



Vertex Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8228)

Third
Quarterly
Report 08

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination of GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

The report, for which the directors of Vertex Group Limited (the “Company”) collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL RESULTS

The board of directors (the “Board”) of Vertex Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three and nine months ended 30th September 2008, together with the comparative figures for the corresponding period in 2007 as follows:

Consolidated Income Statement

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2008	2007	2008	2007
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover	(2)	5,006	12,728	12,106	23,501
Other operating income		7	393	130	1,219
Staff costs		(3,035)	(3,944)	(9,704)	(11,913)
Subcontracting costs		(1,297)	(8,482)	(3,410)	(8,896)
Depreciation		(135)	(128)	(404)	(387)
Royalty and production costs		(1,953)	(2,770)	(8,079)	(7,587)
Other operating expenses		(3,017)	(2,619)	(9,020)	(7,008)
Finance cost		(714)	(701)	(2,127)	(2,093)
Loss before taxation		(5,138)	(5,523)	(20,508)	(13,164)
Taxation	(3)	-	-	-	-
Loss for the period		(5,138)	(5,523)	(20,508)	(13,164)
Attributable to:					
Equity holders of the Company		(5,138)	(5,523)	(20,508)	(13,164)
Minority interests		-	-	-	-
		(5,138)	(5,523)	(20,508)	(13,164)
Loss per share					
Basic and Diluted	(4)	HK\$(0.83) cents	HK\$(0.90) cents	HK\$(3.33) cents	HK\$(2.14) cents

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company was incorporated in the Cayman Islands on 16 November 2001 as an exempted company under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The unaudited financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The unaudited consolidated results for the nine months ended 30 September 2008 have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

The accounting policies and basis of preparation adopted for the preparation of the financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 December 2007.

2. TURNOVER

The Company is principally engaged in investment holding and provision of energy consultancy services. The principal activities of its subsidiaries are in the provision of network infrastructure services, digital solution services and publication of magazines.

Turnover represents the value of goods and services recognized when services are rendered or goods are delivered and title has passed.

During the period under review, the Group's revenue from advertising barter transactions was HK\$2,162,000 (2007: HK\$1,447,446).

3. TAXATION

Hong Kong Profits Tax has not been provided for the nine months ended 30 September 2008 (2007: Nil) as the Group did not generate any assessable profits in Hong Kong during these periods. The tax credit incurred in the previous period was a result of written back of over provision of taxation in prior years.

Pursuant to the Income Tax Law of the PRC for Enterprise with Foreign Investment and Foreign Enterprises, the Company's subsidiary in the PRC is exempted from income tax for its first two profitable years of operations and is entitled to a 50% relief on the income tax of the PRC for the following three years. No provision for the PRC income tax has been provided as the Company's subsidiary in the PRC has no assessable profit in the PRC for the nine months ended 30 September 2008 (2007: Nil).

The Company is exempted from taxation in the Cayman Islands until 2019.

No provision for deferred tax has been provided for the Group because there were no significant timing differences at the balance sheet date (2007: Nil).

4. LOSS PER SHARE

The calculation of basic loss per share for the nine months ended 30 September 2008 was based on the unaudited net loss for the period of approximately HK\$20,508,000 (2007: loss of HK\$13,164,000) and on the weighted average number of 615,026,766 shares (2007: 614,616,807 shares) deemed to be in issue throughout the periods.

The computation of diluted loss per share did not assume the exercise of the Company's potential ordinary shares granted under the Company's share option schemes and warrants since their exercises would result in a reduction in net loss per share.

5. DIVIDEND

The Board does not resolve the payment of an interim dividend for the nine months ended 30 September 2008 (2007: Nil).

