



新銀集團有限公司  
THE SUN'S GROUP LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock Code: 988)



Interim Report 2008

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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

**Executive Directors**

Lee Sammy Sean (*Chairman*)  
Lui Ngok Che

**Independent Non-executive Directors**

Antony Chiu  
Kwee Chong Kok, Michael  
Leung Chung Sing  
Lo Tung Sing, Tony

**AUDIT COMMITTEE &  
REMUNERATION COMMITTEE**

Antony Chiu  
Kwee Chong Kok, Michael  
Leung Chung Sing

**COMPANY SECRETARY & QUALIFIED  
ACCOUNTANTS**

Lui Ngok Che CPA FCPA (*Aust.*)

**AUDITORS**

NCN CPA Limited

**PRINCIPAL BANKERS**

The Bank of East Asia, Limited  
Hang Seng Bank Limited

**REGISTERED OFFICE**

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

**HEAD OFFICE & PRINCIPAL PLACE  
OF BUSINESS IN HONG KONG**

19/F Tern Centre Tower 1  
237 Queen's Road Central  
Hong Kong

**SHARE REGISTRARS & TRANSFER  
OFFICE IN HONG KONG**

Tricor Tengis Limited  
26/F., Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

**ADR DEPOSITARY**

The Bank of New York  
101 Barclay Street  
22nd Floor West  
New York  
NY 10286  
USA  
Website: <http://www.adrbny.com>

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**MANAGEMENT DISCUSSION AND ANALYSIS**

The Board of Directors (the “Directors” or the “Board”) of The Sun’s Group Limited (the “Company”) is pleased to announce the unaudited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th June, 2008.

**FINANCIAL RESULTS**

For the six months ended 30th June, 2008, the continuing operations turnover of the Group was approximately HK\$3.63 million, (2007: HK\$5.47 million). For the period under review, the consolidated profit attributable to shareholders amounted to approximately HK\$1.50 million (2007: consolidated profit attributable to shareholders amounted to HK\$1.13 million). Earnings per share was approximately 0.414 HK cents as compare with earnings per share of 0.505 HK cents in the preceding period.

**BUSINESS REVIEW**

Property investment and development, hotel investment and operations were core businesses of the Group.

During the period under review, the hotel business continued to be strong, room occupancy rates remained at a satisfactory level.

The renovation works of low-density luxurious residential properties in Beijing were at the final stage. The Group plans to lease out or sell the residential properties depending on prospective offers.

The demolition work of two properties at Mongkok, Kowloon was completed in May 2008. The planning application to re-develop the site to a 50-room hotel had already been approved by the Town Planning Board.

**Outlook**

The conditional sale and purchase agreement dated 8 December 2007, the supplemental agreement to the Sale and Purchase Agreement dated 20 March 2008 and the supplemental letter dated 30 April 2008 each entered into between Buddies Power Enterprises Limited, a subsidiary of the Group and General Nice Resources (Hong Kong) Ltd. in relation to the acquisition of 100% of the equity interest of Abterra Coal and Coke Limited (“Abterra HK”) at a consideration of HK\$1,400 million, together with the non-exempt continuing connected transactions and the relevant annual caps were passed as an ordinary resolution at the Special General Meeting of the Company held on 24th June, 2008. Abterra HK is interested in 50.1% equity interest in Shanxi Loudong-General Nice Coking & Gas Company

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**MANAGEMENT DISCUSSION AND ANALYSIS**

Limited (“Loudong PRC”) (山西樓東俊安煤氣化有限公司). Loudong PRC is a manufacturer of coke with an approved capacity of 1.2 million tones per annum. It also produces coal gas, coke tar, crude benzene, and electricity of substantial amount. The audited turnover of Loudong PRC for the year ended 31st March, 2007 was approximately RMB1,212 million and the profit attributable to shareholders amounted to RMB185 million. The acquisition will be completed by 30th September, 2008. The Board believes that Loudong PRC will contribute good returns to the Group after the completion of acquisition.

The Group will continue to be engaged in property investment and development, hotel investment and operations. Going forward, we intend to also focus on the energy and natural resources industries.

**MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group has no other significant material acquisitions or disposal of subsidiaries and affiliated companies during the period under review.

**FINANCIAL REVIEW****Liquidity and Financial Resources**

As at 30th June, 2008, the shareholders’ fund of the Group amounted to HK\$330.0 million (31st December, 2007: HK\$328.6 million). The gearing ratio of the Group as at 30th June, 2008 measured in terms of total liabilities divided by shareholders’ equity was approximately 1.73% (31st December, 2007: 1.56%).

