



Creative Energy Solutions Holdings Limited
科瑞控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8109)



2012

Third Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

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This report, for which the directors (the “Directors”) of Creative Energy Solutions Holdings 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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

THIRD QUARTERLY RESULTS

The board of directors (the “Board”) of Creative Energy Solutions Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 31 March 2012 together with the comparative unaudited consolidated figures for the corresponding periods in 2011, as set out below:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 MARCH 2012

	Notes	Three months ended 31 March (Unaudited)		Nine months ended 31 March (Unaudited)	
		2012 RMB'000	2011 RMB'000	2012 RMB'000	2011 RMB'000
Turnover	3	3,958	605	19,511	4,933
Cost of services		(3,566)	(503)	(18,478)	(4,730)
Gross profit		392	102	1,033	203
Other income		8	5	16	22
Gain on debt restructuring, net	4	—	—	—	90,428
Distribution costs		(308)	—	(1,250)	—
General and administrative expenses		(2,182)	(1,331)	(7,123)	(9,769)
(Loss)/profit before taxation		(2,090)	(1,224)	(7,324)	80,884
Taxation	5	—	—	—	—
(Loss)/profit for the period attributable to equity holders of the Company		(2,090)	(1,224)	(7,324)	80,884
Other comprehensive income:					
Exchange difference arising from translation of financial statements		16	(127)	(202)	(1,038)
Total comprehensive (expense)/ income for the period attributable to equity holders of the Company		(2,074)	(1,351)	(7,526)	79,846
(Loss)/earnings per share					
Basic and dilute	6	(1.19 cents)	(0.70 cents)	(4.16 cents)	50.90 cents

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the nine months ended 31 March 2012 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective terms includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. The unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). The unaudited condensed consolidated financial statements have been prepared under the historical cost conventional, as modified by financial assets designated as at fair value through profit or loss, which are carried at fair value.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2011.

The Group has not early applied any new standard, amendment or interpretation that has been issued but is not yet effective.

The unaudited condensed consolidated financial statements have not been audited by the Company’s auditors, but have been reviewed by the Company’s audit committee.

2. ORGANISATION AND OPERATIONS

Creative Energy Solutions Holdings Limited (the “Company”) is a public limited company domiciled and incorporated in Bermuda and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company’s functional currency is Hong Kong dollars. The unaudited condensed consolidated financial statements are presented in Renminbi as it is considered the most appropriate presentation currency in view of the Company’s past practice. All values are rounded to the nearest thousand except when otherwise indicated.

3. TURNOVER

Turnover represents revenue arising from provision of energy saving services and sales of energy saving products. The amount of revenue recognised in turnover during the period is as follows:

	Three months ended 31 March (Unaudited)		Nine months ended 31 March (Unaudited)	
	2012 RMB’000	2011 RMB’000	2012 RMB’000	2011 RMB’000
Turnover				
Revenue from provision of energy saving services and sales of energy saving products	3,958	605	19,511	4,933

The Board considers that the business of the Group is organised in one operating segment as provision of energy saving services and sales of energy saving products. Additional disclosure in relation to segment information is not presented as the Board assesses the performance of the only operating segment identified based on the consistent information as disclosed in the condensed consolidated financial statements.

4. GAIN ON DEBT RESTRUCTURING, NET

Pursuant to the debt restructuring of the Group, the gain on debt restructuring is as follows:

	Three months ended 31 March (Unaudited)		Nine months ended 31 March (Unaudited)	
	2012 RMB'000	2011 RMB'000	2012 RMB'000	2011 RMB'000
Gain on debts waived	—	—	—	101,074
Restructuring cost	—	—	—	(10,646)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>90,428</u>

5. TAXATION

(i) Overseas income tax

The Company is incorporated in Bermuda and is exempted from taxation in Bermuda. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes. The Company's subsidiary established in the Republic of Seychelles is exempted from payment of the Republic of Seychelles income tax.

(ii) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the three and nine months ended 31 March 2012 (2011: Nil).

(iii) PRC enterprise income tax

No provision for PRC enterprise income tax has been made for the three and nine months ended 31 March 2012 (2011: Nil).

6. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

	Three months ended 31 March		Nine months ended 31 March	
	2012	2011	2012	2011
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Attributable to:				
Equity holders of the Company	<u>(2,090)</u>	<u>(1,224)</u>	<u>(7,324)</u>	<u>80,884</u>
	Three months ended 31 March		Nine months ended 31 March	
	2012	2011	2012	2011
	Number of	Number of	Number of	Number of
	shares	shares	shares	shares
	'000	'000	'000	'000
Number of ordinary shares:				
Issued ordinary shares at the beginning of the period	176,000	176,000	176,000	440,000
Effect of shares issued through the subscription	—	—	—	7,466,190
Effect of shares consolidation	—	—	—	(7,748,066)
Effect of shares issued to the creditors	—	—	—	790
Weighted average number of ordinary share at the end of the period	<u>176,000</u>	<u>176,000</u>	<u>176,000</u>	<u>158,914</u>
	Three months ended 31 March		Nine months ended 31 March	
	2012	2011	2012	2011
	RMB	RMB	RMB	RMB
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/earnings per share	<u>(1.19 cents)</u>	<u>(0.70 cents)</u>	<u>(4.16 cents)</u>	<u>50.90 cents</u>

No adjustment has been made to the basic loss per share amount presented for the three months and nine months ended 31 March 2012 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The diluted (loss)/earning per share for the three months and nine months ended 31 March 2011 is the same as the basic loss per share as there was no dilutive potential share.

7. SHARE CAPITAL

	Number of share '000	Amount RMB '000
Authorised:		
Ordinary shares of HK\$0.10 (equivalent to approximately RMB0.106 each)		
At 1 July 2010	1,000,000	106,000
Effect of share subdivision	99,000,000	—
Ordinary shares of HK\$0.001 (equivalent to approximately RMB0.00106 each)	100,000,000	106,000
Effect of share consolidation	(98,000,000)	—
Ordinary shares of HK\$0.05 (equivalent to approximately RMB0.053 each)		
At 30 June 2011 and 31 March 2012	<u>2,000,000</u>	<u>106,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 (equivalent to approximately RMB0.106 each)		
At 1 July 2010	440,000	46,640
Capital reduction	—	(46,174)
Ordinary shares of HK\$0.001 (equivalent to approximately RMB0.00106 each)	440,000	466
Issue of ordinary shares through the subscription	8,316,000	7,269
Ordinary shares of HK\$0.001 (equivalent to approximately RMB0.00088 each)	8,756,000	7,735
Effect of share consolidation	(8,580,880)	—
Ordinary shares of HK\$0.05 (equivalent to approximately RMB0.004417 each)	175,120	7,735
Issue of ordinary shares to the creditors	880	39
Ordinary shares of HK\$0.05 (equivalent to approximately RMB0.004417 each)		
At 30 June 2011 and 31 March 2012	<u>176,000</u>	<u>7,774</u>

8. RESERVES**Condensed Consolidated Statement of Changes in Equity (Unaudited)**

	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 July 2010 (Audited)	46,640	51,006	—	7,719	(200,654)	(95,289)
Capital reduction	(46,174)	—	—	—	46,174	—
Issue of ordinary shares	7,308	35,076	—	—	—	42,384
Total comprehensive (expense)/income for the period	—	—	—	(1,038)	80,884	79,846
At 31 March 2011 (Unaudited)	<u>7,774</u>	<u>86,082</u>	<u>—</u>	<u>6,681</u>	<u>(73,596)</u>	<u>26,941</u>
At 1 July 2011 (Audited)	7,774	86,082	5,074	5,913	(78,269)	26,574
Total comprehensive income/(expense) for the period	—	—	2,187	(202)	(7,324)	(5,339)
At 31 March 2012 (Unaudited)	<u>7,774</u>	<u>86,082</u>	<u>7,261</u>	<u>5,711</u>	<u>(85,593)</u>	<u>21,235</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Company acts as an investment holding company and the Group is principally engaged in the provision of energy saving services and sales of energy saving products in the People's Republic of China ("PCR") including Hong Kong.

