INTERIM REPORT
2010

Macau Investment Holdings Limited

澳門投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 2362)

* For identification purpose only

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CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2010

	Notes	For the six months ended 30 June 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
REVENUE	3	**67,784**	75,233
Cost of sales		**(19,361)**	(21,584)
Gross profit		**48,423**	53,649
Other income and gain		**595**	3,046
Gain on disposal of subsidiaries	4	**–**	4
Selling and distribution costs		**(25,861)**	(30,747)
Administrative and other operating costs		**(21,948)**	(25,701)
Other finance costs	5	**(616)**	(149)
PROFIT BEFORE TAX	6	**593**	102
Tax	7	**(75)**	(418)
PROFIT/(LOSS) FOR THE PERIOD		**518**	(316)
Attributable to:			
Equity holders of the Company		**518**	(188)
Non-controlling interests		**–**	(128)
		518	(316)
DIVIDENDS			
Proposed interim	8	**–**	–
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted:			
Profit/(loss) for the period		**0.09 cents**	(0.04) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**518**	(316)
OTHER COMPREHENSIVE INCOME		
Change in fair value of available-for-sale investments	**(285)**	–
Exchange realignment	**5,709**	886
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**5,424**	886
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5,942**	570
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the company	**5,942**	698
Non-controlling interests	**–**	(128)
	5,942	570

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2010

	Notes	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
NON-CURRENT ASSETS	10		
Property, plant and equipment		**42,596**	43,759
Prepaid land lease payments		**5,296**	5,446
Intangible assets		**90,706**	90,706
Available-for-sale investments		**112,388**	112,672
Long term deposits		**1,296**	1,291
Total non-current assets		**252,282**	253,874
CURRENT ASSETS			
Inventories		**38,480**	35,174
Trade receivables	11	**11,892**	12,197
Prepayments, deposits and other receivables		**57,460**	49,794
Amounts due from related companies		**2,586**	2,742
Available for sale investments		**218,669**	218,669
Equity investments at fair value through profit or loss		**28,095**	13,019
Cash and cash equivalents		**55,711**	57,501
Total current assets		**412,893**	389,096
CURRENT LIABILITIES			
Trade payables	12	**22,833**	12,796
Other payables and accruals		**25,077**	32,172
Interest-bearing bank borrowings		**21,632**	18,801
Amounts due to related companies		**1,141**	2,954
Tax payable		**–**	115
Finance lease payables		**324**	331
Amount due to a minority shareholder of a subsidiary		**600**	600
Total current liabilities		**71,607**	67,769

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

At 30 June 2010

	Notes	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
NET CURRENT ASSETS		**341,286**	321,327
TOTAL ASSETS LESS CURRENT LIABILITIES		**593,568**	575,201
NON-CURRENT LIABILITIES			
Provision for long service payments		**507**	507
Finance lease payables		**671**	828
Deferred tax liabilities		**1,822**	1,822
Total non-current liabilities		**3,000**	3,157
Net assets		**590,568**	572,044
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	13	**5,828**	4,858
Reserves		**585,558**	568,004
		591,386	572,862
Non-controlling interests		**(818)**	(818)
Total equity		**590,568**	572,044

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	Attributable to equity holders of the Company												
	Issued capital HK$'000	Share premium account HK$'000	Equity component of convertible bonds HK$'000	Warrant reserve HK$'000	Share option reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Reserve funds HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Accumulated losses HK$'000	Attributable to owners of the Company HK$'000	Non-controlling Interests HK$'000	Total equity HK$'000
At 1 January 2009 (audited)	242,915	586,516	-	45,640	16,072	376	7,321	73	14,318	(331,658)	581,573	(320)	581,253
Exchange realignment	-	-	-	-	-	-	-	-	886	886	886	-	886
Loss for the period	-	-	-	-	-	-	-	-	-	(188)	(188)	(128)	(316)
Total Comprehensive income for the period	242,915	586,516	-	45,640	16,072	376	7,321	73	15,204	(330,960)	582,271	(448)	581,823
Transfer between categories	-	-	-	(45,640)	(7,386)	-	-	-	-	53,026	-	-	-
At 30 June 2009 (unaudited)	242,915	586,516	-	-	8,686	376	7,321	73	15,204	(277,934)	582,271	(448)	581,823
At 1 January 2010 (audited)	4,858	586,516	-	-	-	796	7,321	73	15,002	(41,704)	572,862	(818)	572,044
Exchange realignment	-	-	-	-	-	-	-	-	(5,709)	-	(5,709)	-	(5,709)
Change in fair value of Available for sale Financial assets	-	-	-	-	-	(284)	-	-	-	-	(284)	-	(284)
Profit for the period	-	-	-	-	-	-	-	-	-	518	518	-	518
Issuance of shares	970	23,029	-	-	-	-	-	-	-	-	23,999	-	23,999
Total Comprehensive income for the period	970	23,029	-	-	-	(284)	-	-	(5,709)	518	18,524	-	18,524
At 30 June 2010 (unaudited)	5,858	609,545	-	-	-	512	7,321	73	9,293	(41,186)	591,386	(818)	590,568

