Capital VC Limited
首都創投有限公司

(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as CNI VC Limited)
(Stock Code: 02324)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2011

The board of directors (the "Board") of Capital VC Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 June 2011 together with the comparative figures in 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2011

	Notes	**2011** *HK$*	2010 *HK$* (Restated)
Turnover	3	**(984,164)**	23,255,411
Other income		**1,417,828**	2,540,062
Administrative expenses		**(13,981,443)**	(12,360,234)
Reversal of impairment loss recognised in respect of other receivables		**–**	2,500,000
Net loss on disposal of available-for-sale investments		**–**	(2,581,220)
Loss on written off of plant and equipment		**(152,233)**	–
Operating (loss) profit		**(13,700,012)**	13,354,019
Finance costs		**(4,603,410)**	(2,135,301)
Share of results of an associate		**41,674,842**	24,290,040
Profit before tax	5	**23,371,420**	35,508,758
Income tax	6	**–**	461,433
Profit for the year		**23,371,420**	35,970,191
Dividend	7	**–**	–
Earnings per share	8		
– basic		**0.0558**	0.0969
– diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	2011	2010
	HK$	*HK$*
Profit for the year attributable to equity holders of the Company	**23,371,420**	35,970,191
Other comprehensive (loss) income		
(Loss) gain on fair value changes of available-for-sale investments	**(15,305,087)**	1,309,519
Transfer from investment revaluation reserve on disposal of available-for-sale investments	**–**	2,581,220
Other comprehensive (loss) income for the year, net of tax	**(15,305,087)**	3,890,739
Total comprehensive income for the year attributable to equity holders of the Company	**8,066,333**	39,860,930

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Note	2011 HK$	2010 HK$
Non-current assets			
Plant and equipment		**1,416,802**	987,277
Interest in an associate		**91,013,434**	49,338,592
Available-for-sale investments		**36,000,000**	58,249,017
		128,430,236	108,574,886
Current assets			
Available-for-sale investments		**70,000,000**	63,056,070
Financial assets at fair value through profit or loss		**165,882,076**	56,632,226
Loan receivables		**10,000,000**	10,000,000
Prepayments, deposits and other receivables		**45,775,027**	58,948,774
Amounts due from investee companies		**716,808**	2,313,060
Amount due from an associate		**44,125,000**	30,220,000
Bank balances		**14,486,942**	26,219,940
		350,985,853	247,390,070
Current liabilities			
Other payables and accruals		**62,578,201**	35,384,873
Amounts due to investee companies		**49,639**	–
Amounts due to directors		**2,222,418**	1,101,884
Tax payable		**–**	568,702
Debentures		**–**	1,000,000
Obligations under finance leases – due within one year		**195,041**	452,906
		65,045,299	38,508,365
Net current assets		**285,940,554**	208,881,705
		414,370,790	317,456,591
Capital and reserves			
Share capital		**59,116,985**	31,508,218
Reserves		**354,971,454**	285,890,657
Total equity attributable to equity holders of the Company		**414,088,439**	317,398,875
Non-current liability			
Obligations under finance leases – due after one year		**282,351**	57,716
		414,370,790	317,456,591
Net asset value per share	9	**0.7005**	1.0074

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1. BASIS OF PREPARATION

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Companies Ordinance.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 July 2010.

HKFRS (Amendments)	Improvements to HKFRSs issued in 2009
HKFRS (Amendments)	Improvements to HKFRSs issued in 2010 in relation to the amendments to HKFRS 3 (as revised in 2008), HKAS 1, HKAS 27 and HKAS 28
HKAS 32 (Amendment)	Classification of Rights Issues
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS7 Disclosures for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transaction
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK – Int 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The HKICPA has issued a number of amendments to HKFRSs and new interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

HK – Int 5, Presentation of financial statements

– Classification by the borrower of a term loan that contains a repayment on demand clause

The impact of these developments is as follows:

HK – Int 5 Presentation of financial statements – Classification by the borrower of a term loan that Contains a repayment on demand clause In November 2010, the HKICPA issued Hong Kong Interpretation 5, Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause. This Interpretation is effective immediately on issuance and sets out the conclusion reached by the HKICPA that a term loan which contains a clause which gives the lender the unconditional right to demand repayment at any time should be classified as a current liability in accordance with paragraph 69(d) of HKAS 1, Presentation of financial statements, irrespective of the probability that the lender will invoke the clause without cause.

