Armitage Technologies Holding Limited
（萬 達 資 訊 科 技 控 股 有 限 公 司）*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8213)

THIRD QUARTERLY RESULTS REPORT FOR THE NINE MONTHS ENDED 31 DECEMBER 2008

* *For identification purpose only*

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK 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.

This report, for which the directors (the "Directors") of Armitage Technologies Holding Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") 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 HIGHLIGHTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2008

- Consolidated turnover (inclusive of hardware sales of HK$1.2 million) at HK$48.1 million was recorded for the period under review. Excluding hardware sales, turnover increased by 11% compared with HK$42.3 million recorded for the corresponding period last year.

- Turnover from Hong Kong and the PRC's IT businesses, exclusive of hardware sales, increased by 15% and 5% respectively over the corresponding period last year.

- Income from magazine publication was HK$1.1 million, representing an increase of 22% over the corresponding period last year.

- Amortisation of development costs amounted to HK$3.1 million.

- Operating expenses rose by 12%, mainly attributable to increase in staff costs, rising inflation, appreciation of Renminbi at 7%, unrealised loss on financial assets at fair value through profit or loss and costs related to restructuring compared with the corresponding period last year.

- Continuing with our strategy in magazine publishing, HK$2.4 million was invested in this area during the period under review.

- EBITDA and the profit before tax from the Group's IT business for the nine months ended 31 December 2008 were HK$4.3 million and HK$19,000 respectively.

- Overall loss attributable to equity holders of the Company was HK$2.8 million, representing a deterioration of 40% from HK$2.0 million compared with the corresponding period last year. Excluding the realised and unrealised gain or loss on financial assets at fair value through profit or loss and the costs related to restructuring, the loss attributable to equity holders of the Company with adjust to HK$2.0 million (2007: HK$2.6 million).

RESULTS

The board of directors (the "Board") of the Company hereby announces the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the nine months ended 31 December 2008, together with the comparative unaudited consolidated figures for the corresponding period, as follows:

		For the nine months ended 31 December		For the three months ended 31 December	
		2008	2007	**2008**	2007
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	2	**48,108**	43,524	**16,026**	15,685
Cost of sales and services rendered		**(21,578)**	(19,933)	**(7,535)**	(6,912)
Gross profit		**26,530**	23,591	**8,491**	8,773
Other income		**212**	1,264	**39**	48
Employee share options benefits		**(90)**	—	**(90)**	—
Operating expenses		**(28,740)**	(25,775)	**(9,406)**	(8,479)
Operating (loss)/profit		**(2,088)**	(920)	**(966)**	342
Finance costs		**(764)**	(963)	**(274)**	(278)
(Loss)/profit before income tax		**(2,852)**	(1,883)	**(1,240)**	64
Income tax credit/(expense)	3	**3**	(72)	**32**	10
(Loss)/profit for the period		**(2,849)**	(1,955)	**(1,208)**	74
Attributable to equity holders of the Company		**(2,849)**	(1,955)	**(1,208)**	74
Dividend		**—**	—	**—**	—
(Loss)/earnings per share (HK cents)					
- Basic	4	**(0.38)**	(0.26)	**(0.16)**	0.01
- Diluted	4	**N/A**	N/A	**N/A**	N/A

Consolidated Statement of Changes in Equity (Unaudited)
For the nine months ended 31 December 2008

