SUNLINK INTERNATIONAL HOLDINGS LIMITED

(Provisional Liquidators Appointed)

科浪國際控股有限公司*

（已委任臨時清盤人）

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2336)

Interim Report 2010

* *for identification purpose only*

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CORPORATE INFORMATION

JOINT AND SEVERAL PROVISIONAL LIQUIDATORS

Mr. Liu Yiu Keung, Stephen
Mr. Yen Ching Wai, David

BOARD OF DIRECTORS

Independent Non-Executive Directors
Mr. Tso Shiu Kei, Vincent
Mr. Young Meng Cheung, Andrew
Mr. Poon Ka Lee, Barry

AUDITOR
ANDA CPA Limited

REGISTERED OFFICE
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
British West Indies

PRINCIPAL OFFICE
62th Floor, One Island East
18 Westlands Road, Island East
Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office
Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands
British West Indies

Hong Kong Branch Share Registrar and Transfer Office
Tricor Standard Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited

STOCK CODE
2336

COMPANY WEBSITE
http://www.equitynet.com.hk/2336

The joint and several provisional liquidators (collectively, the "Provisional Liquidators") of Sunlink International Holdings Limited (Provisional Liquidators Appointed) (the "Company") herein present their report to accompany with the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2010 based on the books and records made available to them together with comparative figures for the corresponding period in 2009.

On 2 December 2008, trading in the shares of the Company was suspended on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Provisional Liquidators were appointed pursuant to an order by the High Court of the Hong Kong Special Administrative Region (the "High Court") on 24 December 2008, and consequently, the Provisional Liquidators do not have the same detailed knowledge of the financial affairs of the Group as the former directors of the Company (the "Former Directors") would have, in particular transactions entered into by the Group prior to their appointment.

The board of directors of the Company (the "Board") has authorised the Provisional Liquidators to sign, approve, publish and do all such acts in connection with this interim report. The Provisional Liquidators are responsible for the accuracy and completeness of the contents of this interim report and the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2010 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of this interim report and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2010 on the basis of the books and records made available to the Provisional Liquidators and, where applicable, having made all reasonable enquiries by them. Therefore, the Provisional Liquidators make no representation as to the completeness of the information contained in this interim report. The basis of preparation of these unaudited condensed consolidated interim financial statements, have been set out in note 1 to the unaudited condensed consolidated interim financial statements.

APPOINTMENT OF THE PROVISIONAL LIQUIDATORS

On 24 December 2008, the High Court appointed Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai, both of Ernst & Young Transactions Limited, as the Provisional Liquidators of the Company.

After few adjournments, the High Court has ordered the hearing of the petition to be adjourned to 1 November 2010 to allow more time for the implementation of a proposed restructuring of the Company.

Pursuant to an order of the High Court, the Provisional Liquidators would, inter alia, take into their custody and protect all the assets of the Group and to carry on and stabilise the operations of the Group, including facilitating a proposed restructuring of the Company until such time as further order is made. The Provisional Liquidators are independent third parties who do not have connection with the Company or any of the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

PROPOSED RESTRUCTURING OF THE COMPANY AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS

On 2 January 2009, the Provisional Liquidators appointed Asian Capital (Corporate Finance) Limited as the Company’s financial adviser (the “Financial Adviser”) for the purposes of assisting them to identify interested investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange. The Financial Adviser was resigned with effect from 14 June 2010. Subsequently, Partners Capital International Limited was appointed as the new financial adviser (the “New Financial Adviser”) to the Company on 16 July 2010.

On 21 January 2009, the Listing Division of the Stock Exchange issued a letter (the “First Decision Letter”) expressing its concerns over the condition of the Company and informing the Company that in view of the financial difficulties which had seriously impaired the situation of the Group and because of its inability to continue its business thereby causing the cessation of the Group’s operations, the Company had been placed in the first stage of the delisting procedures on 2 December 2008, pursuant to Practice Note 17 to the Listing Rules. According to the First Decision Letter, the Company was required to submit a viable resumption proposal and demonstrate its compliance with Rule 13.24 of the Listing Rules on or before 20 July 2009.

PROPOSED RESTRUCTURING OF THE COMPANY AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS (continued)

On 11 May 2009, an exclusivity agreement (the "Exclusivity Agreement") was entered into amongst Brilliant Capital International Limited (the "Investor"), Mr. Paul Suen ("Mr. Suen"), the Company and the Provisional Liquidators to grant the Investor an exclusivity to prepare and submit a resumption proposal to the Stock Exchange with a view to resume the trading in the shares of the Company, and to negotiate in good faith and enter into a legally binding formal agreement for the implementation of the restructuring proposal in connection with the proposed restructuring of the Company.

On 18 June 2009, the High Court ratified the Provisional Liquidators' execution of the Exclusivity Agreement and granted a leave to the Provisional Liquidators to set up two special purpose vehicles to facilitate the proposed restructuring of the Company.

On 26 June 2009, with the sanction of the High Court, the Company set up two wholly-owned subsidiaries, one of them would be functioning as an immediate holding company and the other one would be acting as an operating subsidiary (the "Operating Subsidiary") to resume and continue the existing business of the Group. The Company has since resumed its trading of semiconductors and related products business through the Operating Subsidiary.

On 3 July 2009, the Investor and the Operating Subsidiary entered into a working capital facility agreement pursuant to which the Investor had agreed to provide a working capital facility of up to HK$8 million (the "Working Capital Facility") to the Operating Subsidiary to enable it to meet its working capital needs. The Working Capital Facility has been secured by a debenture executed on 3 July 2009 by the Operating Subsidiary in favour of the Investor.