Financial Review

During the nine months ended 31 March 2012, the Group's turnover was approximately RMB19.51 million, representing a 295.5% increase as compared with the corresponding period in 2011 (nine months ended 31 March 2011: approximately 4.93 million). Turnover for the three months ended 31 March 2012 was increased by 3.35 million to 3.96 million, representing a 554.2% increase as compared with the corresponding period in 2011 (three months ended 31 March 2011: 605,000).

Distribution costs for the nine months ended 31 March 2012 was approximately RMB1.25 million, which was mainly attributable to travelling expenses, salaries, wages and welfare, and other expenses in relation to sales and marketing activities. Sales and marketing team was established in the fourth quarter of the financial year ended 30 June 2011, there was no comparative figure for the nine months ended 31 March 2011.

Administrative expenses for the nine months ended 31 March 2012 was approximately RMB7.12 million, representing a 27.1% decrease as compared with the corresponding period in 2011 (nine months ended 31 March 2011: approximately 9.77 million), which was mainly due to allowance for impairment of irrecoverable receivables amounting to approximately RMB5.56 million for the nine months ended 31 March 2011, netting off with allowance for impairment of irrecoverable receivables amounting to approximately RMB0.45 million and equity-settled share-based payments of RMB2.22 million relating to share options granted in June 2011. Save and except for the effect of allowance for impairment of irrecoverable receivables and equity-settled share-based payments, administrative expenses for the nine months ended 31 March 2012 and 2011 were approximately 4.61 million and 4.21 million respectively.

The Group incurred total comprehensive expenses attributable to equity holders of the Company amounting to approximately RMB7.53 million for the nine months ended 31 March 2012 as compared with total comprehensive income of approximately RMB79.85 million as of 31 March 2011. Comprehensive income in the corresponding period was mainly attributable to an one-off gain on debt restructuring of approximately RMB90.43 million in July 2010. Save and except for the gain on debt restructuring, the Group recorded comprehensive expenses of approximately RMB10.58 million for the nine months ended 31 March 2011.

Basic loss per share was RMB4.16 cents for the nine months ended 31 March 2012 (2011: earning of RMB50.90 cents). Earnings per share for the nine months ended 31 March 2011 was mainly attributable to gain on debt restructuring.

Business Review and Prospects

For the nine months ended 31 March 2012, the Group's turnover was increased over two folds as compared to the corresponding period, which was resulted from the successful implementation of agency system. At present, the Group has built up the agency relationship in Beijing, Shandong, Shanxi, Hebei, Henan, Guangdong, Jiangsu and other major PRC cities. The Group will continue putting efforts in development and implementation of the agency system.

To support the expansion of energy efficiency business, the Group entered into an agreement in October 2011 to acquire a joint venture company in Shaoxing, Zhejiang province. The acquisition target is principally engaged in research, manufacturing, selling and undertaking of installation work of high frequency electrodeless lamps. High frequency electrodeless lamp is a kind of application in green lighting particularly suitable for industrial and infra-structure projects.

The above vertical integration offers a positive synergy effect to the Group's existing operations and it further secures the stable source of supply in pursuit of providing energy saving lighting solutions to customers. Besides it will strengthen the Group's new product development capacity by providing an integrated energy efficiency solutions services ranging from design, manufacturing, consultation, installation and assembly services to its customers.

The Group will continue to dedicate good efforts in technology enhancement, including resource management and monitoring platform which is mainly applied in hotels and administrative districts, by using its internal research and development capacity. The Group is also looking for possible business expansion opportunities through acquisition. On the whole, the Group is devoted to improve its business performance in order to provide a reasonable return to the shareholders in view of the promising market outlook.

Capital Structure

As at 31 March 2012, the Company's total number of issued shares was 176,000,000 shares of HK\$0.05 each (31 March 2011: 176,000,000 shares of HK\$0.05 each).

DIVIDEND

The directors do not recommend the payment of any dividend for the period ended 31 March 2012 (2011: Nil).