	Attributable to equity holders of the Company							
	Share capital *HK$'000*	Accumulated losses *HK$'000*	Share premium *HK$'000*	Special reserve *HK$'000*	Exchange reserve *HK$'000*	Employee share-based compensation reserve *HK$'000*	Minority interests *HK$'000*	Total *HK$'000*
At 1 April 2008 (Audited)	**7,500**	**(27,248)**	**42,836**	**3,801**	**1,621**	**–**	**–**	**28,510**
Exchange reserve arising from translation of financial statements of the People's Republic of China ("PRC") subsidiaries	**–**	**–**	**–**	**–**	**611**	**–**	**–**	**611**
Employee share options benefits	**–**	**–**	**–**	**–**	**–**	**90**	**–**	**90**
Loss for the nine months ended 31 December 2008	**–**	**(2,849)**	**–**	**–**	**–**	**–**	**–**	**(2,849)**
At 31 December 2008 (Unaudited)	**7,500**	**(30,097)**	**42,836**	**3,801**	**2,232**	**90**	**–**	**26,362**
At 1 April 2007 (Audited)	7,500	(24,538)	42,836	3,801	706	–	–	30,305
Exchange reserve arising from translation of financial statements of the PRC subsidiaries	–	–	–	–	559	–	66	625
Acquisition of minority interests	–	–	–	–	–	–	(66)	(66)
Loss for the nine months ended 31 December 2007	–	(1,955)	–	–	–	–	–	(1,955)
At 31 December 2007 (Unaudited)	7,500	(26,493)	42,836	3,801	1,265	–	–	28,909

Notes:

1. **Basis of preparation**

These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and are prepared under historical cost convention as modified by revaluation of financial assets at fair value through profit or loss and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The accounting policies and basis of preparation used in preparing the unaudited consolidated financial statements are consistent with those in the audited financial statements for the year ended 31 March 2008.

2. **Turnover**

The Group is engaged in the provision of information solutions and design, development, sales of application software packages and magazine publication. Turnover represents revenue recognised in respect of the provision of information solutions and application software packages sold and publishing and advertising income, net of discounts and business tax, during the period. An analysis of the turnover recorded for the period is set out below:

	For the nine months ended 31 December	
	2008	2007
	HK$'000	*HK$'000*
Provision of information solutions		
- System development and integration	**22,947**	19,980
- Maintenance and enhancement income	**934**	848
Sales of application software packages and related maintenance income	**23,164**	21,838
Publishing and advertising income	**1,063**	858
	48,108	43,524

3. Income tax credit/(expense)

Income tax credit/(expense) in the unaudited consolidated income statement represents:

	For the nine months ended 30 September	
	2008	2007
	HK$'000	*HK$'000*
Current tax	**—**	—
Deferred tax	**3**	(72)
Income tax credit/(expense)	**3**	(72)

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(ii) The Group's subsidiaries incorporated/established in Hong Kong and the PRC are subject to Hong Kong Profits Tax and PRC Enterprise Income Tax ("EIT") at the rates of 16.5% (2007: 17.5%) and 25% (2007: 33%) respectively. No provision for Hong Kong Profits Tax and EIT has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax and EIT for each of the two periods ended 31 December 2007 and 2008.

(iii) As approved by the relevant PRC tax authority, Guangzhou Armitage Technologies Limited was entitled to a two-year exemption from EIT followed by 50% tax exemption for the next three years, commencing from the first cumulative profit-making year in 2007. Therefore, Guangzhou Armitage Technologies Limited was exempted from EIT for the fiscal years 2007 and 2008. For the following three fiscal years from 2009 to 2011, Guangzhou Armitage Technologies Limited is subject to EIT at the rate of 15%. Starting from the fiscal year 2012, Guangzhou Armitage Technologies Limited will be subject to EIT at 25%.

Armitage Technologies (Shenzhen) Limited being engaged in the research and development of IT solutions and provision of customers services was granted a preferential EIT rate of 18% for the year 2008, 20% for the year 2009, 22% for the year 2010, 24% for the year 2011, and 25% for the year 2012 and afterwards.

4. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share for all periods presented is based on the Group's (loss)/profit attributable to equity holders of the Company and 750,000,000 ordinary shares in issue during all periods.

Diluted loss per share has not been disclosed as no dilutive potential ordinary shares were in existence during all periods presented.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the period ended 31 December 2008 (2007: Nil).