On 30 July 2009, the Stock Exchange issued a second decision letter (the "Second Decision Letter") to the Company in relation to its decision to place the Company in the second stage of the delisting procedures pursuant to Practice Note 17 of the Listing Rules for reasons of the Company failing to submit to the Stock Exchange any resumption proposal before 20 July 2009 and maintaining an operation in compliance with Rule 13.24 of the Listing Rules. According to the Second Decision Letter, the Company was required to submit a viable resumption proposal to the Stock Exchange at least 10 business days before 29 January 2010, being the expiry of the six-month period from the date the Company had been placed in the second stage of the delisting procedures.

PROPOSED RESTRUCTURING OF THE COMPANY AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS (continued)

On 9 December 2009, the Operating Subsidiary and Telecycle, LLC., a US incorporated limited liability company ("Telecycle") entered into a memorandum of understanding (the "MOU"), pursuant to which, both parties had agreed to set up a joint venture owned as to 70% by the Operating Subsidiary and 30% by Telecycle. The joint venture will be principally engaged in collecting and recycling end-of-life telecom equipment in Asia, with a focus on the Greater China area. The entering into the formal agreement for setting up of the joint venture pursuant to the MOU is subject to resumption of trading in shares of the Company, as the Company's shares have not resumed trading, formal agreement has not been entered into between the parties and the MOU was lapsed on 31 August 2010. However, both parties agreed that negotiations on setting up of the joint venture or other business cooperation shall continue on a non-exclusive basis.

On 14 January 2010, the Financial Adviser submitted a resumption proposal (the "Resumption Proposal") to the Stock Exchange on behalf of the Company. The Resumption Proposal has set out a restructuring proposal (the "Proposed Restructuring"), which, if successfully implemented, will, amongst other things, result in:

- a capital reorganisation of the share capital of the Company and the issuance of new shares of the Company;
- all claims of the Company being discharged by way of schemes of arrangement in Hong Kong and the Cayman Islands, as appropriate; and
- resumption of trading in the shares of the Company upon completion of the Proposed Restructuring.

On 26 March 2010, the Operating Subsidiary, 廈門華聯電子有限公司 (Xiamen Hulian Electronics Company Limited*) and 佛山聯創華聯電子有限公司 (Foshan Lianchuang Hualian Electronics Company Limited*) (the "Target Company") entered into a capital increase agreement (the "Capital Increase Agreement") pursuant to which the Operating Subsidiary conditionally agreed to subscribe for an additional registered capital of the Target Company. Upon completion, the Operating Subsidiary will own 52.38% equity interest of the Target Company.

PROPOSED RESTRUCTURING OF THE COMPANY AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS (continued)

The Target Company is an integrated electronic turnkey device solutions and one-stop services provider of microcontrollers, including sourcing of components, designing circuits and layouts, assembling, testing and delivery of microcontrollers to its customers. Microcontrollers are electronic turnkey devices which can be readily used by the Target Company's customers in the assembly of their final products, which are mainly household appliances, including air-conditioner, refrigerators, water heaters, electric rice cookers etc. Upon acceptance of orders from customers, the Target Company will design and develop the circuits, functionalities and layouts of the electronic devices and manufacture such devices in its own assembly line. The basic building blocks of the electronic devices are logic integrated circuits (ICs), which mainly use as the control of electro-mechanical systems in household appliances and electronic products, and ICs, in turn, are basically composed of semiconductors and circuitry. The Target Company currently has approximately 290 employees with over 15 of them are engaged in research and development ("R&D") functions and there are five assembly lines in its plants located in Foshan, the People's Republic of China (the "PRC"). With its own R&D team, the Target Company is capable of designing microcontrollers based on specifications required by its customers, which use a microcontroller as one of the key components to assemble their final electronic products and electrical appliances. The customers of the Target Company or end users of the microcontrollers produced by the Target Company include many major electronic products and electrical appliances manufacturers in the world, such as Panasonic, Toshiba, Sanyo, Ferroli, Midea, Changhong etc..

On 7 April 2010, the Operating Subsidiary has set up a subsidiary known as Onetech Technology Company Limited ("Onetech") which is a company incorporated in Hong Kong with limited liability. In June 2010, Onetech established its wholly owned foreign enterprise in the PRC known as 勝沃數碼電子（深圳）有限公司 (literally translated as Sheng Wo Digital Electronics (Shenzhen) Company Limited ("Sheng Wo")) (together with Onetech, the "Onetech Group"). Currently, Onetech is legally and beneficially owned as to 76% by the Operating Subsidiary and 24% by four individual partners who are third parties independent of the Company and its connected persons. The set up of the Onetech Group is aiming to enhance the sales volume and improve the profit margin of the Operating Subsidiary's existing customised semiconductor and related products business through providing additional value added services to the Group's customers including product development, engineering and design services of computer motherboard. For financial and management reporting purposes, the results of Onetech Group were grouped under the Group's business of development and provision of electronic turnkey device solutions.

PROPOSED RESTRUCTURING OF THE COMPANY AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS (continued)

On 4 May 2010, the Operating Subsidiary and the Investor entered into a supplemental loan facility agreement, pursuant to which the Investor agreed to provide an additional working capital facility of up to HK$20 million (the “Additional Working Capital Facility”) to the Operating Subsidiary.

On 12 May 2010, the Stock Exchange issued a third decision letter to the Company (the “Third Decision Letter”) in relation to placing the Company in the third stage of the delisting procedures under Practice Note 17 of the Listing Rules after taking into consideration that the Company had failed to submit to the Stock Exchange a viable resumption proposal and the Stock Exchange was of the view that the Company did not have sufficient operations or assets in compliance with Rule 13.24 of the Listing Rules. According to the Third Decision Letter, the Company was required to submit a viable resumption proposal to the Stock Exchange at least 10 business days before 11 November 2010, being the expiry of the six-month period from the date of placing the Company in the third stage of the delisting procedures.

