b>	294
Interest on finance leases	<b>4</b>	7
Accretion of interest on debentures	<b>78</b>	84
	<hr/>	<hr/>
	<b>523</b>	385
	<hr/> <hr/>	<hr/> <hr/>

5. **Income Tax Expense**

No provision for Hong Kong Profits Tax and overseas income tax is required for the six months period ended 30 June 2009 and 2010 since the Group has no assessable profit in Hong Kong and other countries in which the Group operates or has sufficient tax losses brought forward to set off against the assessable profits for both periods.

## 6. Profit for the Period

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

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2010</b>	2009
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited and restated)</b>
Cost of inventories sold <sup>^</sup>	<b>58,193</b>	42,091
Interest income <sup>#</sup>	<b>(2,833)</b>	(6,334)
Dividend income <sup>#</sup>	<b>(1,760)</b>	(1,639)
Amortisation of intangible assets*	<b>21</b>	-
Depreciation*	<b>6,634</b>	3,815
Directors' remuneration	<b>1,796</b>	2,926
Exchange gains, net*	<b>(6,255)</b>	(3,063)
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss*	<b>3,488</b>	(28,683)
Option derivatives - convertible bonds*	<b>1,362</b>	(2,618)
Revaluation of investment properties	<b>(600)</b>	-
Gain on disposal of financial assets at fair value through profit or loss, net*	<b>(7,318)</b>	(2,801)
Gain on disposal of available-for-sale debt investments*	-	(1,249)
Gain on disposal of held-to-maturity investments*	-	(1,440)
Write back for inventories allowances	<b>(578)</b>	(1,032)
Write back of accrued payables*	<b>(206)</b>	(842)
Write back of other loans*	<b>(5,754)</b>	-

<sup>^</sup> Cost of inventories sold included write back for inventories allowances of HK\$578,000 (2009: HK\$1,032,000).

<sup>#</sup> These amounts are included in "revenue" on the face of the condensed consolidated income statement.

\* These amounts are included in "other operating income, net" on the face of the condensed consolidated income statement.

## 7. Earnings Per Share

### *Basic earnings per share*

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$2,778,000 (2009: HK\$9,113,000, as restated) and the weighted average number of ordinary shares of 1,650,658,676 (2009: 1,650,658,676) in issue during the period.

### *Diluted earnings per share*

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the six months periods ended 30 June 2009 and 2010.

## 8. Dividends

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 June 2010 (2009: Nil).

## 9. Trade Receivables

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to the business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. Overdue balances are reviewed regularly by management.

An ageing analysis of trade receivables, based on the invoice date and net of impairment, is as follows:

	<b>30 June 2010 HK\$'000 (unaudited)</b>	31 December 2009 HK\$'000 (audited)
Within 1 month	2,015	2,376
2 to 3 months	1,270	306
Over 3 months	535	79
	<u>3,820</u>	<u>2,761</u>

10. **Financial Assets at Fair Value Through Profit or Loss**

	<b>30 June 2010 HK\$'000 (unaudited)</b>	31 December 2009 HK\$'000 (audited)
Listed equity investments, at market value:		
Hong Kong	<b>173,418</b>	192,337
Outside Hong Kong	<b>4,696</b>	3,174
Unlisted fund investments, at fair value:		
Hong Kong	<b>2,594</b>	2,565
	<b><u>180,708</u></b>	<u>198,076</u>

The above equity and fund investments at 31 December 2009 and 30 June 2010 were classified as held for trading. The fair values of listed securities are based on quoted market prices. The fair value of the unlisted fund investment is based on the price quoted by the issuer. The directors believe that the estimated fair value quoted by the issuer is reasonable, and that it is the most appropriate value at the end of the reporting period.

11. **Trade and Other Payables**

Included in the Group's trade and other payables as at 30 June 2010 are trade and bills payables of HK\$5,754,000 (31 December 2009: HK\$7,818,000).

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

An ageing analysis of the trade and bills payables, based on the invoice date, is as follows:

	<b>30 June 2010 HK\$'000 (unaudited)</b>	31 December 2009 HK\$'000 (audited)
Within 1 month	<b>5,206</b>	6,965
2 to 3 months	<b>388</b>	514
Over 3 months	<b>160</b>	339
	<b><u>5,754</u></b>	<u>7,818</u>

## **CHAIRMAN'S STATEMENT**

### **FINANCIAL REVIEW**

Turnover for the six months ended 30 June 2010 was HK\$128,747,000, an increase of 28% compared with the same period last year. The increase was driven by the growth in the fashion retail business benefiting from the improved economy.