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**(3,544)**	(8,137)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	**(18,935)**	425
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**24,259**	(3,110)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**1,780**	(10,822)
NET FOREIGN EXCHANGE DIFFERENCE	**(5,709)**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**55,200**	63,279
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**51,271**	52,457
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**55,711**	54,402
Bank overdrafts	**(4,440)**	(1,945)
	51,271	52,457

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2010

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial instruments which have been measured at fair values.

The accounting policies adopted in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009. In the current interim period, the Group has applied for the first time, a number of new and revised standards, amendments and interpretations ("New or revised HKFRSs") issued by HKICPA which are effective for the Groups financial year beginning on 1 January 2010.

Significant accounting policies newly adopted by the Group

IFRSs (Amendments)	Improvements to IFRSs issued in 2008 (relating to IFRS 5) and 2009
IFRS 2 (Amendments)	Share-based Payment – Group Cash-settled Share-based Payment Transactions
IFRS 3 (Revised)	Business Combinations
IAS 27 (Revised)	Consolidated and Separate Financial Statements

Impact of new and revised HKFRSs

The adoption of the new and revised HKFRSs that are effective for the current period has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

Impact of issued but not yet effective HKFRSs

The Group has not early adopted new or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company (the "Directors") are in the process of making an assessment of the expected impact of the amendments, new or revised standard and interpretations in the period of initial application. So far it was considered that their adoption is unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

Business segment information is chosen as the primary reporting format because this is more consistent with the Group's internal financial reporting.

During the period, the Group only has one segment, the manufacturing and trading of cosmetic and related products, and provision of beauty technical and tutoring services (the "Cosmetic and beauty") segment.

(a) Business segment

The following table presents revenue and results for the Group's business segments for the six months ended 30 June 2010 and 2009.

	Property investment and development		Cosmetic and beauty		Consolidated	
	2010 (Unaudited) *HK$'000*	2009 (Unaudited) *HK$'000*	**2010 (Unaudited) *HK$'000***	2009 (Unaudited) *HK$'000*	**2010 (Unaudited) *HK$'000***	2009 (Unaudited) *HK$'000*
Segment revenue:						
Sales to external customers	**-**	–	**67,784**	75,233	**67,784**	75,233
Intersegment sales	**-**	–	**-**	–	**-**	–
Other income and gain	**-**	–	**271**	904	**271**	904
Total	**-**	–	**68,055**	76,137	**68,055**	76,137
Segment results	**-**	–	**2,840**	(739)	**2,840**	(739)
Interest and unallocated other income					**324**	2,146
Unallocated expenses					**(1,955)**	(1,156)
Finance costs					**(616)**	(149)
Profit before tax					**593**	102
Tax					**(75)**	(418)
Profit/(Loss) for the period					**518**	(316)
Other segment information:						
Depreciation	**-**	–	**3,918**	2,823	**3,918**	2,823
Recognition of prepaid land lease payments	**-**	–	**150**	150	**150**	150

3. SEGMENT INFORMATION *(continued)*

(b) Geographical segment

	Hong Kong		Mainland China		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**4,684**	23,347	**46,532**	51,886	**51,216**	75,233
Other income	**15,594**	2,422	**974**	628	**16,568**	3,050
	20,278	25,769	**47,506**	52,514	**67,784**	78,283

4. GAIN ON DISPOSAL OF SUBSIDIARIES

On 22 January 2009, the Group disposed of a subsidiary, namely Jovian Financial Communications Limited and its subsidiaries (collectively, the "Jovian Group") at a consideration of HK$100,000. The disposal of Jovian Group was completed on 3 February 2009. As at 31 December 2008, the assets and liabilities of Jovian Group were classified as a disposal group held for sales.