On 11 June 2010, the Provisional Liquidators, Mr. Suen, the Company and the Investor, by way of a supplemental agreement, pursuant to which it is agreed that once the resumption proposal has been submitted to the Stock Exchange, the exclusivity period shall be automatically extended until the earlier of (1) the signing of the formal restructuring agreement or (2) the resumption proposal being rejected by the Stock Exchange and a written notice has been issued by the Investor to the Provisional Liquidators and the Company confirming that the Investor does not wish to proceed with an application for review, revise or appeal to the Stock Exchange or, if an application is made by the Company, the date of the Stock Exchange’s decision in regard to such reviews, revisions or appeals and the Investor has indicated in writing that it does not wish to proceed with any further action in relation to the resumption proposal (for the avoidance of doubt, a decision of the Stock Exchange to proceed to the third stage of delisting procedure pursuant to the Listing Rules, shall not constitute a rejection unless a statement to the effect that the listing of the Company’s shares will be cancelled is recorded). In addition, the exclusivity period may be extended if the parties agree in writing.

Further, the Investor also agreed to contribute an additional fee to the Provisional Liquidators and such fee may be used at the Provisional Liquidators’ sole discretion to discharge any of the professional fees in relation to the Proposed Restructuring from time to time.

PROPOSED RESTRUCTURING OF THE COMPANY AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS (continued)

The Company is confident that after a full implementation of the Proposed Restructuring together with the Investor's strong support in the business and financial aspects of the Group, the Group will be able to improve its business operation and financial position continuously.

The New Financial Adviser will assist the Company to prepare for a new or revised resumption proposal for submission to the Stock Exchange.

BUSINESS REVIEW

The Company is an investment holding company and, prior to the suspension of trading in the shares and through its subsidiaries, was principally engaged in the (i) distribution of semiconductors and related products; (ii) development and sale of auto devices and parts; and (iii) development and sale of wireless devices and solutions. The businesses of development and sale of auto devices and wireless devices and solutions were developed as a result of the Group's capability in research and development of embedding application software for semiconductors which evolved into development of electronic turnkey device solutions. For the six months ended 30 June 2010, whilst principally engaged in the business of sale of semiconductors and related products, the Group had recommenced the business of development and provision of electronic turnkey device solutions based on its existing customised semiconductor and related products business through providing additional value added services to the Group's customers including product development, engineering and design services. The recommencement of the business of development and provision of electronic turnkey device solutions is aiming to enhance the sales volume and improve the profit margin of the Group.

FINANCIAL REVIEW

The Group's turnover for the six months ended 30 June 2010 was approximately HK$68,104,000, a very substantial increase of approximately HK$67,895,000 or almost 325 times compared with the previous period of approximately HK$209,000. The strong growth in the Group's turnover was mainly attributable to the significant expansion of the Group's customer base as well as the increase in sales volume of the semiconductors and related business, which led to a sharp increase in the turnover of this segment by approximately HK$66,183,000 or almost 317 times to approximately HK$66,392,000 (six months ended 30 June 2009: approximately HK$209,000). In addition, the Group had recommenced the business of development and provision of electronic turnkey device solutions during the period which also contributed a turnover of approximately HK$1,712,000 to the Group. Both of the above two business segments contributed a profitable result to the Group, in which the segment profit of the semiconductors and related business rose substantially by approximately HK$3,975,000 to approximately HK$3,979,000 (six months ended 30 June 2009: approximately HK$4,000), while the segment profit of the development and provision of electronic turnkey device solutions business was approximately HK$192,000 for the current period.

An analysis of the Group's unaudited financial performance by business segments is as follows:

	Semiconductors and related business *HK$'000* *(Unaudited)*	**Development and provision of electronic turnkey device solutions business** *HK$'000* *(Unaudited)*	**Consolidated** *HK$'000* *(Unaudited)*
Six months ended 30 June 2010			
Turnover	**66,392**	**1,712**	**68,104**
Segment profit before finance cost and tax	**3,979**	**192**	**4,171**
Six months ended 30 June 2009			
Turnover	209	–	209
Segment profit before finance cost and tax	4	–	4

FINANCIAL REVIEW (continued)

The Group recorded a loss attributable to the owners of the Company of approximately HK$8,315,000 for the period ended 30 June 2010 (six months ended 30 June 2009: approximately HK$3,204,000), which was mainly attributable to the loss on financial guarantee liabilities of approximately HK$10,458,000 (six months ended 30 June 2009: approximately HK$1,036,000) and restructuring costs of approximately HK$1,261,000 incurred during the interim period (six months ended 30 June 2009: approximately HK$2,167,000). The financial guarantee liabilities represent the corporate guarantees provided by the Company for all the bank loans and certain other payables for the deconsolidated subsidiaries which are expected to be discharged under the proposed schemes of arrangement of the Company upon the completion of the Proposed Restructuring. If such loss on financial guarantee liabilities and restructuring costs were excluded from the results of both periods, the Company would have reported a profit attributable to the owners of the Company of approximately HK$3,404,000 for the current period and a comparable loss of approximately HK$1,000 in the previous period, and a profit before tax of approximately HK$4,086,000 for the current period and a comparable loss of approximately HK$1,000 in previous period. This improvement in the Group's operating results reflects the effort of the current management in expanding the customer base, increasing the sales volume as well as the profit margin of the Group's businesses.