6. UNAUDITED STATEMENT OF MOVEMENT TO AND FROM RESERVE

	Share Capital HK\$'000	Share Premium HK\$'000	Special Reserve HK\$'000	Capital Reserve HK\$'000	Trans- lation Reserve HK\$'000	Share Option Reserve HK\$'000	Accumu- lated Losses HK\$'000	Total HK\$'000	Minority Interests HK\$'000	Total equity HK\$'000
As at 1 January 2007	6,144	116,455	1,000	1,750	55	2,236	(129,636)	(1,996)	-	(1,996)
Exercise of share options	5	64	-	-	-	-	-	69	-	69
Currency translation differences	-	-	-	-	148	-	-	148	-	148
Recognition of employee share option granted	-	-	-	-	-	22	-	22	-	22
Net loss for the period	-	-	-	-	-	-	(13,164)	(13,164)	-	(13,164)
At 30 September 2007	6,149	116,519	1,000	1,750	203	2,258	(142,800)	(14,921)	-	(14,921)
As at 1 January 2008	6,149	116,519	1,000	1,750	221	2,265	(154,669)	(26,765)	-	(26,765)
Exercise of share options	2	29	-	-	-	-	-	31	-	31
Currency translation differences	-	-	-	-	82	-	-	82	-	82
Recognition of employee share option granted	-	-	-	-	-	10	-	10	-	10
Net loss for the period	-	-	-	-	-	-	(20,508)	(20,508)	-	(20,508)
At 30 September 2008	6,151	116,548	1,000	1,750	303	2,275	(175,177)	(47,150)	-	(47,150)

FINANCIAL REVIEW

For the nine months ended 30 September 2008, the Group recorded a decrease in turnover of approximately HK\$11.4 million, representing a drop of approximately 48% over the corresponding period in 2007. The decrease was caused by additional revenue from management consultancy services completed and network infrastructure and electrical installation services during the year 2007. The turnover for the period under review was mainly attributable by the engineering business and media publication business.

Staff cost for the period under review decreased as compared to the corresponding period in the previous year at approximately HK\$2.2 million. The decrease in staff cost was mainly due to reducing headcounts for provision of management consultancy services during the period under review.

Subcontracting costs for the period under review decreased approximately HK\$5.5 million due to additional cost to be required for network infrastructure and electrical installation services in 2007.

For the nine months ended 30 September 2008, the royalty and production cost amounted to HK\$8.1 million. The increase in royalty and production cost was mainly attributable to the increase of subscriber of Newsweek Select and re-launch of a sports magazine since the fourth quarter of 2007.

HUMAN RESOURCES & REMUNERATION POLICY

The directors of the board (the “Directors”) believe that the quality of its employees is the most important factor in sustaining the Group’s growth and improving its profitability. The Group’s remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund, staff benefits include medical coverage scheme and share options.

The Group has not experienced any significant problems with its employees or disruption to its operation due to labour disputes nor has it experienced any difficulties in the recruitment and retirement of experienced staff. The Directors believe that the Group has a good working relationship with its employees.

MANAGEMENT DISCUSSION AND ANALYSIS

Management is procuring energy resources to supply power companies in PRC. The demand of energy resources continues to be strong in PRC, the Management expects a positive impact to the Group business in the future. Management continues to actively pursue business opportunities in the power industry in the Middle-east Region and in Hong Kong.

Business realignment will be made on the media business as the shifting of business into energy sourcing and power engineering business. The staff force under media business will be evaluated to reflect the change of business strategy.

SHARE OPTION SCHEMES

Pursuant to a written resolution of the sole shareholder of the Company dated 22 July 2002, the Company conditionally adopted and approved the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme, the principal terms of which are set out in the sections headed “Pre-IPO Share Option Scheme” and “Post-IPO Share Option Scheme” in Appendix IV to the prospectus of the Company dated 9 October 2002 (the “Prospectus”).

Pre-IPO Share Option Scheme

As at 30 September 2008, the share options to subscribe for an aggregate of 1,342,000 shares of the Company granted pursuant to the Pre-IPO Share Option Scheme were outstanding. A portion of each grantee’s right to exercise the options that has been conditionally granted under the Pre-IPO Share Option Scheme shall be deemed to have vested on 17 June 2002 (such portion is fixed on the basis of the grantee’s employment period and/or contribution to the Group and is set in the table below) and the rest of the right shall continue to vest over a period of not more than 4 years from 17 June 2002 (the “Listing Date”) on a monthly basis each time from 1/48th of the total number of shares comprised in the options and, subject to that no options granted under the Pre-IPO Share Option Scheme can be exercised before the expiration of 1 year from the Listing Date, any vested right shall remain exercisable for 10 years from the date of acceptance of the relevant options. No further options will be offered or granted under the Pre-IPO Share Option Scheme as the right to do so ends on 9 October 2002, being the date of publication of the Prospectus.

