The Quaypoint Corporation Limited
紀 翰 集 團 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2330)

ANNUAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2009

BUSINESS REVIEW

For the year ended 30 June 2009, the Group achieved a turnover of approximately RMB287,780,000 (2008: approximately RMB152,826,000) which represented an increase of approximately 88.31% compared to the last corresponding year. The increase in turnover is mainly attributable to the trading of electronic components by one of the Group's Hong Kong subsidiaries.

The loss attributable to equity holders of the Company was approximately RMB18,547,000 (2008: approximately RMB112,622,000 which included an amount of approximately RMB60,700,000 set aside in respect of the alleged guarantee which are said to be issued by a PRC subsidiary of the Company).

For the debt-restructuring proposal on approximately RMB135,434,000, we are continuing our negotiations with the Bank of China, Shenzhen branch.

At present, the Hong Kong economy is recovering from the global economic tsunami of last year. The economic stimulus packages and measures taken by the world governments gradually took effect and the financial and investment climate has vastly improved. In the first half of 2009, the impacts of the financial crisis on the global economy lingered. Under the weakening export, a series of economic stimulus measures launched by the PRC government in the fourth quarter of last year have begun to take effect, boosting the economy of the country in the first half of the year. The strong supportive policies of the PRC government have driven consumer spending and consumption demand in the PRC, and in turn presented room for development of various industries.

During the year ended 30 June 2009, the consumer electronics products market in Asia, especially the PRC, has recovered rapidly which lead to a significant growth in our electronic components and related products trading business. Despite an increase in turnover of the Group for the year ended 30 June 2009, the Group's gross profit margin has decreased as trading in electronic components is very competitive with a relatively high cost of sales, thus resulting in lower profit margins as compared to the same period last year. As compared to the same period last year, 95.17% of the Group's turnover was generated by trading in mobile phones, machines of vertical impregnating line and the natural resources and industrial equipments which commanded a higher gross margin.

* *For identification purposes only*

In May 2009, Hill Light Investments Limited, a wholly-owned subsidiary of the Company, entered into the conditional sale and purchase agreement with Ms. Wong Sio Leng pursuant to which Hill Light has conditionally agreed to acquire for and Ms. Wong conditionally agreed to dispose of the sale shares, being the entire issued capital of the Ocean Vast Corporation Limited, at a total fair value consideration of RMB178,579,000. The project was completed in August 2009.

In August 2009, the Company entered into a sale and purchase agreement (as supplemented by the supplemental agreement dated 20 August 2009) with Mr. Ho Man Hung pursuant to which the Company has conditionally agreed to acquire for and Mr. Ho has conditionally agreed to dispose of the sale shares, being the entire issued capital of Boom Lotus Holdings Limited, a company established in the British Virgin Islands with limited liability and is wholly-owned by Mr. Ho, at a total consideration of HK$590,000,000.

Further details of the above acquisitions are set out in the sections "SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITIONS OF SUBSIDIARIES AND ASSOCIATE COMPANIES" and "EVENTS AFTER THE BALANCE SHEET DATE AND FUTURE PLANS FOR MATERIAL INVESTMENTS" below.

As the series of economic stimulus measures launched by the PRC government in the fourth quarter of last year have begun to take effect, the Group is optimistic about the property investment business in the PRC and has been redeploying resources to the property investment business. In view of the economic prospect of Zhuhai, it is the intention of the Company to continue to look for projects for property development and investment in Zhuhai. The above acquisitions are expected to contribute revenue to the Group from 2010.

OPERATIONS REVIEW

(a) Technology (formerly classified under Project and Technical Services segment)

The segment of automation products has experienced a slow down due to adverse market conditions. As a result, turnover during this period came almost to a standstill. Though the automation and mobile handset markets are showing signs of recovery, management is taking a cautious approach and continue to critically review whether potential projects and business opportunities would benefit the Group or not.

(b) Trading

The Group's trading business comprises of distribution of imported automation products, trading of mineral resources such as iron ore, electronic related components and mobile phone modules. The Group noted there was a change of demand in the markets of infrastructural and natural resources, also with reference to the research reports of international markets, the Group will concentrate its resources to the mobile modules trading business in the short run.

(c) Property investment

The investment properties comprise six units of office premises in Hong Kong with total saleable areas of approximately 4,582 sq. ft. and the R & D Centre in Shenzhen with total floor area of approximately 15,084 sq. meters.

After the year-end the Group acquired two property projects in Zhuhai, PRC. For further details of the above acquisitions please refer the sections "SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITIONS OF SUBSIDIARIES AND ASSOCIATE COMPANIES" and "EVENTS AFTER THE BALANCE SHEET DATE AND FUTURE PLANS FOR MATERIAL INVESTMENTS" below.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2009, the total assets of the Group were approximately RMB247,020,000, a decrease by approximately 11.59% as compared to 30 June 2008. As at 30 June 2009, the Group had total borrowings of approximately RMB118,757,000 (2008: RMB125,112,000), approximately RMB74,734,000 of which is owed to Bank of China, Shenzhen branch. Although a judgment was made in favour of the bank by the Shenzhen Arbitration Commission, the bank has principally agreed not to demand immediate full repayment from the Group and we have numbers of discussions for the restructuring of the outstanding debts into a loan secured against the R&D Centre. The Company is in the process of negotiation for the restructuring of the guarantee provision of RMB60,700,000 and short-term bank loan of approximately RMB74,734,000 with the bank. However, the terms and repayment schedules have not yet been finalised. It is expected that both the Company and the bank target to finalise the restructure proposal (the "Restructuring Proposal") before the end of December 2009.

