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SMART UNION GROUP (HOLDINGS) LIMITED

(Provisional Liquidators Appointed)

合俊集團(控股)有限公司

(已委任臨時清盤人)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

AMENDMENTS TO ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

Reference is made to the announcement of the Company dated 23rd October 2009 (the “**Announcement**”) in relation to the unaudited consolidated interim results of the Group for the six months ended 30th June 2009 (the “**Interim Results**”). Unless otherwise stated, terms used herein shall have the same meaning as those defined in the Announcement.

The Company would like to amend the Announcement in the areas underlined, as follows:

1. “**CONDENSED CONSOLIDATED INCOME STATEMENT**” on page 2 and “**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**” on page 3 of the Announcement should be replaced by the following:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2009

	<i>Notes</i>	Six months ended 30th June 2009 <i>HK\$'000</i> <i>(Unaudited)</i>	Six months ended 30th June 2008 <i>HK\$'000</i> <i>(Unaudited)</i>
Sales	4	9,240	386,809
Cost of sales	6	(8,694)	(525,936)
Gross profit		546	(139,127)
Other income and other gains/(losses), net	7	400	2,863
Administrative expenses	6	(5,685)	(55,551)
Selling expenses	6	(409)	–
Operating loss		(5,148)	(191,815)
Finance costs	8	(5,046)	(8,694)
Share of loss of associate		–	(479)
Loss before tax		(10,194)	(200,988)
Income tax credit	9	–	427
<u>Total comprehensive loss for the period</u>		<u>(10,194)</u>	<u>(200,561)</u>
Attributable to:			
Equity holders of the Company		(10,194)	(200,133)
Minority interest		–	(428)
		<u>(10,194)</u>	<u>(200,561)</u>
Loss per share for loss attributable to the equity holders of the Company during the period (<i>HK\$ per share</i>)			
– basic (<i>HK\$</i>)	11	<u>0.02</u>	<u>0.44</u>
– diluted (<i>HK\$</i>)	11	<u>0.02</u>	<u>0.44</u>
Dividend	10	–	–

2. “**CONDENSED CONSOLIDATED BALANCE SHEET**” on page 4 and page 5 of the Announcement should be replaced by the following:

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2009

	<i>Notes</i>	30th June 2009 HK\$'000 (Unaudited)	31st December 2008 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		40	158
Land use rights		–	–
Intangible assets		–	–
Investments in unconsolidated subsidiaries		–	–
Investment in a former subsidiary		–	–
Investment in an associated company		–	–
Available-for-sale financial assets		–	–
Prepayments, deposits and other receivables		–	–
Deferred income tax assets		–	–
		<hr/> 40	<hr/> 158
Current assets			
Inventories		–	–
Trade receivables	<i>12</i>	8,842	3,786
Amount due from unconsolidated subsidiaries		–	–
Amount due from a former subsidiary		–	–
Prepayments, deposits and other receivables		936	976
Derivative financial instruments		–	–
Convertible bonds		–	–
Current income tax recoverable		706	706
Pledged bank deposits		–	–
<u>Cash and cash equivalents</u>		<hr/> 6,706	<hr/> 5,124
		<hr/> 17,190	<hr/> 10,592

	<i>Notes</i>	30th June 2009 HK\$'000 (Unaudited)	31st December 2008 HK\$'000 (Audited)
LIABILITIES			
Current liabilities			
Trade and other payables	13	<u>192,703</u>	<u>175,663</u>
Amounts due to unconsolidated subsidiaries		<u>112,362</u>	<u>112,362</u>
Borrowings		<u>37,937</u>	<u>38,303</u>
Derivative financial instruments		–	–
Deferred tax liabilities		<u>16</u>	<u>16</u>
		<u>343,018</u>	<u>326,344</u>
Net current liabilities		<u>(325,828)</u>	<u>(315,752)</u>
<u>NET LIABILITIES</u>		<u><u>(325,788)</u></u>	<u><u>(315,594)</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		<u>55,259</u>	<u>55,259</u>
Share premium		<u>368,381</u>	<u>368,381</u>
Other reserves		<u>30,553</u>	<u>30,553</u>
Accumulated losses		<u>(779,981)</u>	<u>(769,787)</u>
		<u>(325,788)</u>	<u>(315,594)</u>
Minority interest		–	–
		<u>(325,788)</u>	<u>(315,594)</u>

3. The fourth paragraph of Note 1 headed “**GENERAL INFORMATION**” appeared on page 6 of the Announcement should be replaced by the following:

“The condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. The condensed consolidated interim financial information has been approved for issue by the Directors on 13th January 2010.”

4. The fourth paragraph of Note 2 headed “**WINDING-UP PETITIONS, APPOINTMENT OF PROVISIONAL LIQUIDATORS AND GROUP RESTRUCTURING**” appeared on page 6 of the Announcement should be replaced by the following:

“Pursuant to the orders of High Court dated 5th January 2009, the hearings of the winding-up petitions against the Company and the relevant subsidiaries were adjourned to 6th April 2009. The High Court then further adjourned the hearings of the winding-up petitions to 1st June 2009 pursuant to the hearings on 6th April 2009. At the hearings on 1st June 2009, the High Court further adjourned the hearings of the winding-up petitions of the Company and the relevant subsidiaries to 30th November 2009. At the hearing on 30th November 2009, the High Court further adjourned the hearings of the winding-up petitions of the Company and the relevant subsidiaries to 31st May 2010 to allow time for the implementation of the proposed restructuring of the Group.”

