Leeport

LEEPORT (HOLDINGS) LIMITED

力 豐 （集 團） 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 387)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE 2008

The directors (the "Directors") of Leeport (Holdings) Limited (the "Company") are pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June 2008, along with the unaudited comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, and which have been reviewed by the Audit Committee of the Company.

INTERIM DIVIDENDS

The Board has resolved to pay an interim dividend of HK5.0 cents per share for the six months ended 30th June 2008 (2007: HK4.5 cents per share) to shareholders whose names appear on the register of members of the Company on 2nd October 2008 ("Record Date"). The interim dividend will be payable on or about 9th October 2008.

* *For identification purpose only*

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE 2008

		Unaudited	
		Six months ended 30th June	
		2008	2007
	Note	**HK$'000**	HK$'000
Sales	3	**559,432**	396,763
Cost of goods sold	5	**(452,495)**	(309,115)
Gross profit		**106,937**	87,648
Other gains – net	4	**9,035**	5,601
Selling and distribution costs	5	**(21,434)**	(12,316)
Administrative expenses	5	**(72,967)**	(64,516)
Operating profit		**21,571**	16,417
Finance costs		**(4,419)**	(4,610)
Profit before income tax		**17,152**	11,807
Income tax expense	6	**(1,583)**	(742)
Profit for the period		**15,569**	11,065
Attributable to:			
Equity holders of the Company		**15,538**	11,019
Minority interest		**31**	46
		15,569	11,065
Earnings per share for profit attributable to the equity holders of the Company, expressed in cents per share			
– basic and diluted	8	**HK7.40 cents**	HK5.25 cents
Dividends	7	**10,772**	9,446

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30TH JUNE 2008

	Note	**30th June 2008 Unaudited HK$'000**	31st December 2007 Audited HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**96,235**	99,577
Leasehold land		**44,240**	44,468
		140,475	144,045
Current assets			
Inventories		**222,799**	172,211
Trade receivables and bills receivables	10	**242,710**	196,349
Other receivables, prepayments and deposits		**44,726**	30,566
Current income tax assets		**37**	–
Derivative financial instruments	9	**129**	270
Restricted bank deposits		**89,314**	110,121
Cash and bank balances		**62,355**	65,700
		662,070	575,217
Total assets		**802,545**	719,262
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	13	**20,992**	20,992
Other reserves		**90,077**	88,193
Retained profits			
Proposed interim/final dividend		**10,772**	9,446
Others		**133,331**	127,477
		255,172	246,108
Minority interest		**7,603**	7,569
Total equity		**262,775**	253,677

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

AS AT 30TH JUNE 2008

	Note	**30th June 2008 Unaudited HK$'000**	31st December 2007 Audited HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**10,569**	10,886
Current liabilities			
Trade payables and bills payables	11	**166,018**	166,607
Other payables, accruals and deposits received		**68,080**	60,561
Dividend payable		**9,446**	–
Current income tax liabilities		**–**	3,692
Borrowings, secured	12	**285,657**	223,839
		529,201	454,699
Total liabilities		**539,770**	465,585
Total equity and liabilities		**802,545**	719,262
Net current assets		**132,869**	120,518
Total assets less current liabilities		**273,344**	264,563

NOTES

1 Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30th June 2008 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2007, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (HKFRSs).

2 Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December 2007, as described in those annual financial statements.

For the six months ended 30th June 2008, the following new standards and interpretations to existing standards are mandatory for the first time for the financial year beginning 1st January 2008 but are not currently relevant to the Group.

- HK(IFRIC)-Int 12, 'Service concession arrangements'
- HK(IFRIC)-Int 14, 'HKAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction'

The following new standards, amendments to standards and interpretations to existing standards have been issued but are not effective for the financial year beginning 1st January 2008 and have not been early adopted by the Group:

2 Accounting policies (Continued)

- HKFRS 8, 'Operating segments'
- HKAS 23 (revised), 'Borrowing costs'
- HKFRS 2 (amendment) 'Share-based payment'
- HKFRS 3 (revised), 'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures'
- HKAS 1 (revised), 'Presentation of financial statements'
- HKAS 32 (amendment), 'Financial instruments: presentation', and consequential amendments to HKAS 1, 'Presentation of financial statements'
- HK(IFRIC) – Int 13, 'Customer loyalty programmes'
- IFRS 1 and IAS 27 (revised), 'Cost of an investment in a subsidiary, jointly controlled entity or associate', and consequential amendments to IAS 18 'Revenue', IAS 21 'The Effects of Changes in Foreign Exchange Rates' and IAS 36 'Impairment of Assets'

The Group has already commenced an assessment of the impact of the new standards, amendments to standards or interpretations to existing standards but is not yet in a position to state whether these new standards, amendments to standards or interpretations to existing standards would have a significant impact to its results of operations and financial position.