Taking into account of the broadening of revenue base, the finalisation of the Restructuring Proposal, the ability of the Company to raise additional funds, and the Company's right to defend the questionable claim, the Directors are confident that the Group has sufficient resources to meet in full its financial obligations as they fall due in the foreseeable future.

CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 30 June 2009 was HK$42,918,000 divided into 429,180,000 shares of HK$0.10 each (2008: HK$42,868,000 divided into 428,680,000 shares of HK$0.10 each). As at 30 June 2009, the issued convertible redeemable preference share capital was HK$35,000,000 divided into 350,000,000 shares of HK$0.10 each (2008: HK$35,000,000 divided into 350,000,000 shares of HK$0.10 each) and the convertible redeemable preference A share capital was HK$11,000,000 divided into 110,000,000 shares of HK$0.10 each (2008: HK$11,000,000 divided into 110,000,000 shares of HK$0.10 each). As at 30 June 2009, none of the convertible redeemable preference shares and convertible redeemable preference A shares were converted into ordinary shares.

As at 30 June 2009, the Group's bank borrowings of approximately RMB86,734,000 on a short-term basis and was mainly in Renminbi. Out of such borrowings, the loan of approximately RMB74,734,000 bears fixed interest rate whilst the loan of approximately RMB12,000,000 bears interest at prevailing market rates. There are no known seasonal factors in our borrowing profiles.

FOREIGN CURRENCY EXPOSURE

The Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. Although the exchange rates of United States dollars and Renminbi against Hong Kong dollars were relatively unstable during the year under review, since the Group has no financial instrument for hedging purposes, treasury and funding policies, therefore the Group's exposure to fluctuations in exchange rates is considered minimal.

CHARGE ON ASSETS

As at 30 June 2009, the Group's certain investment properties, property, plant and equipment, prepaid lease payments and time deposits with an aggregate net carrying value of approximately RMB73,905,000 were pledged to banks for securing revolving loans and general banking facilities granted to the Group (2008: approximately RMB77,654,000).

SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITIONS OF SUBSIDIARIES AND ASSOCIATE COMPANIES

On 19 May 2009, Hill Light Investments Limited, a wholly-owned subsidiary of the Company ("Hill Light"), entered into the conditional sale and purchase agreement with Ms. Wong Sio Leng ("Ms. Wong") pursuant to which Hill Light has conditionally agreed to acquire for and Ms. Wong conditionally agreed to dispose of the sale shares, being the entire issued capital of the Ocean Vast Corporation Limited ("Ocean Vast"), at a total fair value consideration of RMB178.6 million (equivalent to approximately HK$203 million) (the "Ocean Vast Acquisition").

Upon Completion, Hill Light has become the sole shareholder of Ocean Vast and therefore be effectively interested in 60% equity interest in the 珠海經濟特區合强實業有限公司 (Zhuhai Special Economic Zone Heqiang Industrial Company Limited*) ("Project Company"), a company established in the PRC with limited liability and is owned as to 60% by the PRC Company and 40% by an independent third party.

The only major asset of the Project Company is the project land. The project land is situated at South of Yuehai West Road, Gongbei, Zhuhai City, Guangdong Province, the PRC and occupies approximately 11,878.40 square meters with a planned gross floor area of 36,375.96 square meters. The project land will be developed into a residential and commercial complex with car parking spaces and the construction is scheduled to be completed in the second half of 2010. According to the Real Estate Ownership Certificate (房地產權證) (Document No.: Yue Fang Di Zheng Zi. No. (C6561410) registered on 31 October 2008, the Project Company has the right to use the Project Land for terms expiring on 10 July 2077 and 10 July 2047 for residential and commercial purposes, respectively.

The Ocean Vast Acquisition constituted a major transaction under the Listing Rules. The Ocean Vast Acquisition has been approved by the shareholders of the Company at an extraordinary general meeting held on 17 July 2009, details of the Ocean Vast Acquisition is set out in the announcement and circular of the Company dated 21 May 2009 and 30 June 2009, respectively.

MATERIAL DISPOSAL OF SUBSIDIARIES AND ASSOCIATE COMPANIES

The Group did not have any material disposal of subsidiaries or associates during the year ended 30 June 2009.

EVENTS AFTER THE BALANCE SHEET DATE AND FUTURE PLANS FOR MATERIAL INVESTMENTS

On 11 August 2009, the Company entered into a sale and purchase agreement (as supplemented by the supplemental agreement dated 20 August 2009) with Mr. Ho Man Hung ("Mr. Ho") pursuant to which the Company conditionally agreed to acquire for and Mr. Ho has conditionally agreed to dispose of the sale shares, being the entire issued capital of Boom Lotus Holdings Limited ("Boom Lotus"), a company established in the British Virgin Islands with limited liability and is wholly-owned by Mr. Ho, at a total consideration of HK$590,000,000 (the "Boom Lotus Acquisition").

Pursuant to the sale and purchase agreement, the consideration for the Boom Lotus Acquisition shall be settled by the Company by a combination of the issuance and allotment of consideration shares and cash.