Net gain on disposal of subsidiary is provided below:

	2009
	HK$'000
Assets of a disposal group classified as held for sale	**2,819**
Liabilities directly associated with the assets classified as held for sale	**(2,723)**
	96
Cost consideration	**100**
Net gain on disposal	**4**

5. OTHER FINANCE COSTS

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on interest-bearing bank borrowings	**555**	69
Interest on finance lease	**61**	80
	616	149

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**3,918**	2,823
Recognition of prepaid land lease payments	**150**	150
Loss on disposals of property, plant and equipment	**3**	820
Bank interest income	**(177)**	(139)

7. TAX

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Group:		
Current – People's Republic of China ("PRC")	**75**	418
Deferred	**–**	–
Tax charge for the period	**75**	418

Pursuant to relevant laws and regulations in the PRC, the Company's subsidiaries are entitled to exemption from income tax under certain tax holidays and concessions. Income tax was calculated at rates given under the concessions.

8. DIVIDENDS

The directors do not recommend the payment of any interim dividends (six months ended 30 June 2009: Nil).

9. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the period:

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit/(Loss):		
Profit/(Loss) attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	**518**	(188)

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares in issue during the period for used in the basic profit/(loss) per share calculation	**560,735,749**	485,830,194

There were no potential dilutive ordinary shares in existence during the six months ended 30 June 2010 and 2009 and therefore, no diluted earnings per share amounts have been presented.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENTS

During the six months ended 30 June 2010, the Group spent HK$3,859,000 (2009:HK$2,221,000) on additions to property, plant and equipment.

11. TRADE RECEIVABLES

The Group has different trading terms with its customers for different businesses.

For services rendered, no credit term is granted to customers, except for certain well-established customers where the Group allows trading terms on credit. Invoices are normally payable within 30 days of issuance. Each customer has a maximum credit limit.

For the sale of goods, the Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one month to three months.

An aged analysis of the trade receivables, net of impairment loss, as at the balance sheet dates, based on invoice date, is as follows:

	30 June 2010 (Unaudited) *HK$'000*	31 December 2009 (Audited) *HK$'000*
Current to 3 months	**9,897**	10,893
4 to 6 months	**258**	919
7 to 12 months	**470**	329
Over 1 year	**1,267**	56
	11,892	12,197

12. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet dates, based on invoice date, is as follows:

	30 June 2010 (Unaudited) *HK$'000*	31 December 2009 (Audited) *HK$'000*
Current to 3 months	**8,410**	6,664
4 to 6 months	**4,471**	2,941
7 to 12 months	**4,492**	2,550
Over 1 year	**5,460**	641
	22,833	12,796

13. ISSUED CAPITAL

	30 June 2010 HK$'000	31 December 2009 HK$'000
Authorised:		
5,000,000,000 (2009: 5,000,000,000) ordinary shares of HK$0.01 (2009: HK$0.01) each	**50,000**	50,000
Issued and fully paid:		
582,830,194 (2009: 485,830,194) ordinary shares of HK$0.01 (2009: HK$0.01) each	**5,828**	4,858

A summary of the transactions during the period with reference to the changes in the Company's issued ordinary share is as follows:

Number of issued shares

	2010	2009
At 1 January	**485,830,194**	485,830,194
Issuance of shares	**97,000,000**	–
At 30 June	**582,830,194**	485,830,194

14. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its leasehold land and buildings under operating lease arrangements, with leases negotiated for terms ranging from one to two years.

At 30 June 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Within one year	**8,555**	13,790
In the second to fifth years, inclusive	**7,295**	14,493
	15,850	28,283

15. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the period:

	Notes	For the six months ended 30 June **2010** **(Unaudited)** ***HK$'000***	2009 (Unaudited) *HK$'000*
Rental expenses paid to related companies (a)	(i)	**543**	543
Management fee income received from related companies (a)	(ii)	**–**	42
Consultancy fee paid to a director	(iii)	**–**	200

(a) The related companies are companies of which a close family member of one of the Company's directors is also a director of these related companies.