3 Segment information

(a) Primary reporting format – business segments

No business segment analysis is presented as the Group has been operating in a single business segment, which is the trading, installation and provision of after-sales service of metalworking machinery, measuring instruments, cutting tools and electronics equipment throughout the period.

3 Segment information (Continued)

(b) *Secondary reporting format – geographical segments*

The Group is principally engaged in the trading, installation and provision of after-sales service of metalworking machinery, measuring instruments, cutting tools and electronic equipment in three main geographical areas, namely the People's Republic of China (the "PRC"), Hong Kong and other countries (principally Singapore). The PRC, for the purpose of these condensed consolidated interim financial information, excludes Hong Kong, the Republic of China ("Taiwan") and Macau.

The Group primarily operates in Hong Kong and the PRC. The Group's turnover by geographical location is determined by the country in which the customer is located.

	Unaudited Six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
Turnover:		
The PRC	**336,360**	243,510
Hong Kong	**185,987**	114,617
Other countries[1]	**37,085**	38,636
	559,432	396,763

Notes:

1 Other countries mainly include Taiwan, Singapore, United States, Macau, Greece, United Kingdom, Japan and Malaysia

There are no sales or other transactions between the geographical segments.

3 Segment information (Continued)

(b) Secondary reporting format – geographical segments (Continued)

Total assets are allocated based on where the assets are located.

Segment assets consist primarily of property, plant and equipment, leasehold land and inventories, receivables, derivative financial instruments, operating cash and restricted cash.

	Unaudited 30th June 2008 HK$'000	Audited 31st December 2007 HK$'000
Total assets:		
The PRC	**334,760**	290,402
Hong Kong	**416,353**	358,200
Other countries	**51,432**	70,660
	802,545	719,262

Capital expenditure is allocated based on where the assets are located.

Capital expenditure comprises mainly additions to property, plant and equipment and leasehold land.

	Unaudited 30th June 2008 HK$'000	Audited 31st December 2007 HK$'000
Capital expenditure:		
The PRC	**771**	412
Hong Kong	**350**	15,889
Other countries	**–**	105
	1,121	16,406

4 Other gains – net

	Unaudited Six months ended 30th June	
	2008	2007
	HK$'000	HK$'000
Derivative instruments – forward contracts:		
– Net fair value loss (realised and unrealised)	**(141)**	(740)
Interest income	**566**	698
Investment income/(loss), net	**425**	(42)
Service income	**7,723**	4,590
Commission income	**500**	949
Other income	**387**	104
	9,035	5,601

5 Expenses by nature

Expenses included in cost of goods sold, selling and distribution costs and administrative expenses are analysed as follows:

	Unaudited Six months ended 30th June	
	2008	2007
	HK$'000	HK$'000
Depreciation on property, plant and equipment	**5,555**	5,546
Amortisation on leasehold land	**363**	198
Provision for slow moving inventories	**2,277**	1,438
Provision for impairment of trade receivables	**171**	149
Employee benefits expenses (including directors' remuneration)	**43,029**	36,425
Costs of inventories sold	**446,096**	298,065
Other expenses	**49,405**	44,126
Total cost of goods sold, selling and distribution costs and administrative expenses	**546,896**	385,947

6 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The National People's Congress of the PRC approved the Unified Corporate Income Tax Law (the "New CIT Law") on 16th March 2007. During the period, the PRC tax rate applicable to the Group is 25% (six months ended 30th June 2007: 33%), with certain preferential provisions.

Therefore, the PRC taxation has been provided on the estimated profits of the Group's subsidiaries operating in the PRC and subject to Enterprise Income Tax ("EIT") at a rate of 25%, unless preferential rates are applicable.

The amount of income tax charged to the condensed consolidated income statement represents:

	Unaudited	
	Six months ended 30th June	
	2008	2007
	HK$'000	HK$'000
Current income tax:		
– Hong Kong profits tax	**1,272**	1,281
– Overseas taxation	**556**	387
Over-provision in previous years	**(70)**	(620)
Deferred income tax	**(175)**	(306)
	1,583	742

7 Dividends

	Unaudited Six months ended 30th June	
	2008	2007
	HK$'000	HK$'000
Interim, proposed, of HK5.0 cents (2007: HK4.5 cents) per ordinary share	**10,772**	9,446

Note:

At a board meeting held on 10th September 2008, the directors proposed an interim dividend of HK5.0 cents per ordinary share for the period ended 30th June 2008. This interim dividend, amounting to HK$10,772,000 (2007: HK$9,446,000), has not been recognised as a liability in this condensed consolidated interim financial information. It will be recognised in shareholders' equity in the year ending 31st December 2008.

