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## LAI SUN GARMENT

Lai Sun Garment (International) Limited  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 191)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2009

#### RESULTS

The Board of Directors of Lai Sun Garment (International) Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the financial year ended 31 July 2009 as follows:

#### Consolidated Income Statement For the year ended 31 July 2009

	Notes	2009 HK\$'000	2008 HK\$'000
TURNOVER	2	14,526	14,303
Cost of sales		<u>(1,720)</u>	<u>(2,059)</u>
Gross profit		12,806	12,244
Other revenue and gain	3	9,048	11,030
Administrative expenses		(23,894)	(23,181)
Other operating income/(expenses), net		20,959	(20,212)
Fair value gain/(loss) on investment properties		<u>(6,678)</u>	<u>43,889</u>
PROFIT FROM OPERATING ACTIVITIES	4	12,241	23,770
Finance costs	5	(11,670)	(14,483)
Share of profits and losses of associates		<u>166,676</u>	<u>39,554</u>
PROFIT BEFORE TAX		167,247	48,841
Tax	6	<u>1,137</u>	<u>(3,044)</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		<u><b>168,384</b></u>	<u><b>45,797</b></u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		<u><b>HK 10.41 cents</b></u>	<u><b>HK 2.83 cents</b></u>
Diluted		<u><b>N/A</b></u>	<u><b>N/A</b></u>

## Consolidated Balance Sheet

As at 31 July 2009

	Notes	2009 HK\$'000	2008 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		667	1,481
Investment properties		194,800	200,800
Properties under development		454,061	273,503
Interests in associates		3,147,767	3,025,253
Available-for-sale equity investments		210,522	167,784
Promissory note receivable		—	167,000
Total non-current assets		<u>4,007,817</u>	<u>3,835,821</u>
<b>CURRENT ASSETS</b>			
Promissory note receivable		167,000	—
Debtors, deposits paid and other receivables	8	5,154	5,476
Loan and interest receivables		—	33,840
Cash and cash equivalents		75,657	22,665
Total current assets		<u>247,811</u>	<u>61,981</u>
<b>CURRENT LIABILITIES</b>			
Creditors, deposits received and accruals	9	47,824	44,817
Tax payable		204	669
Interest-bearing bank borrowings		247,000	—
Total current liabilities		<u>295,028</u>	<u>45,486</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(47,217)</u>	<u>16,495</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,960,600</u>	<u>3,852,316</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		(31,745)	(113,745)
Note payable		(195,000)	(195,000)
Accrued interest payable		(66,851)	(55,370)
Deferred tax liabilities		(31,157)	(32,259)
Total non-current liabilities		<u>(324,753)</u>	<u>(396,374)</u>
		<u>3,635,847</u>	<u>3,455,942</u>
<b>EQUITY</b>			
<b>Equity attributable to ordinary equity holders of the Company</b>			
Issued capital		16,174	16,174
Share premium account		1,908,840	1,908,840
Asset revaluation reserve		74,619	83,478
Share option reserve		1,438	1,440
Hedging reserve		—	2,321
Investment revaluation reserve		9,498	(33,240)
Capital reserve		148,694	148,694
Exchange fluctuation reserve		479,633	500,284
Retained earnings		996,951	827,951
		<u>3,635,847</u>	<u>3,455,942</u>

## Notes to Consolidated Financial Statements

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and available-for-sale equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 2. SEGMENT INFORMATION

Segment information is presented on a primary segment reporting basis, by business segment.

No further geographical segment information is presented as all of the Group's revenue and operations are generated and located in Hong Kong.

Segment revenue represents gross rental income and property management fee income generated from investment properties held during the year.

The following tables present revenue, profit and certain asset, liability and capital expenditure information for the Group's business segments for the years ended 31 July 2009 and 2008:

	Property development		Property investment		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>						
Sales to external customers	<u>—</u>	<u>—</u>	<u>14,526</u>	<u>14,303</u>	<u>14,526</u>	<u>14,303</u>
<b>Segment results</b>	<u>(316)</u>	<u>(9)</u>	<u>5,927</u>	<u>56,133</u>	<u>5,611</u>	<u>56,124</u>
Interest income and unallocated other revenue and gain					<u>9,048</u>	<u>11,030</u>
Reversal of provision for impairment/(provision for impairment) of loan and interest receivables					<u>21,160</u>	<u>(20,212)</u>
Unallocated expenses					<u>(23,578)</u>	<u>(23,172)</u>
Profit from operating activities					<u>12,241</u>	<u>23,770</u>
Finance costs					<u>(11,670)</u>	<u>(14,483)</u>
Share of profits and losses of associates					<u>166,676</u>	<u>39,554</u>
Profit before tax					<u>167,247</u>	<u>48,841</u>
Tax					<u>1,137</u>	<u>(3,044)</u>
Profit for the year					<u>168,384</u>	<u>45,797</u>