Boom Lotus is an investment holding company incorporated in the British Virgin Islands on 7 December 2007 with limited liability and is wholly-owned by the Mr. Ho. Subject to the share charge, the principal asset of Boom Lotus is its 100% equity interest in Pine Global Investments Limited ("Pine Global") which in turn holds 50% equity interest in 珠海中珠房地產開發有限公司 (Zhuhai Zhongzhu Real Estate Development Company Ltd.*) ("Zhuhai Zhongzhu").

Zhuhai Zhongzhu is a sino-foreign joint venture incorporated in the PRC on 8 November 2005 with limited liability and is owned as to 50% by Pine Global. The major asset of the Zhuhai Zhongzhu is the project which is consisted of two development properties, being Property A and Property B.

Property A is situated at West Santaishi Road, North Xiaguang Road, Zhuhai City, Guangdong Province, the PRC (中國廣東省珠海市前山三臺石路西、霞光路北側) and occupies approximately 48,382.70 square meters with a gross floor area of approximately 140,816.93 square meters. The construction of Property A was completed on 30 March 2009 and Property A has been developed into a residential and commercial complex with car parking spaces. As at the date of this report, approximately 60% of the residential and commercial units under Property A have been sold to buyers.

Property B is situated at South Renmin West Road, West Santaishi Road, Zhuhai City, Guangdong Province, the PRC (中國廣東省珠海市香洲人民西路南、三臺石路西側) and occupies approximately 57,762.92 square meters with a planned gross floor area of approximately 171,336.68 square meters. The construction of Property B is preliminarily scheduled to commence in October 2009 and be completed in May 2011. Property B will be developed into a residential and commercial complex with car parking spaces. As mentioned in the foregoing, Property A was completed and approximately 60% of the residential and commercial units under Property A have been sold to buyers. Zhuhai Zhongzhu will retain the proceeds from such sale until the Completion and it intends to apply them for the development of Property B.

The Boom Lotus Acquisition constituted a very substantial acquisition under the Listing Rules. The Boom Lotus Acquisition has been approved by the shareholders of the Company at an extraordinary general meeting held on 9 October 2009, details of the Boom Lotus Acquisition is set out in the announcement and circular of the Company dated 20 August 2009 and 23 September 2009, respectively.

The Group is principally engaged in (i) the design, supply and integration of automation and control system; (ii) trading of automation products and electronic components; (iii) property investment; and (iv) trading of mobile modules. As disclosed in the section "SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITIONS OF SUBSIDIARIES AND ASSOCIATE COMPANIES" and above, it is the intention of the Company to hold the project for property development and investment in Zhuhai. In view of the economic prospect of Zhuhai, the Directors are of the view that the Ocean Vast Acquisition and the Boom Lotus Acquisition of the Group are in the interests of the Company and the Shareholders as a whole. Save as disclosed above, the Group will continue to seek new business development opportunities.

Proposed change of name

Pursuant to the resolution of the board of Directors passed on 27 October 2009, the Company announced the proposed change of the Company's name to "China Uptown Group Company Limited ("中國上城集團有限公司")". The change of name will be subject to the passing of a special resolution by the shareholder of the Company at the forthcoming annual general meeting of the Company.

Proposed change of financial year end date

Pursuant to the resolution of the board of Directors passed on 27 October 2009, the Company announced the change of the financial year end date from 30 June to 31 December.

Extension and change of terms of convertible redeemable preference shares

On 23 October 2009, the Company entered into a second supplemental agreement to the Subscription Agreement to (a) allow the Preference Shares Conversion Period to be extended automatically for a period of twelve (12) months with effect from each expiry date of the Preference Shares Conversion Period unless (i) holder of Preference Shares serves a written notice on the Company notifying its intention of not extending the Preference Shares Conversion Period for a further twelve (12) months not later than seven (7) days prior to the expiry date of the Preference Shares Conversion Period, and (ii) the Company agrees not to extend the Preference Shares Conversion Period for a further twelve (12) months upon receiving such notice; and (b) amend the terms of the Subscription Agreement such that the Preference Shares become transferable.

In addition, on 23 October 2009, the Company entered into a supplemental agreement to (a) extend the Preference A Shares Conversion Period for a further 12 months from the expiry date of the Preference A Shares Conversion Period such that Preference A shareholder shall have the right to convert the Preference A Shares held by it at any time from the date of issue to 10 December 2010; (b) allow the Preference A Shares Conversion Period to be extended automatically for a period of twelve (12) months with effect from each expiry date of the Preference A Shares Conversion Period unless (i) Preference A shareholder serves a written notice on the Company notifying its intention of not extending the Preference A Conversion Period for a further twelve (12) months not later than seven (7) days before the expiry date of the Preference A Shares Conversion Period, and (ii) the Company agrees not to extend the Preference A Shares Conversion Period for a further twelve (12) months upon receiving such notice; and (c) amend the terms of the sale and purchase agreement such that the Preference A Shares become transferable.

SEGMENT INFORMATION

The details of segment information are set out in Note 7.

GEARING RATIO

At 30 June 2009, the gearing ratio, expressed as a percentage of total borrowings over net assets, was about 5.16 (2008: 2.88).

CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 30 June 2009.

