CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1196)

2007/08 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Cheong Ming Investments Limited (the "Company") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 September	
		2007	2006
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	2	**416,459**	320,007
Cost of sales		**(312,520)**	(235,918)
Gross profit		**103,939**	84,089
Other operating income		**23,286**	3,322
Selling and distribution costs		**(16,577)**	(13,366)
Administrative expenses		**(54,782)**	(43,352)
Other operating expenses		**(2,958)**	(668)
Profit from operations	4	**52,908**	30,025
Finance costs	5	**(1,742)**	(799)
Profit before income tax		**51,166**	29,226
Income tax expense	6	**(6,015)**	(5,223)
Profit for the period		**45,151**	24,003
Attributable to:			
Equity holders of the Company		**45,151**	24,145
Minority interests		**–**	(142)
Profit for the period		**45,151**	24,003
Dividends	7	**6,092**	4,867
Earnings per share for profit attributable to the equity holders of the Company during the period	8		(restated)
Basic		**HK8.05 cents**	HK4.64 cents
Diluted		**HK8.05 cents**	HK4.63 cents

CONDENSED CONSOLIDATED BALANCE SHEET

		As at	
		30 September	31 March
		2007	2007
		(Unaudited)	(Audited)
	Notes	***HK$'000***	*HK$'000*
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		**186,263**	183,941
Investment properties		**19,430**	19,430
Prepaid lease payments		**16,272**	16,472
		221,965	219,843
CURRENT ASSETS			
Properties held for sale		**–**	18,460
Inventories		**52,201**	72,726
Trade receivables	9	**243,963**	136,141
Prepayments, deposits and other receivables		**13,162**	14,211
Financial assets at fair value through profit or loss		**51,358**	49,756
Amount due from a related company	9	**192**	2,190
Cash and cash equivalents		**122,440**	92,385
		483,316	385,869
CURRENT LIABILITIES			
Trade payables	10	**133,874**	96,702
Accrued liabilities and other payables		**37,087**	20,398
Tax payable		**11,912**	13,784
Interest-bearing borrowings		**45,764**	46,017
		228,637	176,901
NET CURRENT ASSETS		**254,679**	208,968
TOTAL ASSETS LESS CURRENT LIABILITIES		**476,644**	428,811
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		**11,947**	28,043
Deferred tax		**5,230**	4,599
		17,177	32,642
NET ASSETS		**459,467**	396,169
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	11	**60,916**	48,733
Reserves		**392,459**	324,694
Proposed dividend		**6,092**	18,275
		459,467	391,702
Minority interests		**–**	4,467
TOTAL EQUITY		**459,467**	396,169

Notes:

1. **Basis of Preparation and Accounting Policies**

The interim financial report of the Group has 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 (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 March 2007 except that the Group has adopted certain new or revised Hong Kong Financial Reporting Standards ("HKFRSs"), which also include the relevant new HKASs and Interpretations issued by HKICPA which are first effective on 1 April 2007 and relevant to the Group. The adoption of these new and revised HKFRSs did not result in any significant changes in the Group's accounting policies.

The Group has not adopted early or applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors are currently assessing the impact on the Group's operation but are not yet in a position to state whether they would have material financial impact.

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 12	Service Concession Arrangements[2]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[2]
HK(IFRIC) – Int 14	HKAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Interaction[2]

1 Effective for annual periods beginning on or after 1 January 2009

2 Effective for annual periods beginning on or after 1 January 2008

2. Revenue

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the period after eliminations of all significant intra-group transactions.

3. Segmental information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment. The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide.

Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books for sale principally to manufacturers and publishers of consumer products;

(b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products; and

(c) the commercial printing segment provides financial printing, digital printing and other related services.

3. Segmental information (Continued)

Business segments

The following table presents revenue and results information for the Group's business segments.

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books For the six months ended 30 September		Commercial printing For the six months ended 30 September		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags For the six months ended 30 September		Eliminations For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**332,941**	250,594	**46,723**	41,283	**36,795**	28,130	**–**	–	**416,459**	320,007
Intersegment sales	**3,503**	–	**377**	249	**27**	27	**(3,907)**	(276)	**–**	–
Total	**336,444**	250,594	**47,100**	41,532	**36,822**	28,157	**(3,907)**	(276)	**416,459**	320,007
Segment results	**32,442**	15,442	**10,852**	7,313	**6,586**	5,620	**–**	–	**49,880**	28,375
Interest income									**3,028**	1,650
Unallocated expenses									**–**	–
Profit from operations									**52,908**	30,025
Finance costs									**(1,742)**	(799)
Profit before income tax									**51,166**	29,226
Income tax expense									**(6,015)**	(5,223)
Profit for the period									**45,151**	24,003