BUSINESS REVIEW

The Group's unaudited total turnover for the nine months ended 31 December 2008, amounted to HK$48.1 million (2007: HK$43.5 million), an increase of 11% when compared with the corresponding period last year. Excluding hardware sales of HK$1.2 million (2007: HK$1.2 million), turnover increased by 11% compared with the corresponding period last year. Net loss attributable to equity holders of the Company was HK$2.8 million.

The restructuring expense of the Group of HK$335,000 has been recorded in this reporting period. The Group would expect cost-savings of approximately HK$2.0 million in the next financial year after the restructure exercise has been completed.

HONG KONG OPERATIONS

Outsourcing and Information Solutions

The total turnover generated from the Outsourcing and Information Solutions Business Unit continued to grow at a steady pace. The total turnover for the nine months ended 31 December 2008 was HK$23.9 million, representing an increase of 15% when compared with HK$20.8 million recorded for the corresponding period last year.

The aftermath of the financial tsunami has profound and devastating effects in all business sectors and, in particular, the logistics and transportation industry is amongst one of the hardest hits. It has severely hammered the businesses of our terminal port operator customers in Hong Kong and Shenzhen. As a result, all confirmed projects in Shenzhen which have not yet started will be put on hold for the next two quarters. Having said that, however, eight to ten new insourced staff for the e-Business team are currently being requested by our client, the largest airline operator in Hong Kong and the GMS Phase II (Gasoline Management System) has progressed well, as a result, a new multi-million dollars contract for the GMS Phase II enhancement was confirmed at the end of December 2008 by the world's largest private container terminal operator. Apart from the existing supporting service from The Integrated Customer Enquiry System (ICES) we are providing to our existing customer, the Group has also confirmed the Phase II where more headcount will be added to our Shenzhen subsidiary accordingly. These are all rather encouraging, given the current bleak economic situation.

The Group's current strategy is to continue cultivating and consolidating the business relationship with our existing major clients and, at the same time, implement cost-saving strategies to embrace the on-coming challenges of the worst economic downturn in decades.

Application Software Packages Solutions

Turnover generated from the entire Application Business Unit was HK$6.6 million (2007: HK$6.5 million), among which the Group's proprietary ERP application software package ***AIMS***, together with its previous version ***Konto 21*** accounted for HK$5.1 million (2007: HK$5.1 million). Growth for this business unit stagnated.

Despite the aggravation of the financial tsunami on the economy in the latter half of 2008, ***AIMS*** successfully concluded three new contracts during the third quarter of this fiscal year. These new clients include a transportation company, an electronic manufacturing firm and an electric appliances manufacturing firm. Our Shenzhen subsidiary is currently under the final negotiation stage with an education institute in Dongguan (東莞) on purchasing ***AIMS*** for training purposes. The Group has also completed its study on REACH (an environmental protection program) with a reputable university in Hong Kong and is considering to incorporate its functions into ***AIMS*** for system enhancement which, we believe, will increase ***AIMS***'s competitiveness in the market. During the reporting period, the Group has also been awarded the Best Performance Company Awards 2008- ERP Solutions Supplier (優質企業資源管理方案供應商) by the Hong Kong financial magazine Capital Weekly. This is an encouragement and recognition to the Group's effort in maintaining its leading position and reputation in the industry.

Meanwhile, the restructuring of the project management and Research and Development teams has been on-going during the reported period in order to ensure efficiency and abide to our cost control scheme.

PRC OPERATIONS

Application Software Packages Solutions

Pegasus Hotel Management System ("*Pegasus*")

The turnover generated from ***Pegasus*** amounted to HK$13.8 million (excluding hardware sales of HK$1.2 million), representing an increase of 17% compared with HK$11.8 million recorded for the corresponding period last year (excluding hardware sales of HK$794,000).

Growth of the Group's hospitality business has obviously slowed down in the third quarter of our financial year 2008 due to global economic recession. In accordance with the Group's strategy in securing steady revenue by selling

Pegasus to hotel chain operators, much effort has been put into establishing relationships in this area, as well as paving the way entering into the South East Asia hospitality market.