DISTRIBUTABLE RESERVES

For the year ended 30 June 2009, loss attributable to equity holders of the Company then amounted to approximately RMB18,547,000, (2008: loss amounted to approximately RMB122,622,000).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2009, the Group employed a total of approximately 30 full time employees (2008: 40) in Hong Kong and the PRC. Total staff cost for the year ended 30 June 2009 was approximately RMB4,828,000 (2008: approximately RMB17,038,000). The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which will be reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

LITIGATIONS AND CONTINGENT LIABILITIES

During the year, regarding the litigation as to the claims of approximately RMB9,500,000 raised by the main contractor of the Shenzhen R & D Centre, the relevant PRC court has made a judgement in favour of the plaintiff in December 2007. In January 2008, the Company submitted the appeal application to the relevant PRC court. In May 2008, the Company and the main contractor entered into a mutual agreement to withdraw from the litigation by settling a reasonable amount. But in early September 2008, the main contractor applied through the relevant China court to demand the Company settle the retainer fee due being RMB550,000 together with penalty. On 10 September 2008, the Company submitted a counterclaim to the relevant court counterclaiming the contractor breach of the subject agreement and is pending decision from the court.

In addition, Techwayson Industrial Limited ("TIL"), a major subsidiary (as defined under the Listing Rules) of the Company is in the best efforts to negotiate with the Bank of China, Shenzhen branch to finalise the terms of the debt-restructuring proposal on the RMB74,734,000 loan of the Shenzhen subsidiary and the RMB60,700,000 guaranteed loan.

On 17 July 2008, TIL received a writ of summons issued by the Intermediate People's Court, Shenzhen City, the PRC, in respect of a claim of approximately RMB22 million made by an independent third party (the "Party") against TIL, for a guarantee alleged to have been given by TIL in favour of the Party in November 2005. TIL has appointed a firm of PRC legal counsel to assist in the gathering of information and the investigation into the circumstances giving rise to the claim. The said firm of PRC legal counsel has defended the questionable claim during the court hearing late last year and is waiting for the court's judgment.

On November 2008, TIL (as plaintiff), brought a civil claim (the "Claim") against 上海天可華能源科技有限公司 (Shanghai Tian Ke Hua Power Technology Co., Ltd.* ("Tian Ke Hua") and 西安盈豐科技股份有限公司 (Xi'an Ying Feng Technology Co., Ltd*) ("Ying Feng") (both Tian Ke Hua and Ying Feng are defendants) for, inter alia, breach of contracts in respect of payment of service fees for certain construction works performed by TIL in the People's Republic of China.

On 21 April 2009, a judgment (the "Judgment") in respect of the Claim was handed down by 上海市第一中級人民法院 (First Intermediate People's Court of Shanghai*) which was received by the Company on 7 May 2009. According to the Judgment, TIL was awarded the outstanding service fees of RMB14,860,000 (equivalent to approximately HK$16,886,000) together with liquidated damages calculated at the rate of 0.001 per day.

Tian Ke Hua filed a notice of appeal (the "Appeal") against the Judgment with 上海市高級人民法院 (Higher People's Court of Shanghai*) within the time limit for appeal stated under the Civil Procedure Law of the PRC on 14 May 2009. To the knowledge and information of the directors of the Company, the date of hearing of the Appeal has not been decided as at the date of this announcement.

The Company has already made provision to write off the outstanding service fees which should be paid by Tian Ke Hua and Ying Feng in the consolidated financial statements of the Group (the "Group") for the year ended 30 June 2008. The Directors expect that there will not be any immediate financial effect on the Group's earnings, net assets and liabilities.

On 20 October 2009, the Company received a writ of summons from Ying Feng. Ying Feng (as plaintiff) brought a civil claim at 山西省長治市中級人民法院 (Intermediate People's Court of Changzhi City, Shanxi Province*) against TIL, (as defendant), for damages of approximately RMB6,970,000 (equivalent to approximately HK$7,920,000) in respect of product liability arising from defects in the programmable logic controllers system used in 長鋼 blast furnace top gas recovery turbine unit project ("TRT") (Changgang TRT project*) designed and manufactured by TIL. Hearing has been scheduled for 25 November 2009.

TIL have decided to defend against the claim and will seek legal advice in respect of the merits of the claim. The directors of the Company expect that there will not be any immediate adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.

PROSPECTS

In order to overcome the adverse impact of the financial tsunami, both the Hong Kong and PRC Governments have launched various measures to improve the economy. As such, both the Hong Kong and PRC property markets have achieved a significant rebound due to the combined positive results of a stimulus fiscal policy, an eased monetary policy and much improved liquidity.

Whilst the Group will continue to explore business opportunities in Technology and Trading, we are optimistic about the long-term development of the property market in PRC which showed steady growth in terms of sales volume and selling price. Therefore the Group will focus on how to strategically increase our property investment in PRC, especially in Zhuhai since with the strong support of the Zhuhai Municipal Government to strengthen the environment and infrastructure, such as the bridge that connects Hong Kong, Zhuhai and Macau (which will start construction by the end of 2009), the light railway connecting Zhuhai and Guangzhou etc., it is expected that demand for residential/commercial property in Zhuhai will continue to grow in the coming years.

Furthermore, the Company proposed to change its name in order to better reflect the Company's new emphasis on property investment and management. Also, in order to strengthen the management of the recent major acquisitions in Zhuhai and to explore good investment opportunities, the Company is planning to establish a wholly-owned project investment company in Zhuhai and set up a team of property management professionals to manage our property projects.

With the recent major acquisitions and reorganisation of our management focus, the Company is confident to achieve its objective to enhance operation performance and profitability of the Group and generate satisfactory returns for the shareholders.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 30 June 2009 (2008: Nil).