3. Segmental information (Continued)

Geographical segments

The following table presents revenue information for the Group's geographical segments:

	Hong Kong For the six months ended 30 September		Elsewhere in the People's Republic of China (the "PRC") For the six months ended 30 September		Europe and other countries For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**321,032**	249,462	**24,120**	17,250	**71,307**	53,295	**416,459**	320,007

4. Profit from operations

	For the six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit from operations is arrived at after charging and (crediting):		
Amortisation of prepaid lease payments	**220**	187
Depreciation of property, plant and equipment	**12,856**	13,259
Employee wages and salaries (including director's emoluments)	**70,372**	58,256
Impairment of goodwill arising from additional acquisition of equity interest in a subsidiary (including in other operating expenses)	**2,958**	–
Interest income	**(3,028)**	(1,650)
Gain on disposal of property, plant and equipment	**(14,959)**	(218)
Gain on disposal of investments	**(2,691)**	–

5. Finance costs

	For the six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest charges on overdrafts, bank and other borrowings repayable within five years	**1,266**	799
Interest on bank loan not wholly repayable within five years	**476**	–
	1,742	799

6. Income tax expense

	For the six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong profits tax	**4,810**	4,004
Overseas profits tax	**475**	744
Deferred tax	**730**	475
	6,015	5,223

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the six months ended 30 September 2007. Taxes on overseas profits have been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

7. Interim dividends

	For the six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim dividend of HK1 cent (2006: HK1 cent) per ordinary share	**6,092**	4,867

The directors have resolved to declare an interim dividend of HK1 cent per share (2006: HK1 cent per share) for the six months ended 30 September 2007, payable on or before 30 January 2008 to shareholders whose names appear on the Register of Members of the Company on 25 January 2008. The interim dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date but reflected as an appropriation of retained profits for the period ended 30 September 2007.

8. Earnings per share

The calculation of basic earnings per share is based on the Group's unaudited consolidated profit attributable to equity holders of the Company for the period ended 30 September 2007 of approximately HK$45,151,000 (2006: HK$24,145,000) and on the weighted average of 560,739,213 (2006: 520,755,456 (restated)) ordinary shares in issue as adjusted to reflect the rights issue during the period and as if the event had occurred at the beginning of the earlier period reported.

The calculation of diluted earnings per share for the period ended 30 September 2007 is based on the Group's unaudited consolidated profit attributable to equity holders of the Company of approximately HK$45,151,000 (2006: HK$24,145,000). The weighted average number of ordinary shares used in the calculation is 560,739,213 (2006: 521,122,582 (restated)) ordinary shares in issue as adjusted to reflect the rights issue during the period and as if the event had occurred at the beginning of the earlier period reported, as used in the basic earnings per share calculation, plus the weighted average of nil (2006: 367,126 (restated)) ordinary shares assumed to have been issued at no consideration, on the deemed exercise of all share options during the period.

9. Trade receivables and amount due from a related company

	As at	
	30 September 2007	31 March 2007
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade receivables	**248,845**	141,010
Less: provision for impairment of receivables	**(4,882)**	(4,869)
Trade receivables – net	**243,963**	136,141
Amount due from a related company	**192**	2,190
	244,155	138,331

Trade receivables generally have credit terms of 30 to 120 days.

The amount due from a related company is trading in nature. At 30 September 2007, the aging analysis of the trade receivables including amount due from a related company, based on invoiced date and net of provisions, is as follows:

	As at	
	30 September 2007	31 March 2007
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Current to 30 days	**85,538**	106,173
31 to 60 days	**63,595**	11,005
61 to 90 days	**57,796**	5,202
Over 90 days	**37,226**	15,951
	244,155	138,331

10. Trade payables

	As at	
	30 September 2007	31 March 2007
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade payables	**133,874**	96,702

At 30 September 2007, the aging analysis of the trade payables based on invoiced date, is as follows:

	30 September 2007	31 March 2007
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Current to 30 days	**39,954**	51,264
31 to 60 days	**37,326**	17,310
61 to 90 days	**28,416**	11,506
Over 90 days	**28,178**	16,622
	133,874	96,702

11. Share capital

	Number of shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.10 each		
At 31 March and 30 September 2007	800,000,000	80,000
Issued and fully paid:		
At 1 April 2006	486,706,061	48,671
Issue of shares arising from share options exercised	625,000	62
At 31 March and 1 April 2007	487,331,061	48,733
Issue of new shares arising from rights issue	121,832,765	12,183
At 30 September 2007	609,163,826	60,916

During the period under review, the Group has successfully raised approximately HK$41.1 million (net of share issuance expenses) by way of a rights issue of 121,832,765 shares in the proportion of one rights share for every four shares held on the 20 June 2007 at the issue price of HK$0.35 per rights share. Please refer to "Capital Structure" in "Review of Operation" for further details.