2. SEGMENT INFORMATION (continued)

	Property development		Property investment		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets and liabilities:</b>						
Segment assets	454,324	274,024	195,067	201,056	649,391	475,080
Interests in associates					3,147,767	3,025,253
Unallocated assets					458,470	397,469
Total assets					<u>4,255,628</u>	<u>3,897,802</u>
Segment liabilities	32,099	28,917	3,878	4,183	35,977	33,100
Unallocated liabilities					583,804	408,760
Total liabilities					<u>619,781</u>	<u>441,860</u>
<b>Other segment information:</b>						
Depreciation – unallocated amounts					839	1,493
Provision for doubtful debts	—	—	201	—	201	—
Fair value (gain)/loss on investment properties	—	—	6,678	(43,889)	6,678	(43,889)
Capital expenditure	177,674	87,594	678	811	178,352	88,405
Capital expenditure – unallocated amount					25	—
					<u>178,377</u>	<u>88,405</u>

### 3. OTHER REVENUE AND GAIN

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest income from bank deposits	37	216
Other interest income	8,648	10,741
Others	363	73
	<u>9,048</u>	<u>11,030</u>

### 4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Depreciation	839	1,493
Provision for doubtful debts #	201	—
(Reversal of provision for impairment)/provision for impairment of loan and interest receivables #	(21,160)	20,212
	<u>(21,160)</u>	<u>20,212</u>

# These items are included in "other operating income/(expenses), net" on the face of the consolidated income statement.

### 5. FINANCE COSTS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest on:		
Bank loans wholly repayable within five years	2,345	1,645
Other borrowings and note payable wholly repayable within five years	11,481	14,333
Total interest expenses	13,826	15,978
Bank financing charges	728	885
	14,554	16,863
Less: Amount capitalised in properties under development	(2,884)	(2,380)
	<u>11,670</u>	<u>14,483</u>

## 6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	<b>2009</b> <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax		
Charge for the year	<b>134</b>	669
Overprovision in prior years	<u>(169)</u>	<u>(3,350)</u>
	<u>(35)</u>	<u>(2,681)</u>
Deferred tax		
Current year	<b>(1,102)</b>	7,241
Change in tax rate	<u>—</u>	<u>(1,516)</u>
	<u>(1,102)</u>	<u>5,725</u>
Tax charge/(credit) for the year	<u><b>(1,137)</b></u>	<u>3,044</u>

## 7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on profit for the year attributable to ordinary equity holders of the Company of HK\$168,384,000 (2008: HK\$45,797,000) and the weighted average number of 1,617,423,423 (2008: 1,617,423,423) ordinary shares in issue during the year.

The diluted earnings per share for the years ended 31 July 2009 and 2008 have not been disclosed as no diluting event existed during both years.

## 8. DEBTORS, DEPOSITS PAID AND OTHER RECEIVABLES

The Group's major businesses are property development and property investment. The major income derived is rental income. Rent and related charges in respect of the leasing of properties are receivable from tenants, and are normally payable in advance with rental deposits received in accordance with the terms of the tenancy agreements.

An ageing analysis of the debtors, based on payment due date, as at the balance sheet date is as follows:

	<b>2009</b> <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Debtors:		
Less than 90 days past due	237	239
91 to 180 days past due	27	1
181 to 365 days past due	<u>3</u>	<u>16</u>
	267	256
Deposits paid and other receivables	<u>4,887</u>	<u>5,220</u>
	<b><u>5,154</u></b>	<b><u>5,476</u></b>

## 9. CREDITORS, DEPOSITS RECEIVED AND ACCRUALS

An ageing analysis of the creditors, based on payment due date, as at the balance sheet date is as follows:

	<b>2009</b> <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Creditors less than 90 days past due	18,457	21,118
Deposits received and accruals	<u>29,367</u>	<u>23,699</u>
	<b><u>47,824</u></b>	<b><u>44,817</u></b>

## **FINAL DIVIDEND**

As at 31 July 2009, the Company did not have any reserves available for distribution in accordance with provisions of Section 79B of the Companies Ordinance. The directors of the Company do not recommend the payment of an ordinary dividend for the financial year ended 31 July 2009. No ordinary dividend was declared in respect of the previous corresponding year.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview of Final Results**

For the year ended 31 July 2009, the Group recorded a turnover of HK\$14,526,000 (2008: HK\$14,303,000) and a gross profit of HK\$12,806,000 (2008: HK\$12,244,000), representing an increase of approximately 1.6% and 4.6% respectively from the previous year. The Group derived its turnover and gross profit mainly from rental and related income from industrial properties held for investment.