The HK Int 5 has no material impact on the Group's financial statement as the interpretation was consistent with policies already adopted by the Group.

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment was required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKAS 1, HKAS 27 and HKAS 28[1]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 19 (Amendments)	Employee Benefits[4]
HKAS 24 (Revised)	Related Party Disclosures[1]
HKAS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
HKAS 7 (Amendments)	Disclosures - Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[1]

[1] Effective for annual periods beginning on or after 1 January 2011

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

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

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

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

HKAS 24 (Revised), Related Party Disclosure, issued in November 2009, is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted.

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transaction with the government and other government-related entities. The amendments may not have any financial impact on the Group.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for year beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 30 June 2014 and that the application of HKFRS 9 will have no material impact on the amount of the Group's financial assets and financial liabilities.

3. TURNOVER

Turnover represents the amounts received and receivable on investments and net (loss) profit on financial assets at FVTPL during the year as follows:

	2011	2010
	HK$	*HK$*
		(Restated)
Turnover		
Net (loss) profit on financial assets at FVTPL	**(2,309,927)**	21,155,138
Dividend income from investments in listed securities	**2,500**	45,023
Interest income on amounts due from investee companies	**805,944**	1,558,150
Interest income on other receivables	**496,873**	496,000
Interest income	**20,446**	1,100
	(984,164)	23,255,411

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular reports reviewed by the chief operating decision maker for decisions about resources allocated to the Group's business components and for the review of the performance of those components.

The principal activity of the Group is investing in listed and unlisted companies. The Group has identified the operating and reportable segments as follows.

Financial assets at FVTPL	–	Investments in securities listed on Hong Kong Stock Exchange
Available-for-sale Investments	–	Investments in unlisted securities
Associate	–	Investments in an entity which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture

	For the year ended 30 June 2011				
	Investment in financial assets at FVTPL	**Investment in available-for-sale investments**	**Interest in an associate**	**Unallocated**	**Total**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Segment revenue	(2,286,981)	1,302,817	–	1,417,828	433,664
Administrative expenses	–	–	–	(13,981,443)	(13,981,443)
Segment result	(2,286,981)	1,302,817	–	(12,563,615)	(13,547,779)
Finance costs	(4,445,886)	–	–	(157,524)	(4,603,410)
Loss on written off of plant and equipment	–	–	–	(152,233)	(152,233)
Share of results of an associate	–	–	41,674,842	–	41,674,842
Profit (Loss) before tax	(6,732,867)	1,302,817	41,674,842	(12,873,372)	23,371,420
Income tax	–	–	–	–	–
Profit (Loss) for the year	(6,732,867)	1,302,817	41,674,842	(12,873,372)	23,371,420
Segment assets	166,002,753	145,216,577	135,138,434	33,058,325	479,416,089
Segment liabilities	58,503,193	49,639	–	6,774,818	65,327,650
Other segment information					
Depreciation of plant and equipment	–	–	–	1,028,221	1,028,221
Purchase of plant and equipment	–	–	–	1,609,979	1,609,979
Gain on disposal of plant and equipment	–	–	–	250,000	250,000