5. The second paragraph of the section headed “**3.1 Basis of preparation**” appeared on page 7 of the Announcement should be replaced by the following:

“The Group sustained a loss attributable to equity holders of the Company of approximately HK\$10,194,000 for the six months ended 30th June 2009. As at 30th June 2009, the Group had net current liabilities of approximately HK\$325,828,000 and net liabilities of approximately HK\$325,788,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and the condensed consolidated interim financial information has been prepared on a going concern basis, the reason for which has been disclosed in Note 2 above.”

6. The fourth paragraph of Note 5 headed “**SEGMENT INFORMATION**” appeared on page 10 of the Announcement should be replaced by the following:

“All of the Group’s assets and liabilities are located or utilised in Hong Kong as at 30th June 2009 and 31st December 2008. The Group’s capital expenditure of approximately HK\$14,000 are mainly utilised in Hong Kong (30th June 2008: HK\$2,115,000 utilised in Hong Kong and HK\$275,624,000 utilised in PRC).”

7. Note 11 headed “**LOSSES PER SHARE**” appeared on page 12 of the Announcement should be replaced by the following:

11. LOSSES PER SHARE

Basic

The calculation of basic losses per share is based on the consolidated loss attributable to equity holders of the Company of approximately HK\$10,194,000 (30th June 2008: loss of HK\$200,133,000) and on the weighted average number of 552,586,000 (30th June 2008: 452,053,000) ordinary shares in issue during the period.

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss attributable to equity holders of the Company (HK\$'000)	10,194	200,133
Weighted average number of ordinary shares in issue (thousands)	552,586	452,053
Basic loss per share (HK\$) per share	0.02	0.44

Diluted

Diluted losses per share for the six months ended 30th June 2009 and 2008 equal to the basic losses per share as the potential ordinary shares outstanding during the period have an anti-dilutive effect for the period.

8. Note 13 headed “**TRADE PAYABLES**” appeared on page 13 of the Announcement should be replaced by the following:

13. TRADE AND OTHER PAYABLES

	<u>30th June</u> <u>2009</u> <i>HK\$'000</i> <i>(Unaudited)</i>	<u>31st December</u> <u>2008</u> <i>HK\$'000</i> <i>(Audited)</i>
<u>Trade payables</u>	<u>10,299</u>	<u>5,487</u>
<u>Other payables and accruals</u>	<u>182,404</u>	<u>170,176</u>
	<u><u>192,703</u></u>	<u><u>175,663</u></u>

Pursuant to the Exclusivity Agreement, the Investor paid a sum of HK\$3.75 million to the Company as initial fee contribution towards partial settlement of the cost and expenses in relation to the restructuring of the Company. Out of the HK\$3.75 million, approximately HK\$2.8 million has been used and the amount of approximately HK\$0.95 million has been recorded as other payable.

The ageing analysis of trade payables as at 30th June 2009 and 31st December 2008 are as follows:

	<u>30th June</u> <u>2009</u> <i>HK\$'000</i> <i>(Unaudited)</i>	<u>31st December</u> <u>2008</u> <i>HK\$'000</i> <i>(Audited)</i>
0 – 30 days	<u>8,510</u>	4,430
31 – 60 days	<u>324</u>	541
61 – 90 days	<u>543</u>	324
91 days – 1 year	<u>816</u>	141
1 – 2 years	<u>73</u>	26
Over 2 years	<u>33</u>	25
	<u><u>10,299</u></u>	<u><u>5,487</u></u>

The carrying amounts of trade payables approximate their fair values.

9. The paragraph headed “**Results**” appeared on page 13 of the Announcement should be replaced by the following:

“Results

For the six months ended 30th June 2009, the Group’s turnover was approximately HK\$9 million (30th June 2008: HK\$387 million), representing a decrease of approximately 97.6% from the corresponding period in last financial year. As the Directors and the Provisional Liquidators have not been able to gain access to certain books and records of SU Industrial, the financial statements of SU Industrial and its wholly owned subsidiary, Perfect Design and Product Development Limited, have not been included in the condensed consolidated financial information of the Group.

The consolidated loss attributable to shareholders of the Company amounted to approximately HK\$10 million (30th June 2008: loss of HK\$200 million) for the 6 months ended 30th June 2009.”

10. The paragraph headed “**Liquidity, financial resources and funding**” appeared on page 14 of the Announcement should be replaced by the following:

“Liquidity, financial resources and funding

Bank balances and cash as at 30th June 2009 was approximately HK\$7 million (31st December 2008: HK\$5 million). As at 30th June 2009, the total amount of banking facilities outstanding was approximately HK\$161 million (31st December 2008: HK\$156 million), which are currently in default and the Group is currently undergoing restructuring.”

11. The paragraph headed “**Assets and liabilities**” appeared on page 14 of the Announcement should be replaced by the following:

“Assets and liabilities

As at 30th June 2009, the Group had total assets of approximately HK\$17 million (31st December 2008: HK\$11 million), total liabilities of approximately HK\$343 million (31st December 2008: HK\$326 million). The net liabilities of the Group as at 30th June 2009 were approximately HK\$326 million (31st December 2008: HK\$316 million).”

12. The paragraph headed “**REVIEW OF INTERIM RESULTS**” appeared on page 15 of the Announcement should be replaced by the following:

“REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial information for the six months ended 30th June 2009 have neither been reviewed by external auditors nor reviewed by an audit committee as no sufficient number of non-executive Directors have been appointed to constitute an audit committee.”

The above amendments do not affect any other information contained in the Announcement.

By order of the Board
Smart Union Group (Holdings) Limited
(Provisional Liquidators Appointed)
Wu Kam Bun
Executive Director

Hong Kong, 13th January 2010

As at the date of this announcement, the Board comprises of three executive directors: Mr. Wu Kam Bun, Mr. Ho Wai Wah and Mr. Wong Wai Chuen.