The Group's profit attributable to shareholders for the six months ended 30 June 2010 was HK\$2,778,000 compared to HK\$9,113,000 (as restated) for the same period last year. The fashion retail business made a turnaround result for the interim period; however, the Group recorded fair value losses on investments in financial instruments of HK\$4,850,000 as compared to fair value gains of HK\$31,301,000 for the same period last year.

### **BUSINESS REVIEW**

#### **Retail Fashion - Swank**

##### ***Hong Kong***

Following the trend of last quarter of 2009, the retail market for the first six months of 2010 remained strong. In comparison with the same period last year, turnover improved from HK\$85,345,000 to HK\$112,480,000, an increase of 32%. Profit before tax for the period was HK\$3,177,000 as oppose to a loss of HK\$4,986,000 for the same period last year.

Management is confident that the retail market will maintain its present course and produce a promising year end result for Year 2010.

##### ***Beijing***

Although the Beijing flagship store still suffered loss after the first full year operation, it shows sign of improvement. Turnover for the first quarter of 2010 remained low but the encouraging figure for the second quarter revealed an improving trend and this promising improvement continues in July 2010. The Beijing flagship store is now heading for the right direction and management believes it is on the right path for turning around the result.

## **Resort and Recreational Club Operations**

### ***Hong Kong Hilltop Country Club (“Hilltop”)***

Hilltop is one of Hong Kong's earliest private clubs. Situated in Tsuen Wan with a total site area of over 400,000 square feet, it is ideally suited recreational and outdoor activities, conferences and dining.

During the first half of 2010, Hilltop has continued to make the necessary maintenance and improvement works for the premises for better services to the members and their guests. The club has proactively expanded scope of services to accommodate members banqueting and conferencing needs. These activities will continue in the second half of the year.

To provide long term solution to the shrinking trend of the club's membership base, management has continued to seek for the best strategy for the club's rejuvenation, while at the same time consider other business options that could bring the club to a profitable operation.

### ***VivaSha Club Resort (“VivaSha”)***

VivaSha, with a 41,000 square meter gross floor area, is a complex of clubhouse, convention center and 302 rooms hotel located in the Putao district of Shanghai and operated by Shanghai Landis Hospitality Management Ltd., a 35%-owned associate of the Company.

In the first half of 2010, the performance of VivaSha especially in the hotel and conference sector is satisfactory as a result of the increasing tourists visiting 2010 Shanghai World Expo. Simultaneously, VivaSha's management continues to focus on broadening the customer base of the club membership to diversify the revenue in preparation for the intensive competition among the hotels in Shanghai under post Expo effect in 2011. Overall, VivaSha's management is confident that 2010 would be a fruitful year.

## **Other Investments**

### ***Skyjoy Assets Management Limited (“Skyjoy”)***

The Group through its wholly owned subsidiary, Cosy Good Limited (“Cosy Good”), has completed the subscription of HK\$100,000,000 12% Convertible Bonds issued by Skyjoy on 9 July 2010. The maturity date of the bonds should be fifth anniversary from the issue date and the conversion period is from the expiry of three years from the issue date up to maturity. If Cosy Good converts the bonds in full, 900 shares of US\$1.00 each, representing 9% of the issued share capital of Skyjoy on a fully diluted basis, will be issued to Cosy Good.

Skyjoy is the beneficial owner of a commercial real estate project in Shijiazhuang, Hebei, PRC through its wholly owned subsidiary, Shijiazhuang Lerthai Property Development Company Limited (“Shijiazhuang Lerthai”).

Shijiazhuang Lerthai holds a site at Qiaodong District, city centre of Shijiazhuang, PRC with area of approximately 62,000 square meters for the development of Lerthai Commercial Plaza (勒泰中心) (the “Project”). After completion, the Project will have construction areas of approximately 623,000 square meters including hotels, office building, loft, retails shops and car parks. The Project is estimated to be completed by the end of 2013.

### ***Genovate Biotechnology Company Limited (“Genovate”)***

Genovate is a fully integrated specialty pharmaceutical company that encompasses new drug development and new formulation capabilities, clinical trials for local and international pharmaceutical companies, drug manufacturing, drug marketing and distribution in Taiwan and the region. The Group has 14.1% shareholding in Genovate.

In July 2010, Genovate obtained approval from Technology Review Committee of Taiwan Industrial Development Bureau to recommend Genovate as a creditable innovator in biotech. This recommendation is an important milestone for Genovate to prepare for listing on GreTai Securities Market. Drug development has continued to make progress according to planned schedule.