The details of the Pre-IPO Share Option Scheme as at 30 September 2008 are set out as follows:

Category of participants	Exercise price per share (HK\$)	Number of share options			Outstanding as at 30 September 2008
		As at 1 January 2008	Exercised during the period	Lapsed during the period	
Directors	0.12	4,000	-	-	4,000
	0.21	4,000	-	4,000	-
Advisors and consultants	0.45	1,334,000	-	-	1,334,000
Employees	0.12	4,000	-	-	4,000
	0.21	4,000	-	4,000	-
Total		1,350,000	-	8,000	1,342,000

Post-IPO Share Option Scheme

As at 30 September 2008, the share options to subscribe for an aggregate of 12,400,000 shares of the Company granted pursuant to the Post-IPO Share Option Scheme were outstanding. The details of the Post-IPO Share Option Scheme as at 30 September 2008 are set out as follows:

Category of participants	Exercise price per share (HK\$)	Date of grant	Number of share options				Outstanding as at 30 September 2008
			As at 1 January 2008	Granted during the period	Exercised during the period ⁽¹⁾	Lapsed during the period	
Directors	0.52	10 November 2006	12,100,000	-	-	-	12,100,000
	0.59	16 August 2005	1,000,000	-	-	1,000,000	-
Employees	0.152	11 October 2004	420,000	-	205,000	215,000	-
	0.475	8 August 2006	300,000	-	-	-	300,000
Total			13,820,000	-	205,000	1,215,000	12,400,000

Note:

- The closing prices of the shares of the Company immediately before 22 January 2008, the dates on which the share options were exercised, was HK\$0.212.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2008, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

1. Long Positions in the shares of the Company

Name of Directors	Number of shares of the Company			Approximate percentage of the issued share capital of the Company
	Personal Interest	Corporate Interest	Total	
Dr. Poon Kwok Lim, Steven	8,330,000 ⁽¹⁾	267,421,528 ⁽²⁾	275,751,528	44.85%
Mr. Poon Shu Yan, Joseph	7,400,000 ⁽³⁾	–	7,400,000	1.20%
Mr. Mok Hay Hoi#	430,000	–	430,000	0.07%
Mr. Tam Tak Wah	120,000	–	120,000	0.02%

resigned on 22 February 2008

Notes:

- Dr. Poon Kwok Lim, Steven beneficially owned 8,330,000 shares of the Company, representing approximately 1.35% of the issued share capital of the Company. By virtue of the SFO, Mrs. Poon Wong Wai Ping ("Mrs. Poon"), the spouse of Dr. Poon Kwok Lim, Steven, was deemed to be interested in all the shares in which Dr. Poon Kwok Lim, Steven was interested.

2. Dr. Poon Kwok Lim, Steven owned 267,421,528 shares of the Company, representing approximately 43.49% of the issued share capital of the Company, through (i) Amazing Nova Corporation owned 167,886,666 shares of the Company, representing approximately 27.29% of the issued share capital of the Company; (ii) Matrix Worldwide Corporation owned 61,606,666 shares of the Company, representing approximately 10.02% of the issued share capital of the Company; (iii) Forever Triumph Limited owned 13,208,196 shares of the Company, representing approximately 2.15% of the issued share capital of the Company; and (iv) Bright World Enterprise Limited owned 24,720,000 shares of the Company, representing approximately 4.02% of the issued share capital of the Company. These shares were the same as those shares as disclosed in the section headed "Interests and Short Positions in the Shares and Underlying Shares" below.