During the year under review, the Group recorded a fair value loss on investment properties of HK\$6,678,000 compared to a fair value gain of HK\$43,889,000 in the previous year. Such loss was offset by a reversal of provision for impairment of HK\$21,160,000 with regard to a loan amount of HK\$55,000,000 granted to an independent third party (the "Borrower"). Following recovery actions taken by the Group, the outstanding principal balance of the loan of HK\$55,000,000 due from the Borrower under the abovementioned revolving facility was recovered in full. There was a reversal of provision for impairment of HK\$21,160,000 previously made against the loan for the year ended 31 July 2009. As a result of the above factors, the Group's profit from operating activities decreased by approximately 48.5% to HK\$12,241,000 (2008: HK\$23,770,000).

Share of profits from associates was HK\$166,676,000 (2008: HK\$39,554,000), up by 321.4% from the previous year. The change in share of profits from associates was due to the substantial increase in share of profits from Lai Fung Holdings Limited ("Lai Fung").

For the year ended 31 July 2009, the Group recorded a consolidated profit attributable to ordinary equity holders of HK\$168,384,000 (2008: HK\$45,797,000), representing an increase of approximately 267.7% from the previous year. Shareholders' equity as at 31 July 2009 amounted to HK\$3,635,847,000, up by 5.2% from HK\$3,455,942,000 as at 31 July 2008. Net asset value per share as at 31 July 2009 was HK\$2.25, as compared to HK\$2.14 as at 31 July 2008.

### ***Lai Fung***

As at 31 July 2009, the Group held an effective 40.58% interest in Lai Fung. Lai Fung is principally engaged in property development and investment in China. Lai Fung currently has property projects in Shanghai, Guangzhou and Zhongshan.

For the year ended 31 July 2009, Lai Fung recorded a turnover of HK\$937,380,000 (2008: HK\$868,001,000) and a gross profit of HK\$632,436,000 (2008: HK\$622,837,000), representing an increase of approximately 8.0% and 1.5% respectively from the previous year.

Out of Lai Fung's total turnover, rental income decreased by 14.0% from HK\$254,160,000 to HK\$218,525,000, which was mainly due to the adverse impact of renovation work on Shanghai Hong Kong Plaza. Owing to the completion of Phase II of Shanghai Regents Park and recognition of sales of relevant residential units sold before 31 July 2009, Lai Fung's turnover from sales of properties increased by 17.1% from HK\$613,841,000 to HK\$718,855,000. Mainly as a result of lower proportion of rental income compared to sales of development properties, Lai Fung's gross profit margin decreased slightly to 67.5%, from 71.8% in the previous year.



During the year under review, Lai Fung recorded a profit from operating activities of HK\$886,631,000 (2008: HK\$761,532,000). The increase in Lai Fung's profit from operating activities was mainly due to a gain on termination of cross currency swaps, a gain on repurchase of its senior notes, and a fair value gain on investment properties (albeit at a lower level than that recorded in the previous year). In addition, Lai Fung recorded an exchange loss of HK\$2,540,000 on a USD denominated bank loan (2008: a net exchange loss of HK\$114,081,000 on a USD denominated bank loan and the cross currency swaps).

Lai Fung's finance costs expensed during the year reduced to HK\$118,588,000 (2008: HK\$151,911,000), after an amount of HK\$77,030,000 (2008: HK\$54,130,000) had been capitalised in properties under development during the year.

As a result of the abovementioned factors, the profit attributable to equity holders of Lai Fung increased to HK\$406,888,000 (2008: HK\$206,005,000).

### *Lai Sun Development Company Limited ("LSD")*

As at 31 July 2009, the Group held an effective 11.18% interest in LSD. LSD is principally engaged in the development of and investment in Hong Kong property, as well as investment in and operation of hotels and restaurants.

For the year ended 31 July 2009, LSD recorded a turnover of HK\$649,742,000 (2008: HK\$826,506,000) and a gross profit of HK\$454,536,000 (2008: HK\$564,885,000), representing a decrease of approximately 21.4% and 19.5% respectively from the previous year. The decrease in LSD's turnover and gross profit was largely due to the lack of contribution during the year from the hotel operations of the former The Ritz-Carlton Hong Kong which ceased operations since 1 February 2008.