For the six months ended 30 June 2010, the basic loss per share was approximately 0.45 Hong Kong cent (six months ended 30 June 2009: approximately 0.17 Hong Kong cent).

INTERIM DIVIDEND

There will be no interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: nil).

MATERIAL ACQUISITION AND DISPOSAL

To the best knowledge of the Provisional Liquidators, there has been no material acquisitions and disposals during the six months ended 30 June 2010.

LIQUIDITY AND FINANCIAL RESOURCES

To the best knowledge of the Provisional Liquidators, as at 30 June 2010, the Group had bank and cash balances of approximately HK$5,957,000 (31 December 2009: approximately HK$8,867,000). On the same date, the Group had total assets of approximately HK$23,650,000 (31 December 2009: approximately HK$12,853,000) which was financed by current liabilities of approximately HK$299,260,000 (31 December 2009: approximately HK$280,186,000) and deficiency of equity attributable to owners of the company of approximately HK$275,648,000 (31 December 2009: approximately HK$267,333,000). The current ratio was approximately 7.9% (31 December 2009: approximately 4.6%).

LIQUIDITY AND FINANCIAL RESOURCES (continued)

The gearing ratio of the Group as at 30 June 2010 could not be determined (31 December 2009: could not be determined) as the Group had net liabilities as at 30 June 2010 (31 December 2009: net liabilities). The gearing ratio represents total borrowings to the sum of equity attributable to the owners of the Company and total borrowings of the Group.

PROSPECTS

Since June 2009, the Group has resumed its sale of semiconductors and related products business through the Operating Subsidiary.

During the period under review, the Group has recommenced the business of development and provision of electronic turnkey device solutions. It is expected that this business can widen the customer base, increase the sales volume and improve the profit margin of the Group.

The proposed subscription for the additional registered capital of the Target Company represents a good opportunity for the Group to further expand its electronic turnkey device solutions business and to create synergy effect with its existing semiconductors business as some of the semiconductors used in the products of the Target Company can be sourced through the Group's existing suppliers, thus creating benefits for the Group as a whole through economies of scale and a more efficient supply chain management. It is also expected that upon completion of the proposed capital injection into the Target Company which will then become a subsidiary of the Group, the scale of the Group's business operation will be expanded substantially and will pave a solid foundation for the growth of the Group's electronic turnkey device solutions and semiconductors businesses.

The Group will continue to look for investment opportunities to expand its business portfolio in order to enlarge its customer base and generate synergy benefits to its existing businesses. Furthermore, the Group is also seeking opportunities to expand its existing businesses with the support of the Investor so that it can capture the development and trends of the market. These expansion plans will be financed by subscriptions of consideration shares and convertible preference shares and the working capital facility provided by the Investor.

Since entering into the Exclusivity Agreement and with the support of the Investor, the Company is gradually rebuilding its business portfolio via its subsidiaries. Upon completion of the proposed capital injection into the Target Company, the Group will be in a better position to further develop the businesses of the Group and to capture any attractive investment opportunities that may arise in the future.

FINANCIAL GUARANTEE LIABILITIES

The Company has provided corporate guarantees for certain bank loans and other payables of its subsidiaries which have been deconsolidated from the consolidated financial statements of the Group since 1 July 2008. Consequently, the Company is liable to the financial guarantee liabilities of approximately HK$243,752,000 as at 30 June 2010 (31 December 2009: approximately HK$233,294,000). The financial guarantee liabilities of the Company are expected to be discharged under the proposed schemes of arrangement of the Company upon the completion of the Proposed Restructuring.

CONTINGENT LIABILITIES

The Provisional Liquidators have not conducted a full search for contingent liabilities of the Group. However, all claims against the Company will be subject to a formal adjudication process, dealt with and compromised under the proposed schemes of arrangement of the Company. Save as disclosed above, to the best knowledge of the Provisional Liquidators, the Group did not have any significant contingent liabilities at the end of the reporting period (31 December 2009: nil).

PLEDGE OF ASSETS

To the best knowledge of the Provisional Liquidators, as at 30 June 2010, all assets of the Operating Subsidiary were pledged to the Investor by way of a floating charge to secure the Working Capital Facility and Additional Working Capital Facility granted by the Investor to the Operating Subsidiary.

LEASE COMMITMENTS

To the best knowledge of the Provisional Liquidators, the Group did not have any significant lease commitment as at 30 June 2010 (31 December 2009: nil).

CAPITAL COMMITMENTS

To the best knowledge of the Provisional Liquidators, the Group had no significant capital commitments as at 30 June 2010 (31 December 2009: nil).

CAPITAL STRUCTURE

For the six months ended 30 June 2010, to the best knowledge of the Provisional Liquidators, there was no change in the capital structure and issued share capital of the Company.

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

To the best knowledge of the Provisional Liquidators, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

SHARE OPTION SCHEME

To the best knowledge of the Provisional Liquidators, details of the movements of share options which have been granted to the following category of participants under the Company's share option scheme during the six months ended 30 June 2010 are as follows:

Name of category	Date of grant of share options	Exercise period	Exercise price of share options	Balance as at 1/1/2010	Exercised during the interim period	Lapsed during the interim period	Balance as at 30/6/2010
			HK$				
2010							
Directors	25/6/2007	25/6/2007 to 24/6/2017	0.694	13,100,000	–	(13,100,000)	–
Exercisable at 30 June 2010							–
Weighted average exercise price (HK$)				–	–	–	–

During the interim period ended 30 June 2010, no share options was exercised, granted or cancelled.