Notes:

(i) Rental expenses paid to related companies were made according to prices and conditions stated in the tenancy agreements that were agreed between the Group and related companies.

(ii) Management fee income received from related companies were charged for administrative purposes provided by the Group. They are charged based on the actual costs incurred plus an agreed percentage to cover a share of general overheads.

(iii) Consultancy fee was paid in accordance with contractual terms agreed between the Group and the related parties.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW AND PROSPECTS

Interim dividend

The Directors of the Company do not recommend the payment of any interim dividend in respect of the six months ended 30 June 2010 (30 June 2009: Nil).

Financial Performance

Despite of a slight decrease of revenue from HK$75.2 million for the corresponding period of previous year to HK$67.8 million for the six months ended 30th June, 2010, the group is able to maintain the high gross profit ratio of 71.4% in current period resulting in a gross profit of HK$48.4 million.

The Selling and distribution costs decreased from HK$30.7 million to HK$25.9 million mainly due to the decrease in turnover.

The Administrative and other operating costs decreased from HK$25.7 million to HK$21.8 million mainly due to a better cost control.

The profit attributable to owners of the Company was HK$518,000, and the basic earnings per share was then increased from a loss of 0.04 cents in previous period to a profit of 0.09 cents accordingly.

Business Review

The Group's main operational business for the first half of the year is its wholly-owned subsidiary CMM International Group, a market leader in beauty products, services and education in Hong Kong and Mainland China. Following the trend of the global economic recovery, our cosmetic and beauty business managed a stable growth on its operating performance through new product developments and expansion of its branded product lines. With our multi-branded and diversified product lines, we have successfully penetrated into the mainland market from first tier cities to third tier cities with retail and professional distribution.

REVIEW AND PROSPECTS *(continued)*

Business Review *(continued)*

CMM currently operates 7 beauty brands, for which we design, develop and promote through different marketing channels, while targeting a wide-range of consumer groups. We have covered the retail channel with brands such as CMM, FL fresh living, Barbie cosmetics and Hello Kitty cosmetics. We also distribute under brands Monita, Fairlady and MD Cliniceuticals to salon and spas through our professional beauty channels.

CMM is also a leading provider of beauty services through our Orient Medical Spa in Hong Kong and beauty education through our 12 schools operating under CMM's Monita Academy. Our strategy is to enhance our comprehensive operations and building new brands in the market and continue to maintain a leadership position in the beauty industry.

CMM's new venture, 'CMM Beauty Center', is expected to launch in the fourth quarter of 2010. This is a new retail concept store which will carry the entire group brands and services, and providing professional skincare analysis and facial treatment services, all in one retail outlet. This is a very unique business model in which CMM will franchise the stores throughout China. The Group believes its new concept will enhance profit margin, strengthen its competitiveness and ensure a stable and rapid growth in the coming years.

In regards to the property development sector for the Project Lote 9 in Macau, the company is endeavouring to enable the commencement of the foundation work.

REVIEW AND PROSPECTS *(continued)*

Prospects

In the second half of the year, the Company will continue to adopt a sustainable business development strategy by focusing on building our new brands and products. While the China market continues to enjoy a healthy economic growth, the Company will strive to further increase exposure of its cosmetic and beauty brands to the Chinese domestic consumer market while maintaining good business relationships with existing customers. Management will also continue to aggressively explore new investment opportunities in relation to the Greater China in order to maximize our shareholders' value.

Liquidity and Financial Resources

As at 30 June 2010, the Group had cash and cash equivalents of HK$55,711,000 placed in bank mainly as Cash. The interest-bearing bank borrowings of the Group amounted to approximately HK$17,192,000, which was due within one year. The directors believe that the Group has sufficient working capital to meet its present requirements.

Capital structure of the Company

There was no change in the capital structure of the Company during the period.

Material acquisitions and disposals of investments

There is no material acquisitions and disposal of investments during the period.

Significant capital expenditures

There were no significant capital expenditures during the Period.