During the year under review, LSD recorded a fair value loss on investment properties of HK\$145,748,000 (2008: a gain of HK\$721,604,000) as a result of the adverse economic conditions from the global financial turmoil since the fourth quarter of 2008. During this year, LSD did not record any gain on disposal whereas in the previous year, LSD recorded a gain on disposal of HK\$699,036,000 for the disposal of a 26.57% interest in Diamond String Limited, which owns the former The Ritz-Carlton Hong Kong property. During this year, LSD recorded a reversal of provision for tax indemnity of approximately HK\$11,936,000 (2008: a provision of HK\$464,632,000). Such provision was made in the financial year of 2008 in respect of certain tax indemnity granted by LSD to Lai Fung in November 1997 at the time of effecting the separate listing of Lai Fung on The Stock Exchange of Hong Kong Limited. Mainly as a result of the above exceptional items, LSD recorded a profit from operating activities of HK\$11,333,000 during the year ended 31 July 2009, versus a profit from operating activities of HK\$1,240,831,000 in the previous year.

LSD currently holds a 36.08% interest in eSun Holdings Limited ("eSun"), which in turn holds a 36.72% interest in LSD. During the year, LSD's share of losses from associates was HK\$132,483,000, compared to share of profits from associates of HK\$19,736,000 in the previous year. Such share of losses from associates mainly reflected the operational losses of eSun after taking into account the cross-holdings between LSD and eSun. Also, the cross-holdings between LSD and eSun results in a further loss to LSD due to LSD's further share of eSun's loss arising from eSun's share of the results of LSD.

As a result of decreases in interest rate, LSD's finance costs during the year decreased to HK\$58,479,000 (2008: HK\$104,078,000).

For the year ended 31 July 2009, LSD recorded a consolidated net loss attributable to ordinary equity holders of HK\$220,985,000, compared to a consolidated net profit of HK\$1,013,333,000 in the previous year.

### ***Development of 79 Hoi Yuen Road, Kwun Tong, Hong Kong***

Construction of this joint office and commercial development project with Crocodile Garments Limited was completed and occupation permit was issued in September 2009. The Group is entitled to the retail portion of this redeveloped property with a gross floor area of approximately 100,000 square feet and the Group is now in the process of finalising the legal title documentation.

### **Prospects**

The global financial turmoil in the fourth quarter of 2008 negatively affected property market sentiment and volume of transactions in Hong Kong and China's real estate market. Both markets experienced great volatility during the past year. Since the beginning of 2009, with governments and central banks in most major countries implementing massive economic stimulus packages and quantitative credit easing policies, Hong Kong and China's real estate markets started to show strong recovery. Under the current macro-economic circumstances, the Group will manage their operations on a prudent basis, and will strive to position their businesses for future growth.

### ***Lai Fung***

In the medium- and long-term, ongoing urbanisation and demand for living improvement will foster healthy growth of the real estate market in China. Since the outbreak of the global financial turmoil in 2008, the Central Government has placed significant emphasis on domestic consumption to fuel economic growth. Real estate as an important segment of domestic consumption will be a key beneficiary. It is widely expected that the Central Government would not easily make a drastic shift from its current favourable policies towards real estate. However, there would be adjustment policies to pace the property market and economic rhythm. By then, this could cause short-term fluctuation in the property market in China.

Overall, Lai Fung is cautiously optimistic about China's property market and Lai Fung is well positioned for growth in the coming years. Owing to its strong sales performance for Shanghai Regents Park Phase II and Guangzhou West Point, Lai Fung has locked in substantial sales revenue for the next financial year. In addition, Lai Fung has re-accelerated the construction schedules of other development projects to fuel growth in turnover and profits for the financial years beyond next year.

With the macro-economic condition as mentioned above, Lai Fung will monitor the market closely and expand its landbank at the appropriate time. Furthermore, Lai Fung will continue to grow its recurrent income base through upgrading and renovation of Shanghai Hong Kong Plaza and addition of new venues through completion of commercial property portions of the new development projects.

### ***LSD***

Rentals for office and commercial properties in prime locations in Hong Kong have shown signs of stabilisation since the middle of 2009. With current high occupancy in its investment properties, LSD has in the past economic cycle successfully strengthened its tenant and trade mix, which well prepares LSD to operate through difficult economic environment ahead. In the coming year, LSD will continue to take a defensive approach as regards its rental policies, with the objective of maintaining occupancy rates and rental cashflows from its investment properties.