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the code provisions and, where applicable, the recommended practices of the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 30 June 2009, except for the deviation of the Code Provision A.3.2 and breach of rule 3.10(1) of the Listing Rule which requires that every board of director of a listed company must include at least three independent non-executive directors. During the period under review, the Board had only 2 independent non-executive Directors since 28 November 2008 as Mr. Ng Kwok Chu Winfield has retired on 28 November 2008 and did not offer himself for re-election as independent non-executive Director. But on 31 December 2008, the Company has appointed a new independent non-executive Director, therefore with effect from 31 December 2008, the Company has complied the Code Provision A.3.2 and the rule 3.10(1) of the Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. The audit committee currently comprises Mr. POON Lai Yin, Michael (Chairman), Mr. CHONG Yiu Chik and Mr. CHOI Kai Ming, Raymond. The audit committee has reviewed and discussed with the management and the external auditors financial reporting matters including the annual results for the year ended 30 June 2009.

AUDITORS

Grant Thornton was auditors of the Company for the year ended 30 June 2007 and resigned as auditors of the Company on 12 August 2008.

SHINEWING (HK) CPA Limited ("SHINEWING") was appointed as auditors of the Company on 8 September 2008 and the consolidated financial statements for the two years ended 30 June 2008 and 2009 was audited by SHINEWING.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.quaypoint.com.hk. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the shareholders for their continuous support to the Company and extend my appreciation to all management and staff members for their contribution and dedication throughout the year.

By Order of the Board
The Quaypoint Corporation Limited
Chen Xian
Chairman

Hong Kong, 27 October 2009

RESULTS

The board of directors (the "Board") of The Quaypoint Corporation Limited (the "Company") is pleased to present the audited consolidated financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2009, together with the audited comparative figures for the corresponding year in 2008.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2009

	Notes	**2009** ***RMB'000***	2008 *RMB'000*
Turnover	5	**287,780**	152,826
Cost of sales		**(274,808)**	(129,115)
Gross profit		**12,972**	23,711
Other operating income	5	**8,267**	977
Selling and distribution costs		**(471)**	(4,096)
Administrative expenses		**(15,101)**	(32,563)
Bad debts directly written off		**—**	(4,871)
Change in fair value of investment properties		**(8,240)**	10,467
Impairment loss recognised in respect of inventories		**—**	(2,124)
Impairment loss recognised in respect of trade receivables		**(413)**	(21,588)
Provision for claims		**—**	(60,700)
Loss on disposal of a subsidiary and associates		**—**	(9,349)
Finance costs	6	**(15,561)**	(12,219)
Loss before taxation		**(18,547)**	(112,355)
Income tax expense	8	**—**	(267)
Loss for the year	9	**(18,547)**	(112,622)
Attributable to:			
Equity holders of the Company		**(18,547)**	(112,622)
Minority interests		**—**	—
		(18,547)	(112,622)
Loss per share			
Basic	10	**RMB4.33 cents**	RMB26.41 cents
Diluted	10	**N/A**	N/A

CONSOLIDATED BALANCE SHEET

At 30 June 2009

	Notes	2009 RMB'000	2008 RMB'000
Non-current assets			
Property, plant and equipment		**19,858**	19,270
Investment properties		**167,765**	175,768
Prepaid lease payments		**17,675**	17,986
Interests in associates		**—**	—
Available-for-sale investments		**—**	—
		205,298	213,024
Current assets			
Trade and other receivables	11	**14,887**	38,854
Prepaid lease payments		**397**	391
Held-to-maturity investments		**—**	—
Financial assets at fair value through profit or loss		**565**	420
Bank balances and cash			
— pledged		**12,584**	12,289
— unpledged		**13,289**	14,422
		41,722	66,376
Current liabilities			
Trade and other payables	12	**55,837**	57,512
Provision for claims	13	**60,700**	65,941
Bank borrowings — repayable within one year		**107,478**	112,552
		224,015	236,005
Net current liabilities		**(182,293)**	(169,629)
		23,005	43,395
Capital and reserves			
Ordinary share capital	14	**44,031**	43,987
Convertible redeemable preference shares		**184,653**	184,653
Reserves		**(216,958)**	(197,805)
Equity attributable to equity holders of the Company		**11,726**	30,835
Minority interests		**—**	—
Total equity		**11,726**	30,835
Non-current liabilities			
Bank borrowings — due after one year		**11,279**	12,560
		23,005	43,395

Notes:

1. **GENERAL**

The Company is incorporated in the Cayman Islands as an exempt company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The functional currency of the Company and its subsidiaries (the "Group") established in Hong Kong is Hong Kong dollars ("HK$"). The functional currency of the subsidiaries established in the People's Republic of China (the "PRC") is Renminbi ("RMB"). For the presentation of the consolidated financial statements, the Group adopted RMB as its presentation currency.