EXPOSURE TO FOREIGN EXCHANGE RISK

To the best knowledge of the Provisional Liquidators, during the six months ended 30 June 2010, the Group conducted its business transactions principally in Hong Kong dollars and United States dollars. The Group had not experienced any material difficulties or negative effects on its operations as a result of fluctuations in currency exchange rates. The Provisional Liquidators believed it was not necessary to hedge the exchange risk. Nevertheless, the Provisional Liquidators will continue to monitor the foreign exchange exposure and will take prudent measure as deemed appropriate.

EMPLOYEES AND REMUNERATION POLICIES

To the best knowledge of the Provisional Liquidators, as at 30 June 2010, the Group had 9 employees and 1 consultant (30 June 2009: nil). During the interim period, the Group remunerated its employees based on their performance and the prevailing industry practices.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2010. However, due to the fact that most of the books and records of the Group for the year ended 31 December 2008 had been lost and all of the Former Directors, except for Dr. Wong Shu Wing who resigned on 1 March 2010, and the accounting personnel of the Group had left prior to the appointment of the Provisional Liquidators, the review of the unaudited condensed consolidated interim financial statements conducted by the audit committee was entirely based on the books and records available to the Provisional Liquidators since their appointment and the representation of the former executive director, Dr. Wong Shu Wing.

As at the date of this interim report, the audit committee of the Company comprises three independent non-executive directors, namely Messrs. Tso Shiu Kei, Vincent, Young Meng Cheung, Andrew and Poon Ka Lee, Barry (the chairman of the audit committee of the Company).

MODEL CODE OF THE LISTING RULES

Due to the fact that all the Former Directors, except for Dr. Wong Shu Wing, who resigned on 1 March 2010, had left prior to the appointment of the Provisional Liquidators, the Provisional Liquidators are unable to confirm as to whether the Company has adopted a code of conduct (the "Code of Conduct") regarding securities transactions by the directors of the Company as set out in Appendix 10 of the Listing Rules (the "Model Code"). As such, the Provisional Liquidators are unable to comment on whether there has been any non-compliance with the required standard set out in the Model Code and its code of conduct regarding securities transactions by directors of the Company for the six months ended 30 June 2010. However, since the appointment of the three current independent non-executive directors of the Company on 12 October 2009, the Board is now in the progress of adopting the Code of Conduct as set out in the Model Code.

CODE ON CORPORATE GOVERNANCE PRACTICES

As detailed in note 1 to this interim report, most of the books and records of the Group had been lost prior to the appointment of the Provisional Liquidators.

Given that (i) Mr. Tso Shiu Kei, Vincent, Mr. Young Meng Cheung, Andrew and Mr. Poon Ka Lee, Barry have been appointed as independent non-executive directors on 12 October 2009 and were not involved in the management of the Group, and (ii) Dr. Wong Shu Wing, who was an executive director and chairman of the Company, resigned on 1 March 2010, the Provisional Liquidators were unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the period under review.

DIRECTORS

The directors of the Company who held offices during the interim period and up to the date of this interim report were:

Executive director:

Dr. Wong Shu Wing *(Chairman)* *(resigned on 1 March 2010)*

Independent non-executive directors:

Mr. Tso Shiu Kei, Vincent
Mr. Young Meng Cheung, Andrew
Mr. Poon Ka Lee, Barry

DISCLOSURE OF INTERESTS

Directors' interests and short positions in shares, underlying shares and debentures

To the best knowledge of the Provisional Liquidators, as at 30 June 2010, the issued share capital of the Company consisted of ordinary shares and that none of the directors of the Company nor their associates 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 Securities and Futures Ordinance ("SFO")) as recorded in the Company's register kept under section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS

To the best knowledge of the Provisional Liquidators, in accordance with the register of substantial shareholders kept by the Company pursuant to section 336 of the SFO and so far as is known to the Provisional Liquidators and the Board, the following persons (other than the directors of the Company) were interested in the issued capital (including short positions) representing 5% or more of the issued share capital as at 30 June 2010:

	Nature of interest		Total number of ordinary shares held		Percentage of the issued share capital
Name of substantial shareholder	Registered shareholder	Corporate interest	Long position	Short position	of the Company
Best Eagle International Limited	571,200,000	–	571,200,000 *(Note 1)*	–	30.63%
Dr. Wong Shu Wing	38,200,000	571,200,000	609,400,000 *(Note 1)*	–	32.68%
State Street Bank and Trust Company Boston	202,152,000	–	202,152,000 *(Note 2)*	–	10.84%
Full Guang Holdings Limited	187,481,600	–	187,481,600 *(Note 3)*	–	10.05%
Mr. Lee Yin Yee	–	187,481,600	187,481,600 *(Note 3)*	–	10.05%
D & M International Limited	145,700,000	–	145,700,000 *(Note 4)*	–	7.81%
Mr. Leung Yu Ming, Steven	–	145,700,000	145,700,000 *(Note 4)*	–	7.81%

Note 1: The entire issued share capital of Best Eagle International Limited is beneficially owned by Dr. Wong Shu Wing. Therefore, both Best Eagle International Limited and Dr. Wong Shu Wing are deemed to have the duplicate interests in the share capital of the Company under the SFO.

SUBSTANTIAL SHAREHOLDERS (continued)

Note 2: State Street Bank and Trust Company Boston holds the shares on behalf of Dubai Investment Group Limited.

Note 3: The entire issued share capital of Full Guang Holdings Limited is beneficially owned by Mr. Lee Yin Yee. Therefore both Full Guang Holdings Limited and Mr. Lee Yin Yee are deemed to have the duplicate interests in the share capital of the Company under the SFO.