As at 30th June, 2008, the Group’s net current assets were approximately HK\$177.4 million (31st December, 2007: HK\$170.4 million). Current assets amounted to approximately HK\$179.4 million (31st December, 2007: HK\$171.9 million), of which approximately HK\$171.7 million (31st December, 2007: HK\$163.2 million) was fixed deposits, cash and bank balances. In terms of the quality of current assets, the Group was in a healthy liquidity position.

As at 30th June, 2008, the Group had short term bank borrowings of approximately HK\$0.1 million (31st December, 2007: HK\$0.09 million), which will be due within one year, and long term bank borrowings were approximately HK\$3.6 million (31st December, 2007: HK\$3.7 million). All of the Group’s borrowings were principally denominated in Hong Kong dollars.

The financial position of the Group remained strong during the period under review.

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**MANAGEMENT DISCUSSION AND ANALYSIS****Exposure to Fluctuations in Exchange Rates and Any Related Hedges**

The Group has adopted the Hong Kong dollar as its functional and presentation currency. A subsidiary is operated in the People's Republic of China (the "PRC"), and is therefore exposed to foreign exchange risk. However, in view of the stable currency policies adopted by the PRC government, the Board considers that the foreign exchange risk is insignificant.

The Group currently does not have a foreign exchange rate hedging policy in respect of commercial transactions denominated in foreign currencies. However, the Board will monitor exchange rate exposure and will consider hedging significant exchange rate exposure should the need arise.

**Pledge of Assets**

As at 30th June, 2008, the investment properties in PRC were pledged to a bank to secure bank loans granted to a subsidiary of the Company.

**Contingent Liabilities**

As at 30th June, 2008, the Group had no significant contingent liabilities.

**EMPLOYEES AND EMOLUMENT POLICY**

As at 30th June, 2008, the total number of employees of the Group was 19 (2007: 36). The Group continues to reward its staff with a reasonable remuneration packages that include medical insurance, retirement benefit and share option, etc.

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**CONDENSED CONSOLIDATED INCOME STATEMENT**


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	Notes	Six months ended 30th June,	
		2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
<b>CONTINUING OPERATIONS</b>			
Turnover	4	3,633	5,473
Cost of sales		–	(2,009)
Gross profit		3,633	3,464
Other operating income		6,227	3,529
Administrative and operating expenses		(6,288)	(5,591)
Profit from operations		3,572	1,402
Finance costs		(81)	(40)
Profit before tax	5	3,491	1,362
Income tax (expense) / credit	6	(1,996)	75
Profit for the period from continuing operations		1,495	1,437
<b>DISCONTINUED OPERATIONS</b>			
Loss for the period from discontinued operations		–	(306)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b>			
		1,495	1,131
<b>Earnings per share:</b>			
From continuing and discontinued operations	7		
– Basic		0.414 HK cents	0.505 HK cents
– Diluted		N/A	N/A
From continuing operations			
– Basic		0.414 HK cents	0.641 HK cents
– Diluted		N/A	N/A

## CONDENSED CONSOLIDATED BALANCE SHEET

		30th June, 2008 (Unaudited) HK\$'000	31st December, 2007 (Audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		10,664	13,836
Land use rights		65,039	69,058
Investment properties		14,641	13,568
Land held for development		63,233	60,941
Goodwill		2,811	2,811
Deferred tax assets		–	1,605
<b>TOTAL NON-CURRENT ASSETS</b>		<b>156,388</b>	<b>161,819</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	7,621	8,645
Bank balances and cash		171,735	163,211
<b>Total Current Assets</b>		<b>179,356</b>	<b>171,856</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,364	1,133
Bank borrowings – secured		105	85
Tax payable		481	229
<b>Total Current Liabilities</b>		<b>1,950</b>	<b>1,447</b>
<b>NET CURRENT ASSETS</b>		<b>177,406</b>	<b>170,409</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>333,794</b>	<b>332,228</b>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings – secured		3,608	3,676
Deferred tax liabilities		139	–
		<b>3,747</b>	<b>3,676</b>
<b>NET ASSETS</b>		<b>330,047</b>	<b>328,552</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	11	3,611	3,611
Reserves		326,436	324,941
<b>SHAREHOLDERS' EQUITY</b>		<b>330,047</b>	<b>328,552</b>