Although maintenance income increased by 40% when compared with the corresponding period last year, the rate of growth has significantly slowed down in the third quarter of our financial year. A hidden concern is that our existing customers are delaying their decision to join our maintenance scheme due to the uncertainty of the economy. As this directly affects the Group's income, therefore we are exploring various ways of incentives to attract customers in joining our maintenance scheme.

Industrial and Finance System ("*IFS*")

During the reporting period, turnover generated from ***IFS*** implementation amounted to HK$1.5 million (2007: HK$2.8 million), representing a decrease of 46% compared with the like period last year. No new contracts were concluded during the reporting period, making it the second consecutive quarter without any new contract for this business unit.

We believed that the economic crisis will last for at least another twelve months and the effect it has on the manufacturing industry is devastating, which under such current market turbulence has made the selling of ***IFS*** very difficult. The Group is giving its utmost attention in this matter and will review the situation carefully in the coming quarter.

MAGAZINE PUBLICATION AND ADVERTISING

Revenue generated from advertising and publishing sales of the Group's hotel guest room magazine ***e²Smart*** was HK$1.1 million (2007: HK$858,000), representing a 22% increase compared with the corresponding period last year. Almost all of the advertising contracts with existing clients were secured, with the addition of a new Japanese AV brand placing advertisement in our November 2008 issue. The Group has also successfully concluded the first advertisement insertion for the marketing newsletter for the Hong Kong Institute of Marketing at the end of November 2008.

The relocation of the editorial team to Shanghai has been completed in the third quarter of this financial year and is now operating in full swing. The convergence of all teams working at one location not only facilitates better communication, but also able to assist the sales team which the management believes that the physical presence of our own editors and reporters in Shanghai will be able to raise the magazine's exposure by attending more events and building up our relationship network and, ultimately, benefits in our advertisement selling.

Meanwhile, to cope with the economic recession, a series of cost-cutting policies concerning the administration, circulation and print production aspects have been implemented.

FUTURE PROSPECTS

HONG KONG OPERATIONS

Outsourcing and Information Solutions

The Group is actively seeking prospective business opportunities to increase our sources of revenue. By knowing that an existing client is considering the possibility to engage an offshore development centre in Southern China in provision of I.T. services as a way to lower its operation costs, the Group is now positioning our Shenzhen subsidiary as an option. Potential for future revenue growth is huge, though competition is deemed to be keen. The successful implementation of GMS Phase I for our container terminal operator in Shenzhen offers an insight to the Group in re-packaging and re-marketing our business knowledge for medium size container terminal operators. Business opportunities look promising.

Among the handful of bids of prospective clients, an interesting and challenging case is of an European-based logistic firm which just laid-off their entire Hong Kong in-house I.T. department in order to lower costs and has decided to outsource the support and maintenance services for their unique system applications. We are currently bidding for this project and, if successful, the engagement will be a long term assignment.

Relationship building with existing major clients will continue to be a challenging task, yet the Group, with its long years of history in the logistics and transportation industry and its eminent reputation, is confident that we can overcome the adversities all of us will be facing the next twelve months and the Group is optimistic that we will stand even stronger.

Application Software Packages Solutions

With the ongoing of the financial meltdown, which has struck particularly hard on our SME customers, it had and will continue to affect our businesses directly. Foreseeing such tough circumstances and to counter-act against this, the Group will continue to explore the market demands of the economical version of the ***AIMS Express*** and ***Konto Express***. We hope that with these simpler and relatively cheaper versions of ***AIMS*** and ***Konto***, we will be able to capture a new tier of clients and open a new income source for our application business unit. At the same time, redeveloping the ***AIMS*** Accounting System is expected to be completed in the coming quarter and we firmly believed that it will increase our competitiveness in the industry.