Dividends are calculated based on a dividend of HK5.0 cents per ordinary share and a total number of ordinary shares in issue as at 10th September 2008 of 215,444,062, which represents the number of ordinary shares as at 30th June 2008 of 209,917,695 and an issue of new ordinary shares of 5,526,367 as scrip dividends on 30th July 2008.

8 Earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to equity holders of HK$15,538,000 (2007: HK$11,019,000).

The basic earnings per share is based on the weighted average number of ordinary shares in issue during the period of 209,918,000 (2007: 209,918,000).

No diluted earnings per share for the six months ended 30th June 2008 and 30th June 2007 are presented as there were no potentially dilutive shares outstanding.

9 Derivative financial instruments

	Unaudited As at 30th June 2008	
	Assets HK$'000	**Liabilities HK$'000**
Forward foreign exchange contracts – non-hedging instruments	**129**	**–**

	Audited As at 31st December 2007	
	Assets HK$'000	Liabilities HK$'000
Forward foreign exchange contracts – non-hedging instruments	270	–

10 Trade receivables and bills receivables

At 30th June 2008 and 31st December 2007, the ageing analysis of the trade receivables and bills receivables were as follows:

	Unaudited 30th June 2008 HK$'000	Audited 31st December 2007 HK$'000
Current	**118,222**	118,849
1-3 months	**93,112**	52,959
4-6 months	**21,136**	11,862
7-12 months	**7,012**	4,399
Over 12 months	**12,303**	17,066
	251,785	205,135
Less: provision for impairment of receivables	**(9,075)**	(8,786)
	242,710	196,349

10 Trade receivables and bills receivables (Continued)

The Group generally grants credit terms of 30 to 120 days to its customers. Longer payment terms of approximately 180 days might be granted to those customers who have good payment history and long-term business relationship with the Group.

Certain subsidiaries of the Group transferred receivables balance amounting to HK21,138,000 (31st December 2007: HK$5,411,000) to certain banks in exchange for cash during the period ended 30th June 2008. These transactions have been accounted for as collateralised borrowings (note 12).

11 Trade payables and bills payables

At 30th June 2008 and 31st December 2007, the ageing analysis of the trade payables and bills payables were as follows:

	Unaudited 30th June 2008 HK$'000	Audited 31st December 2007 HK$'000
Current	**149,124**	135,033
1-3 months	**11,680**	27,499
4-6 months	**4,639**	2,103
7-12 months	**163**	281
Over 12 months	**412**	1,691
	166,018	166,607

12 Borrowings, secured

	Unaudited 30th June 2008 HK$'000	Audited 31st December 2007 HK$'000
Current		
Collateralised borrowings	**21,138**	5,411
Trust receipts loans	**148,269**	89,603
Short-term bank loans	**116,250**	128,825
Total borrowings	**285,657**	223,839

13 Share capital

	Unaudited 30th June 2008 HK$'000	Audited 31st December 2007 HK$'000
Authorised:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
209,917,695 ordinary shares of HK$0.10 each	**20,992**	20,992

	Number of shares (in thousand)	**Share capital** HK$'000
At 31st December 2007 and 30th June 2008	209,918	20,992

On 30th July 2008, 5,526,367 ordinary shares of HK$0.10 each were issued as 2007 final scrip dividend shares.

13 Share capital (Continued)

Pursuant to the share option scheme (the "Scheme") approved and adopted by the Company on 17th June 2003, share options can be granted to subscribe for shares in the Company in accordance with the terms of the Scheme. Neither outstanding options nor new share options were granted under the Scheme during the years ended 31st December 2007 and 2006 but during the period, new options have been offered to and accepted by employees and directors on 22nd April 2008 and 20th May 2008 respectively, for the subscription of 5,548,000 shares by employees and 1,800,000 shares by directors. The closing price of the shares on 21st April 2008 (immediately before 22nd April 2008, the date those options offered) was HK$1.25 per share.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 29th September 2008 (Monday) to 2nd October 2008 (Thursday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30pm on 26th September 2008 (Friday).