The principal activities of the Group are:

i) Design, supply and integration of automation and control system

ii) Trading of automation products and electronic components

iii) Property investment

iv) Trading of mobile modules

2. **BASIS OF PREPARATION**

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

As at 30 June 2009, the Group reported net current liabilities of approximately RMB182,293,000. The condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liability in the normal course of business. Nevertheless, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 30 June 2009 given that:

(i) the directors of the Company anticipates that the Group will generate positive cash flows from its future operations;

(ii) the Group is still in negotiations with respective banks concerning a restructuring of the guarantee provision of RMB60,700,000 and a short-term bank borrowings of RMB74,734,000. The directors of the Company are of the opinion that negotiations will be concluded successfully and full repayment in the short to medium-term will not be required; and

(iii) if necessary, in order to meet the Group's funding requirements the directors of the Company will consider to raise funds by way of issuing additional equity and/or debt securities.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to the consolidated financial statements to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. **BASIS FOR DISCLAIMER OF OPINION**

Fundamental uncertainties relating to the going concern basis

As explained in Note 2 to the consolidated financial statements, which indicates that the Group incurred a consolidated loss attributable to equity holders of the Company of approximately RMB18,547,000 for the year ended 30 June 2009 and had a consolidated net current liabilities of approximately RMB182,293,000 as at 30 June 2009, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the positive cash flows expected to be generated from the Group's future operations, successful outcome of the Group's current negotiations with its bank creditors and obtain new working capital in order for the Group to meet its financial obligation as they fall due and to finance its future working capital and financial requirements.

The consolidated financial statements do not include any adjustments that would result from a failure to obtain such support and working capital. We consider that appropriate disclosures have been made. However, the uncertainty surrounding the outcome of these negotiations raises significant doubt about the Group's ability to continue as a going concern.

Should the Group be not able to continue its business as a going concern, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities, write down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments.

Disclaimer of opinion: disclaimer on view given by the consolidated financial statements

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 30 June 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the HKICPA which are or have become effective.

Hong Kong Accounting Standard ("HKAS") 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) — Interpretation ("INT") 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) — INT 12	Service Concession Arrangements
HK(IFRIC) — INT 13	Customer Loyalty Programmes
HK(IFRIC) — INT 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Cost[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 (Revised)	First-time Adoption of HKFRS[4]
HKFRS 1 (Amendment)	First-time Adoption of HKFRS[5]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[5]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) — INT 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) — INT 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) — INT 17	Distribution of Non-cash Assets to Owners[4]
HK(IFRIC) — INT 18	Transfers of Assets from Customers[7]

[1] Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.

[2] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.

[3] Effective for annual periods beginning on or after 1 January 2009.

[4] Effective for annual periods beginning on or after 1 July 2009.

[5] Effective for annual periods beginning on or after 1 January 2010.

[6] Effective for annual periods beginning on or after 1 October 2008.

[7] Effective for transfers of assets from customers received on or after 1 July 2009.

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

5. TURNOVER AND OTHER OPERATING INCOME

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and discounts and sales related taxes.

An analysis of the Group's turnover for the year is as follows:

	2009 ***RMB'000***	2008 *RMB'000*
Turnover		
Sales of automation products and electronic components	**273,880**	102,289
Sales of natural resources	**—**	39,588
Gross rental income from investment properties *(Note a)*	**13,900**	10,949
	287,780	152,826
Other operating income		
Change in fair value on financial assets at fair value through profit or loss	**143**	—
Exchange gain, net	**891**	—
Gain on disposal of property, plant and equipment	**—**	56
Interest income	**242**	671
Reversal of bad debts directly written off	**2,520**	—
Reversal of impairment loss recognised in respect of inventories *(Note b)*	**1,193**	—
Reversal of impairment loss recognised in respect of other receivables	**442**	—
Reversal of impairment loss recognised in respect of trade receivables	**1,767**	—
Waiver of trade and other payables	**897**	—
Sundry income	**172**	250
	8,267	977
Total revenues	**296,047**	153,803

Notes:

(a) An analysis of the Group's net rental income is as follows:

	2009	2008
	RMB'000	*RMB'000*
Gross rental income from investment properties	**13,900**	10,949
Less: Outgoings (included in cost of sales)	**(2,300)**	(1,821)
Net rental income from investment properties	**11,600**	9,128

(b) During the year, certain impaired inventories were sold at a gross profit. As a result of the impairment of inventories of approximately RMB1,193,000 (2008: Nil) has been recognised and included in the consolidated income statement for the year ended 30 June 2009.

6. FINANCE COSTS

	2009	2008
	RMB'000	*RMB'000*
Interest expenses on:		
— bank overdraft	**3**	9
— trust receipt loan	**145**	—
— bank borrowings wholly repayable within 5 years	**15,065**	12,023
— bank borrowings not wholly repayable within 5 years	**348**	187
	15,561	12,219

7. SEGMENT INFORMATION

For management purposes, the Group is currently organised into three operating divisions — technology, trading and property investment. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Technology	—	Provision of technical and consultancy services including the provision of automation products on a project basis.
Trading	—	Trading of natural resources, automation products and electronic components.
Property investment	—	Rental income arising from investment properties situated in the PRC and in Hong Kong.

(a) Primary reporting format — business segments

For the year ended 30 June

	Technology		Trading		Property investment		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Turnover	—	—	**273,880**	141,877	**13,900**	10,949	**287,780**	152,826
Segment results	**2,520**	(14,847)	**(2,387)**	(81,275)	**3,854**	19,006	**3,987**	(77,116)
Interest income							**242**	671
Unallocated income and expenses							**(7,215)**	(23,691)
Finance costs							**(15,561)**	(12,219)
Loss before taxation							**(18,547)**	(112,355)
Income tax expense							—	(267)
Loss for the year							**(18,547)**	(112,622)
As at 30 June								
Segment assets	—	8,000	**30,663**	41,948	**189,396**	197,156	**220,059**	247,104
Unallocated corporate assets							**26,961**	32,296
Total assets							**247,020**	279,400
Segment liabilities	—	—	**13,155**	16,081	**3,232**	3,748	**16,387**	19,829
Unallocated corporate liabilities							**218,907**	228,736
Total liabilities							**235,294**	248,565