PRC OPERATIONS

Application Software Packages Solutions

Pegasus Hotel Management System ("*Pegasus*")

Despite the fact that we are currently in the midst of global economic turmoil and that the hospitality industry, just like most other industries, is also affected, we believe however, the hospitality industry in the PRC still has immense growth potential in the long term. The Group is confident that the high-end product Mermaid Solutions, targeted to be launched in the coming financial year, together with our sophisticated group solutions, will be able to assist us in the further consolidation of the Group's position as the best-in-class solutions in the hospitality industry and acts as a solid foundation that support and facilitate the Group in entering the South East Asia hospitality market. The Group is confident that this business unit's contribution to the Group's income will continue to grow.

Plans for entering into the Food and Beverage market and the development of a B2B platform for hotel booking are all in progress. At the same time, the Group is prepared to embrace the difficulties we will be facing in the coming months and will proceed cautiously.

Industrial and Finance System ("*IFS*")

Effects of the economic recession on the manufacturing sector are profound and long-lasting. Because we do not see the possibility of the recovery of the manufacturing industry in a short while, careful planning, precautionary method and contingency plans has been reviewed and decision will be made regarding the visibility of this business unit and ***IFS***. The Board and the management are giving their utmost priority to review this matter.

Magazine Publication and Advertising

Much effort has been devoted into renewing advertising contracts with existing clients. Although a lot of international brands are cutting down their global advertising budget due to the economic downturn, however, it is interesting to note that the advertising budget allocated to the PRC has actually increased. The reason behind is that the spending power of the people in the PRC is still growing, although at a slower pace, yet it relatively bears more potential comparing to other regions such as Europe and the U.S. This is a rather encouraging fact. Meanwhile, the Group is in the final negotiation stage with a world renowned watch and jewellery brand and is anticipated to be concluded in the next quarter of this financial year.

Viewing little prospects in generating significant amount of income, the Group is considering to ceasing cooperation with the Hong Kong Institute of Marketing in publishing their quarterly newsletter. All measures concerning operations and business directions are constantly reviewed so that it adheres to our Group's growth objectives.

FINANCIAL REVIEW

Consolidated results of operations

For the nine months ended 31 December 2008, the Group recorded a total turnover at HK$48.1 million (2007: HK$43.5 million). Excluding revenue generated from hardware sales of HK$1.2 million (2007: HK$1.2 million), turnover increased by 11% compared with the corresponding period last year.

Turnover generated from Hong Kong operations was HK$31.6 million (2007: HK$28.1 million). Excluding the hardware sales the turnover increased by 14% compared with the corresponding period last year.

Turnover generated from PRC operations was HK$16.5 million (2007: HK$15.4 million). Exclusive of hardware sales of HK$1.2 million (2007: HK$794,000), representing an increase of 5% compared with the corresponding period last year was recorded.

The gross profit margin of the Group was 55% (2007: 54%), a slight increase compared with the corresponding period last year.

Net loss attributable to equity holders of the Company was recorded at HK$2.8 million (2007: HK$2.0 million), representing a 40% deterioration. With regard to the realised and unrealised loss on financial assets at fair value through profit or loss, this amounted to HK$462,000 (2007: gain of HK$671,000). In addition, the costs related to restructuring incurred in this reporting period amounted to HK$335,000 (2007: Nil). Excluding the realised and unrealised gain or loss on financial assets at fair value through profit or loss and the costs related to restructuring, the loss attributable to equity holders of the Company will be adjusted to HK$2.0 million (2007: HK$2.6 million).

The Group's core business is provision of IT services and sales of application software packages ("IT business"). The EBITDA (earnings before interest, income tax, depreciation and amortisation) for the nine months ended 31 December 2008 from its IT business was HK$4.3 million (2007: HK$4.3 million).