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1st January, 2007	2,241	198,655	1,026	(17,193)	184,729
Profit for the six months' period	–	–	–	1,131	1,131
Balance at 30th June, 2007	2,241	198,655	1,026	(16,062)	185,860
Balance at 1st January, 2008	3,611	338,368	1,026	(14,453)	328,552
Profit for the six months' period	–	–	–	1,495	1,495
Balance at 30th June, 2008	3,611	338,368	1,026	(12,958)	330,047

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**


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	<b>Six months ended 30th June,</b>	
	<b>2008</b>	2007
	<b>(Unaudited)</b> <b>HK\$'000</b>	(Unaudited) HK\$'000
Net cash generated from operating activities	<b>888</b>	1,834
Net cash generated from / (used in) investing activities	<b>7,765</b>	(6,605)
Net cash used in financing activities	<b>(129)</b>	(74)
Net increase / (decrease) in cash and cash equivalents	<b>8,524</b>	(4,845)
Cash and cash equivalents at 1st January	<b>163,211</b>	91,097
Cash and cash equivalents at 30th June	<b>171,735</b>	86,252
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<b>171,735</b>	86,252

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**1. CORPORATE INFORMATION**

The Sun's Group Limited ("the Company") was incorporated in Bermuda on 9th July, 1993 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. Its shares have been listed on The Stock Exchange of Hong Kong Limited ("HKEX") since January 1994. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at 19/F., Tern Centre Tower 1, No. 237 Queen's Road Central, Hong Kong.

The Company is an investment holding company. At 30th June, 2008, the Company's subsidiaries (which together with the Company are collectively referred to as "the Group") were principally engaged in property investment and development, hotel investment and operation, securities investment and trading and general trading.

In the opinion of the directors, the ultimate holding company is Mastermind Assets Management Limited, a company incorporated in the British Virgin Islands.

The condensed consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Group.

**2. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**3. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at revalued amounts and fair values, as appropriate.

The principal accounting policies adopted in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2007.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

In the current interim period, the Group has applied a number of new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to its operations and are effective for accounting periods beginning on or after 1st January, 2008. The adoption of the new HKFRSs has no significant effect on the Group’s accounting policies and amounts reported for the current and prior accounting periods in these condensed consolidated financial statements.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors anticipate that the application of these new standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements <sup>(2)</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>(2)</sup>
HKAS 27	Consolidated and Separate Financial Statements <sup>(3)</sup>
HKAS 32 & 1, Amendments	Puttable Financial Instruments and Obligations Arising On Liquidation <sup>(2)</sup>
HKFRS 2 (Amended)	Share-based Payment – Amendments Relating to Vesting Conditions and Cancellations <sup>(2)</sup>
HKFRS 3 (Revised)	Business Combinations <sup>(3)</sup>
HKFRS 8	Operating Segments <sup>(2)</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>(1)</sup>

<sup>(1)</sup> Effective for annual periods beginning on or after 1st July, 2008

<sup>(2)</sup> Effective for annual periods beginning on or after 1st January, 2009

<sup>(3)</sup> Effective for annual periods beginning on or after 1st July, 2009

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**4. SEGMENTAL INFORMATION**
**(a) Primary reporting format – business segments**

For management purposes, the Group is currently organised into four operating divisions:

- (i) the hotel operation
- (ii) the securities trading
- (iii) the property investment
- (iv) the general trading

An analysis of the Group's results by business segment is as follows:

	For the six months ended 30th June, 2008				
	Hotel	Securities	Property	General	Total
	Operation	Trading	Investment	Trading	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	3,633	–	–	–	3,633
Segment results	602	–	1,047	62	1,711
Unallocated income					5,078
Unallocated expenses					(3,217)
Finance costs					(81)
Profit before tax					3,491
Income tax expense					(1,996)
Profit for the period					1,495

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. SEGMENTAL INFORMATION (CONTINUED)

## (a) Primary reporting format – business segments (continued)

	For the six months ended 30th June, 2007					
	Continuing operations			Discontinued operations		
	Hotel	Securities	General	Property		
	Operation	Trading	Trading	Total	Management	Consolidated
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Turnover	2,373	884	2,216	5,473	874	6,347
Segment results	996	1,335	273	2,604	(306)	2,298
Unallocated income				2,824	–	2,824
Unallocated expenses				(4,026)	–	(4,026)
Finance costs				(40)	–	(40)
Profit / (loss) before tax				1,362	(306)	1,056
Income tax credit				75	–	75
Profit / (loss) for the period				1,437	(306)	1,131