Details of charges on the Group's assets

The Group's buildings and prepaid land lease payments with net book values of approximately HK$16,208,000 and HK$5,296,000, respectively, were pledged to secure general banking facilities granted to the Group.

REVIEW AND PROSPECTS *(continued)*

Contingent liabilities

The Group had no contingent liabilities as at 30 June 2010.

Foreign exchange exposure

The monetary assets and transactions of several subsidiaries of the Group are principally denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currency has no particular hedging vehicles to hedge its exposure to foreign exchange risk profile. It is the Group's policy to monitor foreign exchange exposure and to make use of appropriate hedging measures when required.

DISCLOSURE OF INTERESTS

Interests of Directors

As at 30 June 2010, so far as is known to the Directors and the chief executive of the Company, none of the Directors or supervisors or chief executive of the Company is interested in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions which the Directors or supervisors or chief executives of the Company were taken or deemed to have under such provisions of the Securities and Futures Ordinance) or which are required to be entered into the register maintained by the Company under section 352 of the Securities and Futures Ordinance or which are required to be 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 Companies.

DISCLOSURE OF INTERESTS *(continued)*

Interests of substantial Shareholders

As at 30 June 2010, so far as is known to the Directors of the Company, the persons, other than Directors, who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, and the amount of each of such person's interest in such securities, together with any options in respect of such capital, were as follows:

Shareholder	Capacity/ nature of interest	Number of Shares held/ involved	Percentage of the total issued share capital
DOB Corporation	Beneficial owner	74,000,000	12.70
Sigma Gain Co., Ltd	Beneficial owner	65,037,280	11.16
Ms. Cheng Ho Ming *(Note 1)*	Interest of a controlled corporation	71,499,000	12.27
Ambleside Associates Limited *(Note 1)*	Beneficial owner	71,499,000	12.27
Grand Chance Consultants Limited	Beneficial owner	50,000,000	8.58

Notes:

1. Ms. Cheng Ho Ming owns 70% of the issued share capital of Ambleside Associates Limited and Peakjoy Global Limited owns the remaining 30% of the issued share capital of Ambleside Associates Limited. Ms. Cheng Ho Ming wholly owns all the beneficial interest in Peakjoy Global Limited. Ms. Cheng Ho Ming is therefore deemed to have an interest in 71,499,000 Shares under the SFO.

AUDIT COMMITTEE

The Audit Committee aims at providing an independent and objective review of the financial reporting process, internal controls, and the audit functions of the Group. The current members are Mr. Sun Tong, Mr. Zhou Jin Song and Mr. Yen Yuen Ho, Tony and they all have extensive experience and knowledge in accounting, commercial and probate matter. The Committee has reviewed the accuracy of the interim financial statements and the Interim Report 2010 before the reports were sent to Board for approval.

REMUNERATION COMMITTEE

The Remuneration Committee was set up to review the remuneration package of the Directors and senior management of the Company. All the Remuneration Committee members are Independent Non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board and the Company has adopted the Model Code for Securities Transactions. Having made specific enquiry of all Directors, during the six months ended 30 June 2010, the Directors of the Company have complied with required standards as set out in the Model Code for Securities Transactions.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the six months ended 30 June 2010 with the applicable provisions of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules, except that:

The Company has no separation of the role of chairman and chief executive officer as set out in the code provision A.2.1. as our Ex chairman Mr. Yasumasa Ishizaka held both positions before his resignation on 5 August 2010. The Company is an investment holding company with a professional management team to monitor the operations of the subsidiaries. The Board believes that the role of Chairman and Chief Executive Officer vested on the same person will be more efficient and consistent in the direction and management of the Company. The Company will review this situation and consider to appoint different persons as Chairman and Chief Executive Officer.

Under provision A.4.2 of the Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Directors of the Company were not appointed for a specific term but one-third of the Directors are subject to retirement by rotation at each annual general meeting as stated in the Articles of Association of the Company.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

All the information required by the relevant provisions of Appendix 16 of Listing Rules will be published on the Stock Exchange's website in due course.

By Order of the Board
MACAU INVESTMENT HOLDINGS LIMITED
Deng Wen
Chairman

Hong Kong, 27 August 2010