	For the year ended 30 June 2010				
	Investment in financial assets at FVTPL	**Investment in available-for-sale investments**	**Interest in an associate**	**Unallocated**	**Total**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Segment revenue	21,201,261	2,054,150	–	2,540,062	25,795,473
Administrative expenses	–	–	–	(12,360,234)	(12,360,234)
Segment result	21,201,261	2,054,150	–	(9,820,172)	13,435,239
Finance costs	(1,569,009)	–	–	(566,292)	(2,135,301)
Reversal recognised in respect of other receivables	–	–	–	2,500,000	2,500,000
Net loss on disposal of available-for-sale investments	–	(2,581,220)	–	–	(2,581,220)
Share of results of an associate	–	–	24,290,040	–	24,290,040
Profit (loss) before tax	19,632,252	(527,070)	24,290,040	(7,886,464)	35,508,758
Income tax	–	–	–	461,433	461,433
Profit (loss) for the year	19,632,252	(527,070)	24,290,040	(7,425,031)	35,970,191
Segment assets	57,915,461	164,477,471	79,558,592	54,013,432	355,964,956
Segment liabilities	16,003,991	3,000,000	–	19,562,090	38,566,081
Other segment information					
Depreciation of plant and equipment	–	–	–	1,213,359	1,213,359
Purchase of plant and equipment	–	–	–	52,720	52,720
Gain on disposal of plant and equipment	–	–	–	73,602	73,602

Given the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

5. PROFIT BEFORE TAX

The Group's profit for the year has been arrived at after charging (crediting):

	2011	2010
	HK$	*HK$*
Directors' emoluments	**2,418,000**	2,816,065
Staff costs		
Salaries, allowances and other benefits	**524,984**	678,168
MPF Scheme contributions	**23,131**	27,220
Total staff costs	**2,966,115**	3,521,453
Auditor's remuneration		
– audit service	**450,000**	420,000
– other services	**130,000**	100,000
Depreciation of plant and equipment		
– owned assets	**654,328**	399,382
– leased assets	**373,893**	813,977
Minimum lease payments under operating lease for rented premises	**3,514,800**	1,200,000
Gain on disposal of plant and equipment	**(250,000)**	(73,602)
Share of income tax expense of an associate	**6,876,348**	4,007,855
Net loss on disposal of available-for-sale investments	**–**	2,581,220

6. INCOME TAX

For the years ended 30 June 2011 and 30 June 2010, no provision of Hong Kong profits tax has been made in the financial statements as the Group did not derive any assessable profits for the year ended 30 June 2011 and the taxable profits for the year ended 30 June 2010 has been set off by previous year's loss.

The income tax for the year can be reconciled to the profit before tax per the consolidated income statement as follows:

	2011	2010
	HK$	*HK$*
Profit before tax	**23,371,420**	35,508,758
Tax at domestic income tax rate of 16.5% (2010: 16.5%)	**3,856,285**	5,858,945
Tax effect of share of results of an associate	**(6,876,348)**	(4,007,855)
Tax effect of income not taxable for tax purpose	**(218,749)**	(419,934)
Tax effect of expenses not deductible for tax purpose	**213,224**	106,685
Tax effect of tax losses not recognised	**2,641,078**	–
Tax effect of prior year's tax losses utilized in this year	**–**	(1,913,277)
Tax effect of origination and reversal of temporary differences	**331,043**	53,205
Tax effect of loss not allowed	**53,467**	322,231
Adjustment for over-provision in previous years	**–**	(461,433)
Income tax income	**–**	(461,433)

At 30 June 2011, the Group has unused tax losses of HK$53,888,928 (2010: HK$37,870,258) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profits streams. The unrecognised tax losses may be carried forward indefinitely.

7. DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 30 June 2011 (2010: Nil).

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group's profit for the year attributable to the equity holders of the Company of HK$23,371,420 (2010: HK$35,970,191), based on the weighted average number of 419,024,458 (2010 (Restated): 371,305,795) ordinary shares in issue during the year.

There was no dilution effect on the basic earnings per share for the years ended 30 June 2011 and 30 June 2010 as there were no dilutive shares outstanding during the two years ended 30 June 2011 and 30 June 2010.