Note 4: The entire issued share capital of D & M International Limited is beneficially owned by Mr. Leung Yu Ming, Steven. Therefore, both D & M International Limited and Mr. Leung Yu Ming, Steven are deemed to have the duplicate interests in the share capital of the Company under the SFO.

Note 5: On 19 March 2009, Ms. Chan Wing Yee, Belinda ("Ms. Chan") filed a "FORM 1 – lndividual Substantial Shareholder Notice" claiming that 2,532,000 shares of the Company (i.e. approximately 0.14% of the then issued shares of the Company) were beneficially owned by her, 8,880,800 shares of the Company (i.e. approximately 0.48% of the then issued shares of the Company) were beneficially owned by her and Mr. Fan Wing Cheong ("Mr. Fan") jointly and 608,400,000 shares of the Company (i.e. approximately 32.63% of the then issued shares of the Company) were beneficially owned by them through Premium Class lnvestments Limited ("Premium Class"), a company jointly owned by Ms. Chan and Mr. Fan. As a result, Ms. Chan has claimed that a total of 619,812,800 shares of the Company (i.e. approximately 33.24% of the then issued shares of the Company) are beneficially owned by her.

On the same date, Mr. Fan filed a "FORM 1 – lndividual Substantial Shareholder Notice" claiming that 37,377,617 shares of the Company (i.e. approximately 2.00% of the then issued shares of the Company) were beneficially owned by him, 8,880,800 shares of the Company (i.e. approximately 0.48% of the then issued shares of the Company) were beneficially owned by him and Ms. Chan jointly and 608,400,000 shares of the Company (i.e. approximately 32.63% of the then issued shares of the Company) were beneficially owned by them through Premium Class. As a result, Mr. Fan has claimed that a total of 654,658,417 shares of the Company (i.e. approximately 35.11% of the then issued shares of the Company) are beneficially owned by him.

On the same date, Premium Class filed a "FORM 1 – lndividual Substantial Shareholder Notice" claiming that 608,400,000 shares of the Company (i.e. approximately 32.63% of the then issued shares of the Company) were beneficially owned by it.

Based on information currently available to the Provisional Liquidators, the Provisional Liquidators were unable to substantiate the correctness of any of the above claims.

SUBSTANTIAL SHAREHOLDERS (continued)

Save as disclosed herein, as at 30 June 2010, to the best knowledge of the Provisional Liquidators, no other person was recorded in the Company's register maintained by the Company pursuant to Section 336 of the SFO as having an interest in the issued share capital of the Company representing 5% or more of the issued share capital of the Company. Save as disclosed herein, the Provisional Liquidators are not aware of any person other than the persons (including his personal, family and corporate interests) as aforementioned, who had, directly or indirectly, an interest in the issued share capital (including short positions) of the Company representing 5% or more of the issued share capital of the Company as at 30 June 2010.

PRE-EMPTIVE RIGHTS

To the best knowledge of the Provisional Liquidators, there is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

PUBLIC FLOAT

Based on the information presently available to the Company and to the best knowledge of the Provisional Liquidators, as at the date of this interim report, there is a sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

MANAGEMENT ANALYSIS

Apart from the information disclosed in this report, the Provisional Liquidators are unable to comment on the performance of the Group as set out in paragraphs 32 and 40(2) in Appendix 16 to the Listing Rules throughout the interim period.

RELATED PARTY TRANSACTIONS

The remuneration of the Company's directors and other members of key management during the six months ended 30 June 2010 and 2009 are as follows:

	Six months ended	
	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Compensation of key management personnel		
Short-term benefits	**90**	–
Post-employment benefits	**–**	–

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

To the best knowledge of the Provisional Liquidators, no contract of significance to which the Company, its holding company or any of its subsidiaries was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at 30 June 2010 or at any time during the interim period then ended.

For and on behalf of
Sunlink International Holdings Limited
(Provisional Liquidators Appointed)

Stephen Liu Yiu Keung
David Yen Ching Wai
Joint and Several Provisional Liquidators
who act without personal liabilities

Hong Kong, 31 August 2010

	Notes	Six months ended 30 June 2010 HK$'000 (Unaudited)	30 June 2009 HK$'000 (Unaudited)
Turnover	4	**68,104**	209
Cost of sales		**(63,224)**	(202)
Gross profit		**4,880**	7
Other income	4	**156**	20
Administrative expenses		**(2,131)**	(2,195)
Loss on financial guarantee liabilities	12	**(10,458)**	(1,036)
Loss from operations		**(7,553)**	(3,204)
Finance cost	6	**(42)**	–
Loss before tax	5	**(7,595)**	(3,204)
Income tax expense	7	**(682)**	–
Loss for the period and total comprehensive expense for the period		**(8,277)**	(3,204)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	Notes	Six months ended 30 June 2010 HK$'000 (Unaudited)	30 June 2009 HK$'000 (Unaudited)
Loss for the period attributable to:			
Owners of the Company		**(8,315)**	(3,204)
Non-controlling interests		**38**	–
		(8,277)	(3,204)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(8,315)**	(3,204)
Non-controlling interests		**38**	–
		(8,277)	(3,204)
Loss per share attributable to owners of the Company	9		
Basic (HK cent per share)		**(0.45)**	(0.17)
Diluted (HK cent per share)		**(0.45)**	(0.17)