For the year ended 30 June

	Technology		Trading		Property investment		Unallocated		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Other segment information:										
Amortisation of prepaid lease payments	**—**	—	**6**	6	**391**	103	**—**	—	**397**	109
Bad debts directly written off	**—**	4,847	**—**	24	**—**	—	**—**	—	**—**	4,871
Capital expenditure	**—**	—	**—**	739	**2,616**	23,756	**513**	396	**3,129**	24,891
Change in fair value of investment properties	**—**	—	**—**	—	**8,240**	(10,467)	**—**	—	**8,240**	(10,467)
Change in fair value of financial assets at fair value through profit or loss	**—**	—	**—**	—	**—**	—	**(143)**	765	**(143)**	765
Depreciation of property, plant and equipment	**—**	—	**1,680**	1,110	**—**	—	**341**	245	**2,021**	1,355
Loss (gain) on disposal of property, plant and equipment	**—**	—	**405**	(56)	**—**	—	**—**	—	**405**	(56)
Impairment loss recognised in respect of trade receivables	**—**	10,000	**413**	11,588	**—**	—	**—**	—	**413**	21,588
Impairment loss recognised in respect of other receivables	**—**	—	**84**	1,103	**—**	—	**—**	5	**84**	1,108
Impairment loss recognised in respect of inventories	**—**	—	**—**	2,124	**—**	—	**—**	—	**—**	2,124
Loss on disposal of a subsidiary and associates	**—**	—	**—**	—	**—**	—	**—**	9,349	**—**	9,349
Provision for claims	**—**	—	**—**	—	**—**	—	**—**	60,700	**—**	60,700
Reversal of bad debts directly written off	**(2,520)**	—	**—**	—	**—**	—	**—**	—	**(2,520)**	—
Reversal of impairment loss recognised in respect of inventories	**—**	—	**(1,193)**	—	**—**	—	**—**	—	**(1,193)**	—
Reversal of impairment loss recognised in respect of trade receivables	**—**	—	**(1,767)**	—	**—**	—	**—**	—	**(1,767)**	—
Reversal of impairment loss recognised in respect of other receivables	**—**	—	**(442)**	—	**—**	—	**—**	—	**(442)**	—
Wavier of trade and other payables	**—**	—	**(897)**	—	**—**	—	**—**	—	**(897)**	—
Written off of property, plant and equipment	**—**	—	**—**	—	**—**	—	**—**	130	**—**	130

(b) Secondary reporting format — Geographical segments

For the two years ended 30 June 2009 and 2008, over 90% of the Group's revenue and assets are derived from customers and operations based in the PRC including Hong Kong and accordingly, no further analysis of the Group's geographical segments is disclosed.

8. INCOME TAX EXPENSE

	2009	2008
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
— Current tax	**—**	267

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the two years ended 30 June 2009 and 2008.

Hong Kong Profits Tax has not been provided for in the consolidated financial statements as the Group has sufficient tax losses brought forward to offset against the assessable profits for the two years ended 30 June 2009 and 2008.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 issued by the Tenth National People's Congress. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations changed the tax rate for the current period. The New Law provided a five-year transition period from 1 January 2008 for those subsidiaries which were established before the promulgation date of the New Law and which are entitled to a preferential lower tax rate under the effective tax laws or regulations and hence the 25% tax rate will only be applicable to certain subsidiaries after the expiry of tax holidays and concessions.

The Group's subsidiaries enjoyed a reduced tax rate of 15% in 2007, the transitional tax rates are 18%, 20%, 22%, 24% and 25% in 2008, 2009, 2010, 2011, 2012 and onwards, respectively.

9. LOSS FOR THE YEAR

	2009	2008
	RMB'000	*RMB'000*
Loss for the year has been arrived at after charging (crediting):		
Staff cost (including directors' emoluments):		
Salaries, wages and other benefits in kind	**4,696**	13,864
Share-based payment	**—**	2,913
Retirement benefit scheme contributions	**132**	261
	4,828	17,038
Amortisation of prepaid lease payments	**397**	109
Auditors' remuneration	**735**	702
Change in fair value of financial assets at fair value through profit or loss	**(143)**	765
Cost of inventories	**274,808**	129,115
Depreciation of property, plant and equipment	**2,021**	1,355
Impairment loss recognised in respect of other receivables	**84**	1,108
Net foreign exchange (gain) loss	**(891)**	369
Operating lease rentals of premises	**—**	1,053
Operating lease rentals of equipment	**15**	15
Loss on disposal of property, plant and equipment	**405**	—
Written off of property, plant and equipment *(Note)*	**—**	130

Note: The amount represented the write off of property, plant and equipment for the year ended 30 June 2008 (2009: Nil) due to the relocation of the Group's head office.

10. LOSS PER SHARE

The calculation of basic loss per share for the year ended 30 June 2009 is based on the consolidated loss attributable to equity holders of the Company of approximately RMB18,547,000 (2008: consolidated loss attributable to equity holders of the Company of approximately RMB112,622,000) and the weighted average number of 428,731,000 shares (2008: 426,494,590 shares) in issue during the year.

No diluted loss per share is presented for the year ended 30 June 2009 and 2008 as the effect of the exercise of the Company's outstanding share options and convertible redeemable preference shares was anti-dilutive.