12. Banking facilities

At 30 September 2007, general banking facilities available to the Group amounted to HK$228,123,000 (31 March 2007: HK$250,952,000). The amount of banking facilities utilised by the Group amounted to HK$60,914,000 as at 30 September 2007 (31 March 2007: HK$75,680,000).

At 30 September 2007, certain of the Group's properties amounting to HK$37,852,000 (31 March 2007: HK$33,261,000) were pledged to secure general banking facilities granted to the Group.

13. Capital commitments

	As at	
	30 September 2007 (Unaudited)	31 March 2007 (Audited)
	HK$'000	*HK$'000*
Contracted for acquisition of property, plant and equipment	**2,533**	1,130
Investment in a subsidiary in the PRC	**–**	3,803
	2,533	4,933

14. Related party transactions

The following transactions were carried out with a related party, which is a minority shareholder of a subsidiary:

	For the six months ended 30 September	
	2007 (Unaudited)	2006 (Unaudited)
	HK$'000	*HK$'000*
Commission	**3,789**	2,808
Sales of goods	**1,948**	1,220
	5,737	4,028

15. Acquisition of additional interest in a subsidiary

(a) During the period under review, the Group completed the acquisition of 45% of equity interest in 上海發絲達印刷有限公司 (for identification purpose only, in English, Shanghai Fastabs Printing Company Limited ("Shanghai Fastabs")) from Fastabs Limited, a limited company of register address in United Kingdom, at a consideration of £480,000 (approximately HK$7,369,000) in cash. Shanghai Fastabs is an equity joint venture enterprise established in the PRC and was, immediately prior to the acquisition, 55% owned by one of the wholly-owned subsidiaries of the Group as at 31 March 2007. The transaction was completed in June 2007. As a result of the additional acquisition, Shanghai Fastabs has become a wholly owned subsidiary of the Group.

Further information about the additional acquisition is as follows:

	HK$'000
Net assets acquired	4,467
Goodwill arising from the acquisition of additional interest in a subsidiary	2,958
Purchase consideration satisfied by cash	7,425

(b) **Goodwill**

	HK$'000
At 1 April 2007	–
Goodwill arising from the acquisition of additional interest in a subsidiary	2,958
Impairment of goodwill	(2,958)
At 30 September 2007	–

Goodwill on the acquisition was determined based on the expectation of future growth in earnings of the subsidiary acquired. However, due to certain changes in the business strategies of the Group subsequent to the period ended 30 September 2007, management considered that future earnings growth of the subsidiary cannot be ascertained. As a result, management considered the goodwill is unlikely to be recoverable and impairment loss is recognised in the income statement of the period.

16. Post Balance Sheet Event

On 30 November 2007, with a view to centralising manufacturing capacity in Guangdong province to achieve economies of scale, the Group entered into the sales and purchase agreement with a third party ("Purchaser") to dispose of the entire paid-up capital of Shanghai Fastabs, for an aggregate consideration of RMB13 million (equivalent to approximately HK$13.39 million). The completion of the transaction is conditional upon the Purchaser's satisfaction of due diligence exercises conducted, true and accurate warranties represented, necessary consent and approvals from relevant PRC authorities obtained; and the Group's submission of Shanghai Fastabs' management accounts as at 30 November 2007 on or before 17 December 2007 to the Purchaser.

BUSINESS REVIEW

For the period under review, the Group achieved a revenue of approximately HK$416.5 million for the six months ended 30 September 2007, representing an increase of approximately 30.1% from approximately HK$320.0 million compared with the corresponding period ended 30 September 2006. All products segments achieved consistent revenue growth arising from encouraging global demand during the period.

The advent of challenges from inflationary pressure in rising freight, fuel and material costs, appreciation of Renminbi currency, and tightening of PRC labour regulations, for the six months ended 30 September 2007, the Group recorded cost of sales amounting to approximately HK$312.5 million, representing an increase of 32.5% from approximately HK$235.9 million for the same period in 2006.