		Earnings per share	
		2011	2010
		HK$	*HK$*
			(Restated)
Earnings per share	– basic	**0.0558**	0.0969
	– diluted	**N/A**	N/A

The weighted average number of ordinary shares for the purposes of calculating basic earnings per share for both years have been retrospectively adjusted for the effects of the rights issue in March 2011.

9. NET ASSET VALUE PER SHARE

The calculation of net asset value is based on the net asset value of the Group as at 30 June 2011 of HK$414,088,439 (2010: HK$317,398,875) and on the number of 591,169,846 (2010: 315,082,177) ordinary shares in issue as at 30 June 2011.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the year under review, the Group reported a negative turnover of approximately HK$1.0 million (2010: positive HK$23.3 million) and net profit attributable to equity holders of the Company of approximately HK$23.4 million (2010: HK$36.0 million). During the year, the Group managed to dispose of some direct investment projects and re-allocate our financial resources to our listed equities portfolio as well as several more matured technology investments.

As at 30 June 2011, the net asset value ("NAV") of the Group was approximately HK$414.1 million (2010: HK$317.4 million), an increase of 30.5% over the same period in 2010. The NAV per share of the Group was HK$0.7005 (2010: HK$1.0074).

Liquidity and Financial Resources

The Group continued to maintain a healthy statement of financial position as at 30 June 2011. The Group's bank balances amounted to approximately HK$14.5 million (2010: HK$26.2 million) which accounted for 4.1% (2010: 10.6%) of the Group's total current assets. The Board believes that the Group has sufficient resources to satisfy its working capital requirements.

Capital Structure

Following a placement and a rights issue exercise, 64,910,000 shares at HK$0.35 each and 194,746,089 shares at HK$0.30 each were allotted and issued on 22 December 2010 and 23 March 2011, respectively. In addition, 16,431,580 shares were alloted and issued upon exercise of share options during the year. Accordingly, the number of issued shares of the Company increased from 315,082,177 as at 1 July 2010 to 591,169,846 as at 30 June 2011.

Capital Commitment

As at 30 June 2011, the Group had no material commitment.

Contingent Liabilities

(a) The Company and Longlife Group Holdings Limited have jointly entered into a tenancy agreement for the lease of office premises for a term of three years from 5 July 2010 to 4 July 2013. As at 30 June 2011, the maximium rental liabilities of the Company due to default of rental payment of Longlife Group Holdings Limited would be HK$2,812,000 (2010: Nil).

(b) On 16 May 2011, a wholly-owned subsidiary of the Company (the "Subsidiary") jointly entered into an exclusivity and escrow agreement (the "Escrow Agreement") with another investor (collectively, the "Investors"). The Escrow Agreement was entered into with the existing investor, and the Joint and Several Provisional Liquidators (the "Provisional Liquidators") of 3D-GOLD Jewellery Holdings Limited (a company listed on the Stock Exchange and formerly known as Hang Fung Gold Technology Limited, stock code: 870, provisional liquidator appointed) ("3D-GOLD).

    Pursuant to the Escrow Agreement, upon payment of an earnest money in an aggregate sum of HK$20,000,000 (of which HK$5,000,000 is non-refundable and payable upon signing of the Escrow Agreement) by stages and in equal share by the Investors, 3D-GOLD and the Provisional Liquidators undertake to give the exclusivity to negotiate with 3D-GOLD and the Provisional Liquidator in relation to the investment for a controlling interest in 3D-GOLD, which may form part of the resumption proposal for 3D-GOLD up to 31 December 2011. As at 30 June 2011, the Subsidiary has paid its share, i.e. HK$2,500,000 of the HK$5,000,000 non-refundable deposit. The remaining HK$7,500,000, which is payable upon fulfillment of certain conditions, is guaranteed by the Company.

Foreign Currency Fluctuation

The Group has a number of investment projects in the PRC and may be subject to a certain degree of investment return risk. In spite of this, the Board believes that foreign exchange risks are minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions.