	Notes	As at 30 June 2010 HK$'000 (Unaudited)	As at 31 December 2009 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**17**	11
Investment in an associate		**–**	–
		17	11
Current assets			
Inventories		**5,691**	1,045
Trade receivables	10	**10,573**	2,930
Prepayments, deposits and other receivables		**1,412**	–
Bank and cash balances		**5,957**	8,867
		23,633	12,842
Current liabilities			
Trade payables	11	**3,117**	837
Accruals and other payables		**23,154**	17,500
Due to deconsolidated subsidiaries		**26,617**	26,617
Current tax liabilities		**2,620**	1,938
Financial guarantee liabilities	12	**243,752**	233,294
		299,260	280,186
Net current liabilities		**(275,627)**	(267,344)
NET LIABILITIES		**(275,610)**	(267,333)
Capital and reserves			
Share capital		**186,478**	186,478
Reserves		**(462,126)**	(453,811)
Deficiency of equity attributable to owners of the Company		**(275,648)**	(267,333)
Non-controlling interests		**38**	–
TOTAL DEFICIENCY OF EQUITY		**(275,610)**	(267,333)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	Attributable to owners of the Company								
	Share capital	Share premium	Special reserve	Share option reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2010	186,478	15,409	(64,907)	1,939	162	(406,414)	(267,333)	–	(267,333)
Total comprehensive expense for the period (unaudited)	–	–	–	–	–	(8,315)	(8,315)	38	(8,277)
Lapse of share options	–	–	–	(1,939)	–	1,939	–	–	–
At 30 June 2010 (unaudited)	186,478	15,409	(64,907)	–	162	(412,790)	(275,648)	38	(275,610)
At 1 January 2009	186,478	15,409	(64,907)	1,939	162	(373,139)	(234,058)	–	(234,058)
Total comprehensive expense for the period (unaudited)	–	–	–	–	–	(3,204)	(3,204)	–	(3,204)
At 30 June 2009 (unaudited)	186,478	15,409	(64,907)	1,939	162	(376,343)	(237,262)	–	(237,262)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	Six months ended	
	30 June	30 June
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Net cash (used in)/generated from operating activities	**(4,902)**	2,833
Net cash used in investing activities	**(8)**	–
Net cash generated from financing activities	**2,000**	18
Net (decrease)/increase in cash and cash equivalents	**(2,910)**	2,851
Cash and cash equivalents at 1 January	**8,867**	724
Cash and cash equivalents at 30 June	**5,957**	3,575
Analysis of cash and cash equivalents		
Bank and cash balances	**5,957**	3,575

1. BASIS OF PREPARATION

The Board has authorized the Provisional Liquidators to approve, publish and do all such acts in connection with the publication of this interim report and the relevant announcement.

The Provisional Liquidators make no representation as to the completeness of the information contained in these unaudited condensed consolidated interim financial statements for reasons as stated in "Loss of books and records of the Group" as below.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and Hong Kong Accounting Standard 34 "Interim Financial Reporting".

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2009. The financial information relating to the financial statements for the year ended 31 December 2009 and for the interim period ended 30 June 2009 that is included in these unaudited condensed consolidated interim financial statements is derived from the Group's audited consolidated financial statements for the year ended 31 December 2009 and unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009 respectively.

Except for the impact of the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") as described in note 2, the same accounting policies as those adopted in the audited consolidated financial statements for the year ended 31 December 2009 have been applied in the preparation of these unaudited condensed consolidated interim financial statements.

These unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis and are presented in Hong Kong dollars ("HK$") which is the functional currency of the Company.

Loss of books and records of the Group

Since the appointment of the Provisional Liquidators, the books and records recovered from the office of the Group by the Provisional Liquidators were minimal. Despite the Provisional Liquidators' best endeavours to locate all the financial and business records of the Group, they are still unable to recover most of the books and records of the Group. The Provisional Liquidators were also verbally advised by certain former staff of the Group that prior to the appointment of the Provisional Liquidators, some of the relevant books and records of the Group had been transferred to a warehouse located in the PRC which was subsequent on fire. However, the Provisional Liquidators were unable to verify the validity of this information. Furthermore, the Provisional Liquidators were also unable to get the cooperation from the Former Directors of the Company and the Group's former accounting personnel. In these regards, the Company will look into the matters related to the loss of books and records.

Accordingly, the Provisional Liquidators do not have the same knowledge as the Former Directors of the Company would have regarding the financial affairs of the Group, particularly in relation to transactions entered into by the Group prior to their appointment.

1. BASIS OF PREPARATION (continued)

Loss of books and records of the Group (continued)

Although the audited consolidated financial statements for the year ended 31 December 2009 (which were disclaimed by the independent auditor of the Group) had been prepared by the Provisional Liquidators based on the books and records of the Group available to them, the Provisional Liquidators were unable to satisfy themselves regarding the treatments of various transactions and balances of the Group for the year ended 31 December 2009 in the absence of sufficient available information. Any adjustment subsequently found to be necessary might have a consequential significant effect on the Group's results and financial position as set out in the audited financial statements for the year ended 31 December 2009 and the related disclosures therein.

In view of the above, the Provisional Liquidators are unable to ascertain whether the opening balances of these unaudited condensed consolidated interim financial statements have been properly reflected by the books and records of the Company and its subsidiaries. In addition, the corresponding figures as shown in these unaudited condensed consolidated interim financial statements may not be comparable with the figures for the current interim period.

Going concern

At 30 June 2010 the Group had net current liabilities of approximately HK$275,627,000 (31 December 2009: approximately HK$267,344,000) and net liabilities of approximately HK$275,610,000 (31 December 2009: approximately HK$267,333,000). These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis which has assumed that the Proposed Restructuring of the Company as detailed in the Report of the Provisional Liquidators will be successfully completed, and that, following the Proposed Restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the unaudited condensed consolidated interim financial statements to adjust the value of the Group's assets to their recoverable amounts and to provide for any further liabilities which might arise.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations, that are effective or available for early adoption for the current accounting period of the Company. The Company has determined the accounting policies expected to be adopted in the preparation of the Group's consolidated financial statements for the year ending 31 December 2010 on the basis of HKFRSs currently in issue.