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The unaudited financial results for the nine months ended 31 March 2012 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such financial results complied with the applicable accounting standards and requirements and adequate disclosure have been made.

PURCHASE, REDEMPTION AND SALE OF LISTED SECURITIES OF THE COMPANY

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN INTERESTS

At 31 March 2012, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, were as follows:

Name of Directors	Nature of interest	Note	Number of issued ordinary shares held	Number of underlying shares held	Total	Approximately percentage of total issued shares as at 31 March 2012
Mr. Xu Bo	Corporate	(1)	127,057,440	—	127,057,440	72.24%
	Personal	(2)	—	88,000	88,000	
					127,145,440	
Mr. Wu Chun Wah	Corporate	(1)	127,057,440	—	127,057,440	72.24%
	Personal	(2)	—	88,000	88,000	
					127,145,440	
Mr. Cheong Ying Chew, Henry	Personal	(3)	—	176,000	176,000	0.1%
Mr. Leung Heung Ying	Personal	(3)	—	176,000	176,000	0.1%
Dr. Zhao Bin	Personal	(3)	—	176,000	176,000	0.1%

Notes:

- (1) The interest disclosed represents the corporate interest in 127,057,440 shares held by Million Sino Investments Limited, which is a company incorporated in the British Virgin Islands and is owned as to 50% by each of Mr. Xu Bo and Mr. Wu Chun Wah.
- (2) The interest disclosed represents the personal interest in 88,000 underlying shares in respect of the 88,000 share options granted by the Company to each of Mr. Xu Bo and Mr. Wu Chun Wah. These share options were granted on 2 June 2011 and are exercisable as to 50% during the period from 2 June 2011 to 1 June 2013 and as to 50% during the period from 2 June 2012 to 1 June 2014, all at an exercise price of HK\$3.55 per share.
- (3) The interest disclosed represents the personal interest in 176,000 underlying shares in respect of the 176,000 share options granted by the Company to each of Mr. Cheong Ying Chew, Henry, Mr. Leung Heung Ying and Dr Zhao Bin. These share options were granted on 2 June 2011 and are exercisable as to 50% during the period from 2 June 2011 to 1 June 2013 and as to 50% during the period from 2 June 2012 to 1 June 2014, all at an exercise price of HK\$3.55 per share.
- (4) All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above and in the section headed “Substantial Shareholders’ Interest in Securities” below, as at 31 March 2012, none of the directors and chief executive of the Company or their associates had or deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

SUBSTANTIAL SHAREHOLDERS’ INTEREST IN SECURITIES

At 31 March 2012, save as disclosed in the section headed “Directors’ and Chief Executive’s Interests in Securities” above for interests of Mr. Xu Bo and Mr. Wu Chun Wah and each of their associates including Million Sino Investments Limited, in shares and underlying shares of the Company, the following persons had or deemed to have an interest in the shares and the underlying shares of the Company which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Name	Capacity	Note	Number of issued ordinary shares held	Number of underlying shares held	Total	Approximately percentage of total issued shares as at 31 March 2012
Ms Chen Li	Interest of spouse	(1)	127,057,440	88,000	127,145,440	72.24%
Ms Lee Siu Yee, Brenda	Interest of spouse	(2)	127,057,440	88,000	127,145,440	72.24%

Notes:

- (1) Ms Chen Li, the spouse of Mr. Xu Bo, is also deemed to be interested in such 127,057,440 shares and 88,000 underlying shares in which Mr. Xu Bo is deemed to be interested.
- (2) Ms Lee Siu Yee, Brenda, the spouse of Mr. Wu Chun Wah, is also deemed to be interested in such 127,057,440 shares and 88,000 underlying shares in which Mr. Wu Chun Wah is deemed to be interested.
- (3) All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 31 March 2012, so far as was known to Directors based on the information available, no person, other than the Directors and chief executive of the Company whose interest have been set out in the section headed “Directors’ and Chief Executive’s Interests In Securities” above, had registered an interest and a short position in the shares or underlying shares of the Company as recorded in the register of the Company required to be kept pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Scheme”) pursuant to a resolution passed by the shareholders on 5 November 2010, based on the contribution of individual eligible persons as defined in the Scheme towards the growth and development the Group.