Dr. Poon Kwok Lim, Steven was entitled to exercise or control the exercise of one-third or more of the voting rights of Amazing Nova Corporation, Matrix Worldwide Corporation, Forever Triumph Limited and Bright World Enterprise Limited, thereby he was deemed to be interested in all the shares held by the aforesaid companies by virtue of the SFO. By virtue of the SFO, Mrs. Poon was deemed to be interested in all the shares in which Dr. Poon Kwok Lim, Steven was interested.

3. Mr. Poon Shu Yan, Joseph beneficially owned 7,400,000 shares of the Company, representing approximately 1.20% of the issued share capital of the Company. By virtue of the SFO, Mrs. Poon Loo Margaret Teresa, the spouse of Mr. Poon Shu Yan, Joseph, was deemed to be interested in all the shares in which Mr. Poon Shu Yan, Joseph was interested.

2. Rights to acquire shares in the Company

i. Pre-IPO Share Option Scheme

Name of Directors	Date of grant	Exercise price per share (HK\$)	Exercisable period	Number of share options			
				As at 1 January 2008	Exercised during the period	Lapsed during the period	As at 30 September 2008
Dr. Poon Kwok Lim, Steven	24 July 2002	0.12	17 October 2003 to 23 July 2012	4,000	-	-	4,000
Mr. Mok Hay Ho [#]	24 July 2002	0.21	17 October 2003 to 23 July 2012	4,000	-	4,000	-

ii. Post-IPO Share Option Scheme

Name of Directors	Date of grant	Exercise price per share (HK\$)	Exercisable period	Number of share options				
				Granted during the period	As at 1 January 2008	Exercised during the period	Lapsed during the period	As at 30 September 2008
Dr. Poon Kwok Lim, Steven	10 November 2006	0.52	10 November 2006 to 9 November 2016	-	6,100,000	-	-	6,100,000
Mr. Poon Shu Yan, Joseph	10 November 2006	0.52	10 November 2006 to 9 November 2016	-	6,000,000	-	-	6,000,000
Mr. Mok Hay Ho [#]	16 August 2005	0.59	16 August 2005 to 16 October 2011	-	1,000,000	-	1,000,000	-

[#] resigned on 22 February 2008

Save as disclosed above, none of the Directors, chief executive or their associates had, as at 30 September 2008, any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Other than as disclosed above, at no time during the period was the Company, its subsidiaries or holding company a party to any arrangement to enable the Directors, their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2008, the persons or corporations who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO or had otherwise been notified to the Company were as follows:

1. Long Positions in the shares of the Company

Name of shareholders	Note	Capacity	No. of shares held	Approximate percentage of the issued share capital of the Company
Dr. Poon Kwok Lim,	1	Beneficial owner	8,330,000	1.35%
Steven	2,3,4,5	Interest of controlled corporation	267,421,528	43.49%
Mrs. Poon	1	Interest of spouse	8,330,000	1.35%
	2,3,4,5	Interest of controlled corporation	267,421,528	43.49%
Amazing Nova Corporation	2	Beneficial owner	167,886,666	27.30%
Matrix Worldwide Corporation	3	Beneficial owner	61,606,666	10.02%
Forever Triumph Limited	4	Beneficial owner	13,208,196	2.15%
Bright World Enterprise Limited	5	Beneficial owner	24,720,000	4.02%
Deutsche Bank Aktiengesellschaft		Beneficial owner	70,220,000	11.42%

Notes:

1. Dr. Poon Kwok Lim, Steven beneficially owned 8,330,000 shares of the Company, representing approximately 1.35% of the issued share capital of the Company. By virtue of the SFO, Mrs. Poon was deemed to be interested in all the shares in which Dr. Poon Kwok Lim, Steven was interested.
2. Amazing Nova Corporation is beneficially owned as to 40% by Dr. Poon Kwok Lim, Steven and as to 40% by Mrs. Poon. By virtue of the SFO, Dr. Poon Kwok Lim, Steven and Mrs. Poon were deemed to be interested in all the shares held by Amazing Nova Corporation since both of them are entitled to exercise more than one-third of the voting rights in Amazing Nova Corporation.
3. Matrix Worldwide Corporation is wholly and beneficially owned by Dr. Poon Kwok Lim, Steven. By virtue of the SFO, Dr. Poon Kwok Lim, Steven and Mrs. Poon were deemed to be interested in all the shares held by Matrix Worldwide Corporation.
4. Forever Triumph Limited is wholly and beneficially owned by Dr. Poon Kwok Lim, Steven. By virtue of the SFO, Dr. Poon Kwok Lim, Steven and Mrs. Poon were deemed to be interested in all the shares held by Forever Triumph Limited.
5. Bright World Enterprise Limited is beneficially owned as to 80% by Dr. Poon Kwok Lim, Steven and as to 20% by Mrs. Poon. By virtue of the SFO, Dr. Poon Kwok Lim, Steven and Mrs. Poon were deemed to be interested in all the shares held by Bright World Enterprise Limited.

2. Long Positions in the underlying shares of the Company

Warrants

Name of Warrantholder	Number of warrants			Number of shares issued since the date of grant	Approximate percentage of the issued share capital of the Company
	Granted on 27 February 2004	Exercised since the date of grant	As at 30 September 2008		
Lim Asia Arbitrage Fund Inc	41,010,000	16,010,000	25,000,000	16,010,000	4.06% ^(Note)

Note:

For the avoidance of doubt, interests in the underlying shares have not been taken into account when calculating the percentage as set out above since these underlying shares have not been issued as at 30 September 2008.

Save as disclosed above, as at 30 September 2008, the Company had not been notified of any other persons or corporations who had interests or short positions in the shares and/or underlying shares of the Company, which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the nine months ended 30 September 2008.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices and procedures with an aim to maximizing the shareholders' interests as well as to enhancing the stakeholders' transparency and accountability. In this respect, the Company has complied with most of the code provisions set out in the Code on Corporate Governance (the "Code") contained in Appendix 15 of the GEM Listing Rules, except for the deviation from code provision A.4.2 of the Code.

Under code provision A.4.2 of the Code, every director should be subject to retirement by rotation at least once every three years. The Directors have not been required by the Articles of Association to retire by rotation once every three years. However, according to Article 87 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation save any Director holding office as Chairman and/or Managing Director. The Board will ensure the retirement of each Director, other than the one who holds the office as Chairman and/or Managing Director, by rotation at least once every three years in order to comply with the Code provisions. The Chairman of the Company will not be subject to retirement by rotation as stipulated under code provision A.4.2 of the Code as the Board considers the continuity of office of the Chairman enables the Group to maintain a consistent leadership which is of crucial importance to the smooth operations of the Group.

The Company has prepared a corporate governance report in accordance with Rule 18.44(2) of the GEM Listing Rules attached to the 2007 annual report of the Company.

COMPETING INTERESTS

None of the Directors or management shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates had any interest, whether directly or indirectly, in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30 September 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

As required by Rules 5.28 to 5.33 of the GEM Listing Rules, the Company has established an audit committee (the "Audit Committee") in 2002 with written terms of reference, which deal clearly with its authorities and duties. The primary duties of the Audit Committee are to review the Company's annual reports and accounts, half-year reports and quarterly reports and discuss with the management over issues relating to auditing, internal control and financial reporting. The Audit Committee now comprises three independent non-executive Directors, namely Mr. Tam Tak Wah (Chairman), Mr. Tsui Yiu Wa, Alec and Mr. Yeung Pak Sing.

The Group's unaudited results for the nine months ended 30 September 2008 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results has complied with applicable accounting standards and requirements and that adequate disclosures have been made.

As at the date of this report, the Directors are as follows:

Executive Directors:

Dr. Poon Kwok Lim, Steven

Mr. Poon Shu Yan, Joseph

Independent Non-executive Directors:

Mr. Tsui Yiu Wa, Alec

Mr. Yeung Pak Sing

Mr. Tam Tak Wah

Hong Kong, 11 November 2008

On behalf of the Board
Vertex Group Limited
Poon Kwok Lim, Steven
Chairman