### ***Beijing Smartdot Technologies Co. Ltd. (“Smartdot”)***

Smartdot is engaged in the development of office automation software and solution projects in the PRC. The Group has 8.95% shareholdings in Smartdot.

In the first half of 2010, Smartdot recorded losses of RMB1,230,000 as the majority of new contracts and projects will be completed in stages in the second half of the year. Smartdot’s management believes that there will be a significant improvement in earnings in full year operations.

### ***SinoPay.com Holdings Limited (“SinoPay”)***

After the merger among China e-Payment Service Limited and other China UnionPay controlled entities, SinoPay has become a direct shareholder of UnionPay Merchant Service Limited (“China UMS”), which is a subsidiary of China UnionPay and mainly engages in the bankcard acquiring and e-payment business in the PRC with dominant market position. The Group has an effective interest of approximately 0.17% in China UMS through its investment in SinoPay.

## **LIQUIDITY AND FINANCIAL POSITION**

At 30 June 2010, the Group was in solid financial position with cash and non-pledged deposit holdings of HK\$409,883,000 (31 December 2009: HK\$416,598,000). At 30 June 2010, total borrowings amount to HK\$14,318,000 (31 December 2009: HK\$27,268,000) with HK\$9,377,000 (31 December 2009: HK\$21,731,000) repayment falling due within one year. The Group’s gearing ratio (a comparison of total borrowings with equity attributable to equity holders of the Company) was 1.5% at the interim period end date (31 December 2009: 2.8%, as restated). The current ratio at 30 June 2010 was 17.8 times (31 December 2009: 12.9 times).

At 30 June 2010, the Group’s borrowings and bank balances were primarily denominated in Hong Kong dollars and United States dollars and exchange differences were reflected in the unaudited financial statements. Other than the fixed interest rate of 5% for the finance lease arrangement, all borrowings of the Group are either interest free or on a floating rate basis.

The Group’s imported purchases are mainly denominated in Euro, Yen and United States dollar. The Group will from time to time review its foreign exchange position and market conditions to determine if any hedging is required.

## **MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS**

On 7 February 2010, Cosy Good Limited (“Cosy Good”), a wholly owned subsidiary of the Company, entered into the subscription agreement to subscribe the guaranteed secured convertible bonds (the “Bonds”) at the amount of HK\$100,000,000 in Skyjoy Assets Management Limited (“Skyjoy”). The maturity date of the Bonds should be fifth anniversary from the issue date and the conversion period is from the expiry of three years from the issue date up to maturity. If Cosy Good converts the Bonds in full, 900 shares of US\$1.00 each, representing 9% of the issued share capital of Skyjoy on a fully diluted basis, will be issued to Cosy Good. The transaction constituted a discloseable transaction for the Company, details of which are set out in the Company’s announcement dated 7 February 2010. The transaction was completed on 9 July 2010.

Save as disclosed above, the Group had no material acquisition and disposal of investments during the six months ended 30 June 2010 and up to the date of this announcement.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 June 2010.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

None of the directors of the Company are aware of any information that would reasonably indicate that the Company is not or was not for any part of the six months ended 30 June 2010 in compliance with the Code Provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules except for the deviation from Code Provision A.2.1 and Code Provision A.4.1 of the CG Code.

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Joseph Wing Kong LEUNG took up the position of the Acting Chief Executive Officer in addition to his role of being the Chairman of the Company in June 2009. The Board believes that the balance of power and authority is ensured through supervision of the full Board and the Board committees. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

Under Code Provision A.4.1 of the CG Code, Non-executive Directors should be appointed for a specific term and subject to re-election. None of the existing Non-executive and Independent Non-executive Directors of the Company is appointed for a specific term. However, all of the Non-executive and Independent Non-executive Directors are subject to retirement by rotation in accordance with the Company’s Articles of Association.



## **BOARD OF DIRECTORS**

As at the date of this announcement, the Executive Directors are Mr. Joseph Wing Kong LEUNG (Chairman and Acting Chief Executive Officer), Mr. Raymond Siu Wing CHAN, Mr. Derek Wai Choi LEUNG and Mr. Wing Tung YEUNG, the Non-executive Director is Mr. Raymond Shing Loong WONG, and the Independent Non-executive Directors are Dr. Cecil Sze Tsung CHAO, Dr. Jen CHEN, Mr. David Kwok Kwei LO, Mr. Ian Grant ROBINSON and Mr. Chi Keung WONG.

By order of the Board

**Joseph Wing Kong LEUNG**

*Chairman and Acting Chief Executive Officer*

Hong Kong, 24 August 2010