Under the Scheme, the Board may grant share options to the eligible persons to subscribe for such number of shares during such period of time as the Board may determine. Share options granted should be accepted not later than 28 days from the offer date for each tranche of share options granted. Upon acceptance of the share options, the grantee shall pay HK\$1.00 (equivalent to RMB0.81) to the Company by way of consideration for the grant.

The exercise price of the share option shall be the highest of (i) the closing price of the shares on the Growth Enterprise Market (“GEM”) as stated in The Hong Kong Stock Exchange Limited’s (“Stock Exchange”) daily quotation sheet on the date of grant; (ii) the average closing price of the shares on the GEM as stated in the Stock Exchange’s daily quotation sheets for the 5 trading days immediately preceding the date of grant; and (iii) the nominal value of a share.

Details of movements in the share options during nine months ended 31 March 2012 under the Scheme are as follows:

Grantees	Exercisable period	Number of share option ('000 shares)			
		Balance as at 1.7.2011	Granted during the period	Lapsed during the period	Balance as at 31.03.2012
<i>Executive Directors:</i>					
Xu Bo	2.6.2011-1.6.2013	44	—	—	44
	2.6.2012-1.6.2014	44	—	—	44
Wu Chun Wah	2.6.2011-1.6.2013	44	—	—	44
	2.6.2012-1.6.2014	44	—	—	44
<i>Independent Non-Executive Directors:</i>					
Cheong Ying Chew, Henry	2.6.2011-1.6.2013	88	—	—	88
	2.6.2012-1.6.2014	88	—	—	88
Leung Heung Ying	2.6.2011-1.6.2013	88	—	—	88
	2.6.2012-1.6.2014	88	—	—	88
Zhao Bin	2.6.2011-1.6.2013	88	—	—	88
	2.6.2012-1.6.2014	88	—	—	88
Employees	2.6.2011-1.6.2013	3,800	—	—	3,800
	2.6.2012-1.6.2014	3,800	—	—	3,800

Grantees	Exercisable period	Number of share option ('000 shares)			
		Balance as at 1.7.2011	Granted during the period	Lapsed during the period	Balance as at 31.03.2012
Other eligible persons	2.6.2011-1.6.2013	2,400	—	—	2,400
	2.6.2012-1.6.2014	2,400	—	—	2,400
Total		13,104	—	—	13,104

Notes:

- (1) All share options were granted on 2 June 2011 and the exercise price is HK\$3.55 per share.
- (2) The closing price of the shares of the Company immediately before the date on which the share options were granted (i.e. 1 June 2011) was HK\$3.55.
- (3) No share options were cancelled under the Share Option Scheme during the period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2012, none of the directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group during the period.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has applied the principles and complied with the code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 15 of the GEM Listing Rules throughout the nine months ended 31 March 2012, except for the following deviation:

The Code provision A4.1 provides that Non-executive Directors should be appointed for specific term, subject to re-election. The Company has deviated from the provision in that all independent non-executive Directors are not appointed for specific term but are subject to retirement by rotation and re-election in accordance with the provisions of the Bye-law of the Company. The reason for the deviation is that the Company does not believe that arbitrary limits on term of non-executive directorship are appropriate given that Directors ought to be committed to representing the long time interest of the Company's shareholders and the retirement and re-election requirements of independent non-executive Directors have given the Company's shareholders the right to approve continuation of independent non-executive Directors' offices.

ADOPTED CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings (“Standard Dealings”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors and all the Directors confirmed that they have complied with the Standard Dealings during the nine months ended 31 March 2012.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 31 March 2012.

By order of the Board

Xu Bo
Chairman

Hong Kong, 10 May 2012

As at the date of this report, the Board comprises Mr. Xu Bo, Mr. Wu Chun Wah as the executive directors; and Mr. Cheong Ying Chew, Henry, Mr. Leung Heung Ying, Alvin and Dr. Zhao Bin as the independent non-executive directors.