FINANCIAL PERFORMANCE

The turnover of the Group for the six months ended 30th June 2008 was HK$559,432,000 (2007: HK$396,763,000), representing an increase of 41.0% as compared with the same period in 2007. The profit attributable to equity holders was HK$15,538,000 (2007: HK$11,019,000), representing an increase of 41.0% as compared with the corresponding period in 2007.

Although the turnover achieved 41.0% increase for the six months ended 30th June 2008, the gross profit of the Group increased only 22.0%. The gross profit percentage of the Group was 19.1%, as compared with 22.1% for the same period in 2007. This was due mainly to the stronger Japanese Yen in the first half of 2008 compared with the corresponding period in 2007 thus increasing the cost of many Japanese products, especially cutting tools and measuring instruments.

The selling and distribution costs increased 74.0% as compared with same period in 2007. This was due mainly to the higher commissions paid to sales staff, higher marketing and promotion expenses, and the service costs of the authorised service agent.

Administrative expenses increased by 13.1% as compared with the same period in 2007. The major increases were in staff costs and travelling expenses.

BUSINESS REVIEW

In the first six months of 2008, there was a slight slowdown of the overall economy in China. GDP growth was 10.4%, 1.8% lower than in the same period last year. The growth rate for industrial production value was 16.3%, 2.2% lower than in the same period last year. The export value grew by 21.9%, 5.7% lower than in the same period last year.

In spite of the weakening economic situation in China, the Group still achieved significant growth in turnover in the first half of 2008. The major contribution to the growth in turnover was the significant amount of the outstanding contracts brought forward from last year. The Japanese government's export ban on most Mitutoyo products was lifted in January 2008, which contributed to the growth in the measuring instruments business in the first half of the year. The market expansion in Central and Northern China was also important to the growth of the business. Compared with the same period in 2007, the turnover for Northern China actually increased 100.9%, and the turnover for Central China increased 76.7%. For Southern China and Hong Kong, the increase was 44.8%.

Manufacturers in China have faced a difficult time since the beginning of the year. This is due to the high cost of raw materials, higher labour costs resulting from the new labour law, and the reduction in overseas orders. Many of our customers, especially in the Guangdong area, have had to slow down their investment plans. The Group has had to work hard to win more new customers in Southern China. However, many customers in Central and Northern China are larger operations that have relied more on the domestic market than on the export market, because the domestic market in China has remained strong, so there has been strong demand for our manufacturing equipment.

All the product divisions of the Group, i.e. metalcutting machinery, metalforming machinery, cutting tools, measuring instruments and electronic equipment, achieved variable rates of growth in the first half of the year.

However, the economy in Southeast Asia has been weak since the beginning of the year. The performance in Southeast Asia was about the same as last year; and it represented only 5.7% of the Group's total turnover.

LIQUIDITY AND FINANCIAL RESOURCES

The cash and cash equivalents as at 30th June 2008 were HK$62,355,000 (31st December 2007: HK$65,700,000).

As at 30th June 2008, the Group had net tangible assets of approximately HK$262,775,000, comprising non-current assets of approximately HK$140,475,000, net current assets of approximately HK$132,869,000 and non-current-liabilities of approximately HK$10,569,000. As at the same date, the total liabilities of the Group amounted to approximately HK$539,770,000, and the total assets of the Group were HK$802,545,000.

The net gearing ratio was approximately 84.9% as at 30th June 2008 (31st December 2007: 62.3%). The ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalent.

The Group generally finances its operations with internally generated resources and banking facilities provided by banks. As at 30th June 2008, the Group had aggregate banking facilities of approximately HK$712,230,000, of which approximately HK$364,041,000 was utilised, bearing interest at prevailing market rates and secured by certain leasehold land, buildings and restricted bank deposits of the Group in Hong Kong and Singapore, with an aggregate carrying amount of HK$146,169,000 (31st December 2007: HK$151,391,000). The directors are confident that the Group is able to meet its operational and capital expenditure requirements.

FUTURE PLANS AND PROSPECTS

The GDP growth rate for China for the whole year of 2008 is forecast to be about 10%–slightly lower than in the previous year. The domestic consumption market is expected to remain strong, because the Chinese Government intends to maintain reasonable growth in the country's economy until the end of the year. The biggest challenge for the manufacturers in China is the worsening export market. The biggest customer segment for the Group is in the Guangdong area, where many customers rely heavily on export sales and therefore the Group's result in Southern China may be affected. It is expected that the Chinese Government will implement certain measures to improve the export sales. The Group expects the turnover in Southern China to be slightly higher than last year. The major growth in the Group's business will be from Central and Northern China, where customers, especially from the aerospace, automotive and energy industries, will bring the Group tremendous business opportunities. With our wide range of product lines, including our new products such as large-scale measuring systems, laser machines and systems, and our comprehensive range of professional tools, we will be able to develop the market in Central and Northern China very quickly.