## (b) Geographical segment

No geographical segment analysis is presented as over 90% of the Group's turnover is situated in Hong Kong.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
Staff costs (including directors' emoluments)	2,266	3,259
Depreciation	621	1,275
Amortisation of land use rights	533	532

## 6. INCOME TAX (EXPENSE) / CREDIT

Income tax (expense) / credit in the condensed consolidated income statement consisted of:

	Six months ended 30th June,	
	2008	2007
	HK\$'000	HK\$'000
Hong Kong profits tax:		
Provision for current period	(252)	(158)
Deferred tax	(1,744)	233
	(1,996)	75

The Company is exempt from taxation in Bermuda until 2016. Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the six months ended 30th June, 2008 (six months ended 30th June, 2007: 17.5%).

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****7. EARNINGS PER SHARE**

From continuing and discontinued operations:

- (a) The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of approximately HK\$1,495,000 (2007: HK\$1,131,000)

Number of ordinary shares issued for the purpose of basic earnings per share is 361,115,372 (2007: 224,076,915).

- (b) No diluted earnings per share has been presented for both periods as there was no outstanding dilutive potential ordinary share in existence during these periods.

From continuing operations:

- (a) The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of approximately HK\$1,495,000 (2007: HK\$1,437,000)

Number of ordinary shares issued for the purpose of basic earnings per share is 361,115,372 (2007: 224,076,915).

- (b) No diluted earnings per share has been presented for both periods as there was no outstanding dilutive potential ordinary share in existence during these periods.

**8. DIVIDEND**

The directors do not recommend the payment of any interim dividend for the six months ended 30th June, 2008 (2007: Nil).



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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 9. TRADE AND OTHER RECEIVABLES

	<b>30th June, 2008 HK\$'000</b>	31st December, 2007 HK\$'000
Trade receivables	2,096	2,659
Prepayment, deposit paid and other receivables	5,525	5,986
	<b>7,621</b>	<b>8,645</b>

The credit terms granted by the Group to customers are determined on a case-by-case basis with reference to the size of sales contracts, recurrent sales with the customers and their credit history. The Group makes provision for impairment on trade receivables based on specific review. Provision for impairment is made against trade receivables after considering the amount due, creditability of customers and other qualitative factors.

An ageing analysis of the trade receivables of the Group is as follows:

	<b>30th June, 2008 HK\$'000</b>	31st December, 2007 HK\$'000
0-30 days	577	318
31 to 60 days	1	130
61 to 90 days	2	27
Over 90 days	1,516	2,184
	<b>2,096</b>	<b>2,659</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 10. TRADE AND OTHER PAYABLES

	30th June, 2008 HK\$'000	31st December, 2007 HK\$'000
Trade payables	–	–
Accruals and other payables	1,364	1,133
	<b>1,364</b>	<b>1,133</b>

## 11. SHARE CAPITAL

	30th June, 2008		31st December, 2007	
	Number of Shares '000	Nominal Value HK\$'000	Number of Shares '000	Nominal Value HK\$'000
Ordinary shares:				
Authorised (ordinary shares of HK\$0.01 each)	200,000,000	2,000,000	200,000,000	2,000,000
Issued and fully paid (ordinary shares of HK\$0.01 each)	361,115	3,611	361,115	3,611

## 12. COMMITMENTS AND CONTINGENT LIABILITIES

## (a) Capital commitments

Pursuant to the ordinary resolution passed at the Special General Meeting of the Company held on 24th June, 2008, Buddies Power Enterprises Limited, a subsidiary of the Group, will acquire 100% of the equity interest of Abterra Coal and Coke Limited (“Abterra HK”) at a consideration of HK\$1,400 million. Abterra HK is interested in 50.1% equity interest in Shanxi Loudong-General Nice Coking & Gas Company Limited, a company incorporated in the People’s Republic of China.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**12. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)**
**(b) Operating lease commitments**

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>30th June, 2008 HK\$'000</b>	31st December, 2007 HK\$'000
Within one year	145	218
Second to fifth year	–	58
	<b>145</b>	<b>276</b>

Operating lease payments represent rental payable by the Group for its office properties.

**(c) Contingent Liabilities**

At 30th June, 2008, the Group had no significant contingent liabilities.