Since the second quarter of 2009, low mortgage interest rate and encouraging performance of the local stock market triggered the turnaround of Hong Kong's property market sentiment. Volume and property prices for primary and secondary transactions have grown steadily. LSD currently holds a number of residential projects under development in Hong Kong. To capture the strong turnaround in the Hong Kong residential property market, LSD expects to start the pre-sale of residential units in its Wood Road, Wanchai project and Tai Po Road project in 2010. Given the shortage of supply in core city areas in Hong Kong, LSD is still cautiously optimistic on the Hong Kong residential properties in the longer term. LSD will monitor the local property market closely and will adopt a prudent and balanced approach towards its property development business.

### ***79 Hoi Yuen Road, Kwun Tong, Hong Kong***

Up to the date of this announcement, the Group has received commitment from tenants for leasing of 70% of the gross floor area of the retail portion of this property. The tenants who have taken up leases are mainly renowned restaurants as well as food and beverage outlets. This property will contribute to the rental income of the Group in the next financial year.

### **Liquidity and Financial Resources**

The Group has diverse sources of financing comprising internal funds generated from the Group's business operations, interest income generated from the promissory note, dividend income from investment in a listed associate and loan facilities provided by banks and others.

As at 31 July 2009, total borrowings, comprising secured bank loans of HK\$247 million, a note payable of HK\$195 million and a loan of HK\$32 million payable to the late Mr. Lim Por Yen, amounted to a total of HK\$474 million. As at the same date, consolidated net assets of the Group amounted to HK\$3,636 million. The debt to equity ratio as expressed in a percentage of total borrowings to consolidated net assets as at that date was approximately 13%. All of the Group's borrowings were maintained as floating rate debts.

The note payable of HK\$195 million and the loan of HK\$32 million payable to the late Mr. Lim Por Yen have maturity dates of 30 April 2006 and 30 November 2005, respectively. The Group has received confirmation from the executor of the estate of the late Mr. Lim Por Yen that such note and loan payables are not repayable within one year from the balance sheet date.

As at 31 July 2009, certain investment properties with carrying value of approximately HK\$190 million were pledged to a bank to secure banking facilities granted to the Group. In addition, the Group's properties under development with carrying cost of HK\$454 million and share in a subsidiary held by the Group were pledged to a bank to secure a construction loan facility for financing the redevelopment of that property.

As at 31 July 2009, the Group had cash and bank balances amounting to approximately HK\$76 million and unutilised banking facility of HK\$174 million (including HK\$129 million unutilised construction loan facility for financing the construction costs of a property redevelopment project), which was considered adequate to cover the working capital requirement of the Group. The abovementioned construction loan facility will be maturing in December 2009. The occupation permit of the related property redevelopment project was issued on 22 September 2009. Such construction loan facility is expected to be refinanced by a new property term loan facility granted by the same bank. The Group has received and accepted the offer term sheet from the bank for the refinancing arrangement and is now in the stage of finalising the relevant loan facility documents with the bank.

The Group's monetary assets and liabilities and transactions are principally denominated in Hong Kong dollar. The Group does not have any significant exposure to exchange rate risk.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 July 2009, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

## **CORPORATE GOVERNANCE**

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the accounting period covered by the Annual Report save for the deviation from code provision A.4.1.

Under code provision A.4.1, non-executive directors should be appointed for a specific term and be subject to re-election. None of the existing non-executive directors of the Company was appointed for a specific term. However, all directors of the Company are subject to the retirement provisions in the Articles of Association of the Company which provide that the directors for the time being shall retire from office by rotation once every three years since their last election at each annual general meeting and a retiring director shall be eligible for re-election.

## **REVIEW OF ANNUAL RESULTS**

The annual results of the Company for the year ended 31 July 2009 have been reviewed by the audit committee of the Company. The audit committee comprises the three independent non-executive directors of the Company, namely Messrs. Wan Yee Hwa, Edward, Leung Shu Yin, William and Chow Bing Chiu.

## **REVIEW OF THE PRELIMINARY RESULTS ANNOUNCEMENT BY AUDITORS**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 July 2009 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on Wednesday, 23 December 2009. Notice of the Annual General Meeting together with the Company's Annual Report for 2008-2009 will be despatched to shareholders in due course.

By Order of the Board  
**Lam Kin Ming**  
Chairman

Hong Kong, 6 November 2009

*As at the date of this announcement, the executive directors of the Company are Mr. Lam Kin Ming, Mr. Lam Kin Ngok, Peter, Mr. Shiu Kai Wah, Mr. Lam Kin Hong, Matthew, Mr. Tam Kin Man, Kraven, Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Miss Leung Churk Yin, Jeanny; the non-executive directors are Madam U Po Chu and Mr. Chiu Wai; and the independent non-executive directors are Mr. Wan Yee Hwa, Edward, Mr. Leung Shu Yin, William and Mr. Chow Bing Chiu.*