Selling and distribution costs mainly comprised of commission, distribution, import & export declaration and entertainment expenses. In line with the business strategy to diversify customer base into various geographical locations, the Group undertakes to engage additional international sales representatives to add value to customers' business demand. For the six months ended 30 September 2007, the Group reported aggregate selling and distribution costs amounted to approximately HK$16.6 million, which increased by approximately 24.0% over the same period of 2006.

Administrative expenses comprised mainly salary and staff benefits, depreciation and amortisation and other expenses. For the six months ended 30 September 2007, administrative expenses increased by approximately 26.4% to approximately HK$54.8 million from the corresponding period in 2006.

The Group is alert with the fueling growth in cost of sales and operating costs caused by consistent appreciation of Renminbi currency. Recording further erosion of operating margin, vehement emphasis has been placed to prioritise cost control and cost effectiveness. To mitigate the downside effect on profit margin, not only has the Group strived to transfer part of the cost to customers, but also adopt measures in conversion of the PRC fixed manufacturing and operating costs into flexible and variable components. Approval of capital expenditure has to be justified with synergy and commercial value.

The Group's unaudited consolidated profit attributable to equity holders for the six months ended 30 September 2007 was approximately HK$45.1 million (2006: profit of HK$24 million), of which approximately HK$15 million was derived from the gain on disposal of commercial office units situated at suites 2604 to 2611, level 26, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong.

OPERATIONS REVIEW

Printing and manufacture of packaging boxes, including accompanying brochures, manuals and catalogues, together with the manufacture of children novelty books continued to be the Group's major business. For the period under review, the Group recorded total revenue of approximately HK$332.9 million from this major business category, which accounted for 79.9% of the Group's total revenue was increased by about 32.9% compared to that of the corresponding period. This was mainly due to improved global economy in the first half of the year and the Group captured additional sale amount from existing business lines through diversifying into value added products.

The Group's business in the manufacture of hangtags, labels, shirt paper boards and plastic bags continued to grow within the highly competitive operating environment. For the six months ended 30 September 2007, the Group's total revenue for the manufacture of hangtags, labels, shirt paper boards and plastic bags was approximately HK$36.8 million, which represented an increase of about 30.8% as compared to that of the last corresponding period of approximately HK$28.1 million.

The prosperity of the Hong Kong financial market promotes listed companies' corporate finance activities and offers the Group's commercial printing business with increasing numbers of commercial opportunities in the provision of design, printing and translation of brochure and circular services. The expansion of business volume has superseded the business drawback arising from changes in statutory requirement which provides listed companies with options to have announcements to be either advertised in newspapers or hosted in websites. The directors are in view that the business segment will maintain its market share in the industry.

For the six months ended 30 September 2007, the total revenue of the Group's commercial printing business was approximately HK$46.7 million, which accounts for about 11.2% of the Group's total revenue. For the corresponding six months ended 30 September 2006, the total revenue of the Group's commercial printing business was approximately HK$41.3 million and accounted for about 12.9% of the Group's total revenue.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers in Hong Kong. During the period under review, the Group was financially sound. The Group's cash and bank balances and short term bank deposits as at 30 September 2007 amounted to approximately HK$122.4 million. The Group's gearing ratio as at 30 September 2007 was 12.5% (31 March 2007: 18.9%), based on the short term and long term interest bearing bank borrowings of approximately HK$57.7 million. (31 March 2007: HK$74.1 million) and the shareholders' fund of HK$459.5 million (31 March 2007: HK$391.7 million).

The Board believes that the Group's cash holding, liquid asset value, future revenue and available facilities from major shareholders will be sufficient to meet its working capital of the Group.

CAPITAL STRUCTURE

During the period under review, the Group has successfully raised about HK$41.1 million (net of share issuance expenses) by way of a rights issue of 121,832,765 shares in the proportion of one rights share for every four shares held on the 20 June 2007 at the issue price of HK$0.35 per rights share.

The rights issue enabled the Company to raise additional capital to strengthen its financial position and enhanced flexibility in its business strategy implementation. The net proceeds of the rights issue of HK$41.1 million had been used to repay bank indebtedness of approximately HK$15 million, in which HK$9.6 million was applied to extinguish a mortgage loan and HK$5.5 million was used to repay short term revolving bank loans. Approximately HK$10 million was applied to expand production facilities of the Group in Dongguan and Shenzhen, the PRC, of which comprised of HK$8.8 million expenditure in acquisition of plant and machineries in Dongguan factories and Shenzhen factories as well as approximately HK$2 million spent in construction of environmental protection structures in Dongguan factories and commercial building renovation in Shenzhen office. The balance of approximately HK$15.2 million was utilised as general working capital of the Group.