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. SEGMENT INFORMATION

The Group has two reportable segments as follows:

– Semiconductors and related business

– Development and provision of electronic turnkey device solutions business

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same for the year ended 31 December 2009. Segment profits or losses do not include dividend income, gains or losses from investments and derivative instruments, unallocated corporate other income, unallocated corporate expenses, loss on deconsolidation of the subsidiaries and impairment on investment costs and amounts due from deconsolidated subsidiaries, other losses, finance cost and income tax expense.

3. SEGMENT INFORMATION (continued)

Information about reportable segment profit or loss:

	Semiconductors and related business		**Development and provision of electronic turnkey device solutions business**		**Consolidated**	
	Six months ended		**Six months ended**		**Six months ended**	
	30 June 2010	30 June 2009	**30 June 2010**	30 June 2009	**30 June 2010**	30 June 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Revenue from external customers	**66,392**	209	**1,712**	–	**68,104**	209
Segment profit before finance cost and tax	**3,979**	4	**192**	–	**4,171**	4
Interest expense	**42**	–	**–**	–	**42**	–
Depreciation	**2**	–	**–**	–	**2**	–

Reconciliation of reportable segment profit or loss:

	Six months ended	
	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Profit or loss		
Total profit of reportable segments	**4,171**	4
Unallocated amounts:		
Unallocated corporate other income	**147**	20
Unallocated corporate expenses	**(1,413)**	(2,192)
Loss on financial guarantee liabilities	**(10,458)**	(1,036)
Loss from operations	**(7,553)**	(3,204)
Finance cost	**(42)**	–
Consolidated loss before tax	**(7,595)**	(3,204)

4. TURNOVER AND OTHER INCOME

	Six months ended	
	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
The Group's turnover is as follows:		
Sales of semiconductors and related products	**66,392**	209
Development and provision of electronic turnkey device solutions	**1,712**	–
	68,104	209
The Group's other income as follows:		
Exchange gain, net	**9**	–
Gain on disposal of property, plant and equipment	**–**	20
Sundry income	**147**	–
	156	20

5. LOSS BEFORE TAX

The Group's loss before tax has been arrived at after charging:

	Six months ended	
	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Cost of inventories sold	**56,892**	202
Depreciation of property, plant and equipment	**2**	–

6. FINANCE COST

	Six months ended	
	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Interest on loans	**42**	–

The interest expense for the period ended 30 June 2010 of approximately HK$42,000 was due to the loans from the Investor of HK$10,000,000 which were included in the accruals and other payables as at 30 June 2010 and carrying an annual interest rate of 1%.

7. INCOME TAX EXPENSE

Income tax expense comprises entirely Hong Kong Profits Tax calculated at 16.5% (six months ended 30 June 2009: 16.5%) on the estimated assessable profits for the period.

8. DIVIDEND

There will be no interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share is based on the following data:

	Six months ended	
	30 June 2010	30 June 2009
	(HK$'000)	*(HK$'000)*
	(Unaudited)	*(Unaudited)*
Loss for the purposes of basic and diluted loss per share:		
Loss for the period attributable to owners of the Company	**(8,315)**	(3,204)

	Six months ended	
	30 June 2010	30 June 2009
	(Unaudited)	*(Unaudited)*
Number of shares:		
Weighted average number of shares for the purpose of basic and diluted loss per share	**1,864,780,000**	1,864,780,000

No diluted loss per share for the six months ended 30 June 2010 and 30 June 2009 is presented because the impact of the exercise of the share options was anti-dilutive.

10. TRADE RECEIVABLES

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
30 days or less	**2,907**	2,930
31 days to 60 days	**5,021**	–
61 days to 90 days	**2,645**	–
	10,573	2,930

11. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods and provision of services, is as follows:

	30 June 2010	31 December 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
30 days or less	**1,898**	837
31 days to 60 days	**1,219**	–
	3,117	837

12. FINANCIAL GUARANTEE LIABILITIES

The Company provides corporate guarantees for all the bank loans and certain other payables maintained by its subsidiaries which were deconsolidated from the consolidated financial statements of the Group since 1 July 2008, details of the deconsolidation have been disclosed in notes 2 and 10 to the consolidated financial statements of the Company for the years ended 31 December 2008 and 31 December 2009. During the interim period ended 30 June 2010, approximately HK$10,458,000 (six months ended 30 June 2009: approximately HK$1,036,000) of loss on financial guarantee liabilities was charged to consolidated statement of comprehensive income. As at 30 June 2010, the Company is liable to the financial guarantee liabilities of approximately HK$243,752,000 as at 30 June 2010 (31 December 2009: approximately HK$233,294,000). The financial guarantee liabilities of the Company are expected to be discharged under the proposed schemes of arrangement of the Company upon the completion of the Proposed Restructuring.

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 4 August 2010, the Company announces that (i) the annual general meeting of the Company for the year ended 31 December 2008; (ii) the annual general meeting of the Company for the year ended 31 December 2009 and (iii) an extraordinary general meeting of the Company for the purpose of considering, and if thought fit, approving, among other things, the capital injection in the Target Company were adjourned until further notice. Further details are set out in the Company's announcement dated 4 August 2010.

14. RELATED PARTY TRANSACTIONS

The remuneration of the Company's directors and other members of key management are set out as follows:

	Six months ended	
	30 June 2010	30 June 2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Compensation of key management personnel		
Short-term benefits	**90**	–
Post-employment benefits	**–**	–
	90	–