**13. RELATED PARTY TRANSACTIONS**

- (a) During the period, Mr. Lee Sammy Sean, the executive director of the Company, has provided personal guarantee to a bank to secure banking facilities granted to a wholly-owned subsidiary of the Company.
- (b) During the period, rental of HK\$130,500 has been paid to Rainbow Vast Limited, a company in which Mr. Lee Sammy Sean, the executive director of the Company, has controlling interest.

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**OTHER INFORMATION****SHARE OPTION**

Pursuant to ordinary resolutions passed on 25th June, 2007, the shareholders of the Company approved (i) the termination of share option scheme adopted on 14th November, 2002 (the “2002 Share Option Scheme”) and (ii) the adoption of a new share option scheme (the “2007 Share Option Scheme”). No options have been granted under the 2002 Share Option Scheme since its adoption and termination.

**2007 Share Option Scheme**

The 2007 Share Option Scheme was adopted by the Company on 25th June, 2007. Under the 2007 Share Option Scheme, the board of directors of the Company may, at its absolute discretion, grant options to executives and employees in the service of any member of the Group and other persons who may make a contribution to the Group subject to terms and conditions stipulated therein. The maximum number of shares in respect of which options may be granted under the Scheme must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of the Scheme and which must not in aggregate (including all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Group), exceed 30% of the shares of the Company in issue from time to time. An option may be exercised in accordance with the terms of the 2007 Share Option Scheme at any time during a period to be notified by the board of directors of the Company to the grantee and commencing on the expiry of 6 months after the date of grant of an option and in any event expiring on a date no later than the last date of the period of 10 years commencing on the date of adoption of the 2007 Share Option Scheme. Upon acceptance of the option, the grantee shall pay HK\$10.00 to the Company by way of consideration for the grant of the option. The subscription price for any particular option shall be determined by the board of directors of the Company and shall be at least the highest of:

- a) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheets on the grant date;
- b) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the grant date; and
- c) the nominal value of the shares on the grant date.

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**OTHER INFORMATION**

and subject to the compliance with the requirements for share option schemes under the listing rules.

No options have been granted under the 2007 Share Option Scheme since its adoption. The 2007 Share Option Scheme will expire on 24th June, 2017.

**DIRECTORS' INTEREST IN SHARES**

As at 30th June, 2008, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

**Long positions in shares of the Company**

<b>Name of director</b>	<b>Number of issued shares</b>	<b>Percentage holding</b>
Lee Sammy Sean	218,390,836	60.48%

Note: These shares were held by Mastermind Assets Management Limited, whose entire issued share capital is beneficially owned by Mr. Lee Sammy Sean.

Save as disclosed above, none of the directors, chief executive or their associates had any interests or short positions, whether beneficial or non beneficial, in the shares of the Company or any of its associated corporations as at 30th June, 2008.

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**OTHER INFORMATION**
**SUBSTANTIAL SHAREHOLDERS**

As at 30th June, 2008, the following entities (not being a director or chief executive of the Company) had long positions in the issued share capital of the Company recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO.

**Long positions in shares of the Company**

<b>Name of shareholder</b>	<b>Number of issued shares</b>	<b>Percentage holding</b>
Mastermind Assets Management Limited (Note)	218,390,836	60.48%
Pachmar Limited	25,000,000	6.92%

Note: These shares were held by Mastermind Assets Management Limited, whose entire issued share capital is beneficially owned by Mr. Lee Sammy Sean.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30th June, 2008.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30th June, 2008 and up to the date of this report.

**COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The board of directors of the Company is committed to raising the standard of corporate governance within the Group in order to enhance the transparency in disclosure of material information. The Company has complied with the Code on Corporate Governance Practices (the "Code"), as set out in Appendix 14 of the Listing Rules throughout the period covered by this interim report, except that the independent non-executive directors of the Company are not appointed for a specific term as required by the code provision A.4.1 of the Code. However, all independent non-executive directors are subject to the retirement by rotation in accordance with the Company's Bye-laws.

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**OTHER INFORMATION**

**COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all directors, confirmed that all directors have complied with the required standard of dealings set out therein throughout the period ended 30th June, 2008.

**AUDIT COMMITTEE**

The Audit Committee of the Company has reviewed the Group's unaudited interim results for the six months ended 30th June, 2008. The Audit Committee comprises of three independent non-executive directors, Mr. Antony Chiu, Mr. Kwee Chong Kok, Michael and Mr. Leung Chung Sing.

By Order of the Board  
**Lee Sammy Sean**  
*Chairman*

Hong Kong, 11th August, 2008