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2008, the interests or short positions of the directors of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), Chapter 571 under the Laws of Hong Kong), which were 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 are 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 Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the ordinary shares of the Company

Name	Type of interests	Number of shares	Approximate percentage of the issued share capital *(Note 4)*
Mr. Lee Shun Hon, Felix	Personal	206,458,740	27.53%
	Family	56,607,651 *(Note 1)*	7.55%
	Corporate	34,373,452 *(Note 2)*	4.58%
Ms. Jim Sui Fun	Personal	3,034,786	0.40%
Mr. Lee Wai Yip, Alvin	Personal	29,190,595	3.89%
Dr. Liao, York	Corporate	29,988,007 *(Note 3)*	4.00%

Notes:

1. These shares are held by Mr. Lee Shun Hon, Felix's wife, Ms. Leung Mee Chun, Stella and his daughter Ms. Lee Sze Yee, Joyce and therefore Mr. Lee Shun Hon, Felix is deemed to have interests in these shares in which Ms. Leung Mee Chun, Stella and Ms. Lee Sze Yee, Joyce are interested.

2. These shares are held by Kingspecial Investments Limited ("Kingspecial"), which is owned as to 30% by Mr. Lee Shun Hon, Felix and therefore Mr. Lee Shun Hon, Felix is deemed to have an interest in these shares in which Kingspecial is interested.

3. These shares are held by Winbridge Company Limited ("Winbridge"), which is owned as to 99% by Dr. Liao, York and therefore Dr. Liao, York is deemed to have an interest in these shares in which Winbridge is interested.

4. Based on 750,000,000 shares of the Company in issue as at 31 December 2008.

Save as disclosed herein, as at 31 December 2008, none of the directors had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were 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 are 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 Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as is known to any directors of the Company, as at 31 December 2008, other than the directors as disclosed above, the persons or companies who had an interest or short position in the shares and underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Long positions in the ordinary shares of the Company

Name	**Type of interests**	**Number of shares**	**Approximate percentage of the issued share capital** *(Note 3)*
Kingspecial Investments Limited	Corporate	114,578,176 *(Note 1)*	15.28%
Mr. Lee Shun Kwong	Corporate	34,373,452 *(Note 2)*	4.58%
	Personal	22,212,000	2.96%

Notes:

1. The issued share capital of Kingspecial Investments Limited is beneficially owned as to 30% by Mr. Lee Shun Hon, Felix, as to 30% by Mr. Lee Shun Kwong and as to 30% by Dr. Lee Shun Hung, Kelvin (both of whom are brothers of Mr. Lee Shun Hon, Felix) and as to 10% by Mrs. So Li Hang Lin, the sister of Mr. Lee Shun Hon, Felix.

2. Mr. Lee Shun Kwong has an attributable interest of 34,373,452 shares through his shareholding interest of 30% in Kingspecial Investments Limited.

3. Based on 750,000,000 shares of the Company in issue as at 31 December 2008.

Save as disclosed herein, so far as is known to the directors of the Company, as at 31 December 2008, no other persons or companies had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO or were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

COMPETING INTERESTS

None of the directors, the substantial shareholders or the management shareholders (as defined in the GEM Listing Rules) had any interests in any business which competed with or might compete with the business of the Group.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's draft annual, interim and quarterly financial reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. The Audit Committee comprises three independent non-executive directors, namely Mr. Anthony Francis Martin Conway, Mr. Chan Hang and Mr. Li Pak Ki.

Up to the date of approval of the Group's unaudited results for the nine months ended 31 December 2008, the Audit Committee has held three meetings and has reviewed the draft third quarterly report and accounts for the nine months ended 31 December 2008 prior to recommending such report and accounts to the Board for approval.

On behalf of the Board
Lee Shun Hon, Felix
Chairman

Hong Kong, 11 February 2009

As at the date of this report, the Company's executive directors are Mr. Lee Shun Hon, Felix, Ms. Jim Sui Fun and Mr. Lee Wai Yip, Alvin; non-executive director is Dr. Liao, York; independent non-executive directors are Mr. Anthony Francis Martin Conway, Mr. Chan Hang and Mr. Li Pak Ki.