DISPOSAL OF PROPERTIES

To cope with its business strategy in exercising stringent cost control measures as well as re-organising the workflow between the Hong Kong office and Shenzhen office, on 7 March 2007, the Group entered into the agreement with a third party in relation to the disposal of certain properties which were commercial office units situated at units 2604 to 2611, Level 26, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong (the "Properties"), for an aggregate consideration of HK$33.4 million.

Upon completion, the Group entered into a tenancy agreement in respect of the Properties with the purchaser for a fixed term of two years commencing from 21 May 2007 to 20 May 2009 at a monthly rental of HK$174,400, exclusive of air-conditioning charge, management fee and government rates and rent. On 21 May 2007, the disposal transaction was completed, the aggregated consideration was totally settled and the subject tenancy agreement was entered into.

PROSPECTS

In anticipation of subsisting severe price competition within the printing industry, continuous labour and raw material costs rising pressure, and consistent appreciation of the Renminbi currency, implementing the business strategy of exercising stringent cost controls and cautious business expansion scheme will add values to the Group's business in the current volatile economic conditions. The Group re-centralises its resources and production capacity in the Guangdong province with a view to strengthening its cost effectiveness controls through economies of scale. Recent observation reveals that the United States economic indicators are declining towards recession and the current safety issues concerning China sourced consumer products has intensified and accelerated the uprising trend in the Group's operating costs in the areas of product quality control and product inspections.

Looking forward, the Group is facing with additional risk factors in the business. The sub-prime mortgage crisis and trade disputes in relation to safety issues are likely to have negative impacts to the Group's sale growth and trade credit risk. Accordingly, the management expects a slow down in turnover growth and adopts cautious approach in amidst an uncertain global economy and rapid increase of operating costs in the second half year of 2007.

To tackle the challenges and remain to be competitive in the industry, gearing on its long established foundations, the Directors are endeavored to closely monitor cost effectiveness, strengthen customer loyalty through implementing value added activities targeted to satisfy specific customer needs. In view of the deteriorating business environment in the printing industry, the Group will continue to explore other business opportunities for diversification. The management will prudently evaluate these opportunities in the best interest of the shareholders.

INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK1 cent per share (2006: HK1 cent per share) for the six months ended 30 September 2007 payable on or before Wednesday, 30 January 2008 to shareholders whose names appear on the Register of Members of the Company on Friday, 25 January 2008.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 23 January 2008 to Friday, 25 January 2008 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Tuesday, 22 January 2008.

CORPORATE GOVERNANCE

The directors consider that the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 30 September 2007, except for the following deviation:

- Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors of the Company are not appointed for specific terms. However, under the Bye-laws of the Company, at each annual general meeting of the Company, one-third of the directors, including executive and independent non-executive directors, shall retire from office by rotation, and every director shall be subject to retirement at least once every three years. As such, the Company considers that sufficient measures have been taken to essence that the corporate governance practices of the Company are no less exacting than those in the CG Code.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the six months ended 30 September 2007, the Company has not redeemed any of its listed securities. Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

EXCHANGE RATE EXPOSURE

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. During the six months ended 30 September 2007, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars were relatively stable under the current peg system. Further with the natural hedging of the revenue and cost denominated in Renminbi, the Group's foreign exchange exposure in Renminbi was insignificant. No hedging for foreign currency transactions has been carried out during the year under review.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2007, the Group had an available workforce of 3,624, of which 3,417 were based in the People's Republic of China.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will also be based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

The Group has established a Remuneration Committee with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The Remuneration Committee has reviewed and determined the Group's remuneration policy, including the policy for the remuneration of executive directors, the levels of remuneration paid to executive directors and senior management of the Group.

The Remuneration Committee comprises 4 members, namely Mr. Lo Wing Man, Dr. Lam Chun Kong, Dr. Ng Lai Man, Carmen (all independent non-executive directors) and Mr. Lui Shing Ming, Brian, an executive director of the Company. This Committee is chaired by Mr. Lo Wing Man.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2007 have been reviewed by the Audit Committee, and have been reviewed by Grant Thornton, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee has reviewed with management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 30 September 2007.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The interim report containing all information required by Appendix 16 of the Listing Rules of the Stock Exchange will be published on the website of the Stock Exchange in due course.

By Order of the Board
Lui Chi
Chairman

As at the date of this announcement, the executive directors of the Company are Mr. Lui Chi, Mr. Lui Shing Ming Brian, Mr. Lui Shing Cheong and Mr. Lui Shing Chung Victor and the Independent Non-Executive Directors are Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man Carmen.

Hong Kong, 19 December 2007