The Group will invest more resources in developing its key customers in the country, and we will continue to recruit more high-calibre people to strengthen the quality of our sales and service team. The opening of a 2,500 sq. m. showroom and technology centre in Beijing by end of the year will further strengthen the expansion of the Northern China market.

The order booking for the Group in first half of the year was strong. The overall business in the second half of the year will be maintained and may even improve compared with the first half of the year. We are therefore confident that the Group's overall result in 2008 will represent a significant improvement compared with 2007.

We will continue to explore opportunities for sourcing new products and establishing joint ventures with suitable partners.

EMPLOYEES

As at 30th June 2008, the Group had 649 employees (2007: 574), of whom 192 were based in Hong Kong, 421 were based in mainland China, and 36 were based in other offices around Asia. Competitive remuneration packages were structured to be commensurate with our employees' individual job duties, qualifications, performance and years of experience. In addition to basic salaries, MPF contributions and ORSO contributions, the Group offered staff benefits including medical schemes, educational subsidies and discretionary performance bonuses.

A share option scheme was adopted by the Company on 17th June 2003 for a period of 10 years for employees and other eligible participants so as to provide incentives and rewards for their continued contributions to the Group.

DETAILS OF THE CHARGES ON THE GROUP'S ASSETS

As at 30th June 2008, certain land and buildings and restricted bank deposits in Hong Kong and Singapore with an aggregate carrying value of approximately HK$146,169,000 (31st December 2007: HK$151,391,000) have been pledged to secure the banking facilities of the Group by way of a fixed charge.

CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES

For the first six months of 2008, the Group spent a total of HK$1,121,000 (2007: HK$739,000) in capital expenditure, which primarily consisted of property, plant and equipment. As at 30th June 2008, the Group had capital commitments for property, plant and equipment of HK$3,073,000 (31st December 2007: Nil) and HK$33,673,000 (31st December 2007: HK$37,414,000) contingent liabilities in respect of letters of guarantee given to customers.

EXPOSURE TO FLUCTUATIONS ON EXCHANGE RATES AND RELATED HEDGES

A substantial portion of the Group's sales and purchase were denominated in foreign currencies, which are subject to exchange rate risks. The Group will use the foreign currencies received from the customers to settle the payments to overseas suppliers. In the event that any material payment which cannot be fully matched, the Group will enter into foreign currency contracts with its bankers to minimise the Group's exposure to foreign exchange rate risks.

As at 30th June 2008, the Group had commitments for foreign currency forward contracts amounting to approximately HK$44,896,000 (31st December 2007: HK$30,179,000).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period under review.

CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Code on the Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30th June 2008 except the following deviation:

Further Information about Chairman and Chief Executive Officer

The Board is of the view that although Mr. Lee Sou Leung, Joseph is the Chairman and the Managing Director of the Company, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company. The Company has no such title as the chief executive officer.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES ("MODEL CODE")

For the six months period to 30th June 2008, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the six months ended 30th June 2008 under review and they all confirmed that they have fully complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee, comprised of three independent non-executive directors of the Company, namely Mr. PIKE, Mark Terence, Dr. Lui Sun Wing and Mr. NIMMO, Walter Gilbert Mearns, has reviewed the accounting principles and practices adopted by the Group with the management and has discussed internal controls and financial reporting matters, including a review of the unaudited condensed consolidated interim financial information for the six months ended 30th June 2008 with the directors.

2008 INTERIM REPORT

The interim report of the Company for the six months ended 30th June 2008 containing all the information required by the Listing Rules will be published on the Stock Exchange's website and dispatched to the shareholders by the end of September 2008.

On behalf of the Board
Lee Sou Leung, Joseph
Chairman

Hong Kong, 10th September 2008

As at the date of this announcement, the board of directors comprises 3 executive directors, namely Mr. Lee Sou Leung, Joseph, Ms. Tan, Lisa Marie and Mr. Chan Ching Huen, Stanley and 3 independent non-executive directors, namely Dr. Lui Sun Wing, Mr. Pike, Mark Terence and Mr. Nimmo, Walter Gilbert Mearns.