Human Resources

As at 30 June 2011, the Group had 2 employees excluding the Directors. Total staff costs excluding Directors' remuneration amounted to approximately HK$548,000. They perform clerical, research, business development and administrative functions for the Group. The Group's remuneration policies are in line with the prevailing market practice and the staff remuneration is determined on the basis of the performance and experience of individual employees.

Significant Acquisition and Disposal of Subsidiaries

During the year under review, the Group had not made any significant acquisition or disposal of subsidiaries.

Charge of Assets

As at 30 June 2011, the Group had pledged plant and equipment of approximately HK$77,000 to secure the finance leases and financial assets at FVTPL of approximately HK$161,592,000 to secure the debenture issued by the Company and the margin payables.

BUSINESS REVIEW AND PROSPECT

During the year under review, the global economic recovery continued during the first three quarters. To enhance our capital and shareholder bases, improve the Group's competitiveness as well as participate in diversified high quality projects, the Group underwent a placement and a rights issue exercise during the year. The Group successfully placed approximately 64.9 million shares at HK$0.35 per share in December 2010 and approximately 194.7 million shares were allotted at HK$0.3 each in March 2011 by way of rights issue. Gross proceeds of approximately HK$81.1 million were obtained from the above fund raising exercises.

The investment environment, however, has changed drastically since the last quarter. A series of unfavorable events happened, and the European debt crisis became the main theme of the global investment market. Another focus in the market was the uncertainty of US government credit rating downgrade, which was subsequently realized in August 2011. Due to the worsening of the investment environment, the Group recorded a slight loss on financial asset at fair value through profit or loss of approximately HK$2.3 million, which represented only 1.4% of financial assets at fair value through profit or loss of approximately HK$165.9 million as at 30 June 2011. In addition to the listed investments mentioned above, the valuation of an available-for-sale investment – Quidam Assets Limited was also adversely affected by the uncertainties in the market. To react to the volatile investment market, the Group changed the portfolio combination. Listed investments with higher liquidity carried more weight in the portfolio.

Looking forward, we expect the economic growth of the US and Europe will slow down. Market risk aversion is likely to grow fuelling bigger market uncertainty and volatility, the developed and developing markets alike. However, the promise by the US Federal Reserve to keep interest rates low for two more years is favorable to the equity investments. Another positive factor is that the Chinese Government may be less hawkish to further tighten the current macro policy in the near term. The Directors will adopt cautious measures to manage the portfolio of investments of the Group.

CODE OF CORPORATE GOVERNANCE PRACTICE

During the year, the Company has complied with the code provisions in the Code of Corporate Governance Practice (the "CGP Code") contained in Appendix 14 to the Listing Rules, except the deviations from the Code as described below:

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. The Company does not have Chairman or Chief Executive, and decisions are made collectively by the Executive Directors. The Board believes that the present arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. The Board also believes that the Company already has a good corporate governance structure in place to ensure effective oversight of management. The Board will continually review the effectiveness of the Group's are necessary.

Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election. Currently all Non-executive Directors (including Independent Nonexecutive Directors) have no specific term of appointment but they are subject to retirement by rotation in accordance with the Articles. As such, the Company considers that sufficient measures have been taken to serve the purpose of this Code provision.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code during the year and they all confirmed that they have fully complied with the required standard set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the audited annual results for the year ended 30 June 2011.

DISCLOSURE OF INFORMATION ON WEBSITES

All the information required by the Listing Rules will be published on the websites of the Stock Exchange and of the Company in due course.

By Order of the Board
Yau Chung Hong
Executive Director

Hong Kong, 30 September 2011

As at the date of this announcement, the board of directors of the Company comprises executive directors Mr. Yau Chung Hong, Mr. Chui Tak Keung, Duncan, Mr. Kong Fanpeng and Dr. Liu Ta-pei; non-executive director Mr. Hung Cho Sing; and independent non-executive directors Mr. Lam Kwan, Mr. Chan Ming Sun, Jonathan and Mr. Shiu Siu Tao.