11. TRADE AND OTHER RECEIVABLES

	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**26,120**	45,727
Less: Impairment loss recognised	**(14,707)**	(21,588)
	11,413	24,139
Prepayments, deposits and other receivables	**4,164**	15,823
Less: Impairment loss recognised	**(690)**	(1,108)
	14,887	38,854

Customers are normally required to settle the debts within one to two months upon issue of invoices, except for certain well established customers where the terms are extended to two to three months.

An aged analysis of trade receivables, net of impairment loss recognised is as follow:

	2009 *RMB'000*	2008 *RMB'000*
0–60 days	**419**	7,939
61–90 days	**—**	—
91–365 days	**—**	7,200
Over 365 days	**10,994**	9,000
	11,413	24,139

As at 30 June 2008, included in the balance with age over 365 days was an amount overdue from a debtor of RMB18,000,000. On 20 June 2008, a PRC subsidiary of the Group entered into a settlement agreement with the debtor. Pursuant to the settlement agreement, the overdue amount would be fully settled on or before 20 October 2008. Up to the date of approval of the consolidated financial statements for the year ended 30 June 2008, a total of RMB8,000,000 was received. The unpaid balance of RMB10,000,000 was fully provided for the year ended 30 June 2008 due to the expiry of the respective terms stated in the settlement agreement.

Included in other receivables for the year ended 30 June 2008 was consideration receivable of approximately RMB5,463,000 in relation to disposal of a subsidiary. The amount was fully settled during the year ended 30 June 2009.

12. TRADE AND OTHER PAYABLES

	2009 *RMB'000*	2008 *RMB'000*
Trade and bills payables	**7,589**	18,016
Accrued interest	**39,154**	25,692
Accrued expenses and other payables	**9,094**	13,804
	55,837	57,512

An aged analysis of trade and bills payables is as follows:

	2009 *RMB'000*	2008 *RMB'000*
0–60 days	**733**	12,253
61–90 days	**—**	312
91–365 days	**280**	—
Over 365 days	**6,576**	5,451
	7,589	18,016

13. PROVISION FOR CLAIMS

	2009 *RMB'000*	2008 *RMB'000*
At 1 July	**65,941**	10,441
Additional provision during the year	**—**	60,700
Settlement during the year	**(5,241)**	(5,200)
At 30 June	**60,700**	65,941

(a) As at 30 June 2008, provision for claims included an amount of approximately RMB5,241,000 (2009: Nil) set aside in respect of alleged guarantees which are said to be issued by a PRC subsidiary of the Company. Under the preliminary settlement agreement with the bank (the "Bank"), the Group has agreed to settle the amount and to pledge its leasehold buildings and investments properties in the PRC as a security. The Group has settled approximately RMB5,241,000 during the year ended 30 June 2009.

(b) As at 30 June 2009, the Group's remaining provision for claims of approximately RMB60,700,000 (2008: RMB60,700,000) was in respect of a claim made in 2008. In 2008, another branch office of the Bank made a claim against a PRC subsidiary of the Company under a corporate guarantee allegedly provided by the subsidiary to the Bank in respect of a third party. A judgment was made by the relevant court on the litigation in favour of the Bank.

On 23 October 2007, the PRC subsidiary and the Bank entered into a non-binding memorandum of understanding ("MOU") under which both parties agreed that the aggregate principal and interests of the amount of approximately RMB60,700,000 would be restructured into a term of not less than 1 year and not more than 3 years against the pledge of the Group's leasehold buildings and investment properties in the PRC (to be secured under the above guarantee provisions of approximately RMB60,700,000 and the bank loan of approximately RMB74,700,000 as at 30 June 2009 (2008: RMB80,700,000) and certain amount of accrued interest would be waived.

Although the formal execution of the security and final settlement agreements for the guarantee provision of approximately RMB60,700,000 have not yet been finalised. Up to the date of approval of these consolidated financial statements, the Bank have not demanded immediate repayment. The Group is still in the process of negotiating with the Bank to finalise the terms of the settlements and considers there is no immediate liquidity difficulty.

14. ORDINARY SHARE CAPITAL

Ordinary share of HK$0.10 each

	Notes	**Number of shares** *'000*	*HK$'000*	**Equivalent to** *RMB'000*
Authorised:				
At 1 July 2007		1,000,000	100,000	106,000
Increase of share capital	(a)	2,000,000	200,000	175,070
At 30 June 2008 and 30 June 2009		3,000,000	300,000	281,070
Issued and fully paid:				
At 1 July 2007		350,000	35,000	37,100
Issue of shares upon private placing	(b)	70,000	7,000	6,127
Issue of shares upon exercise of share options	(c)	8,680	868	760
At 30 June 2008		428,680	42,868	43,987
Issue of shares upon exercise of share options	(d)	500	50	44
At 30 June 2009		429,180	42,918	44,031

Notes:

(a) Pursuant to an ordinary resolution passed in the annual general meeting on 30 November 2007, the authorised share capital of the Company is increased from HK$100,000,000 to HK$300,000,000 (equivalent to RMB281,070,000) by the creation of 2,000,000,000 additional shares of HK$0.10 each ranking pari passu in all respects with the then existing shares of the Company.

(b) On 9 July 2007, the Company issued 70,000,000 new ordinary shares by private placing at an issue price of HK$0.30 each. The shares issued rank pari passu in all respects with the then existing shares of the Company.

(c) During the year ended 30 June 2008, 8,680,000 share options were exercised. The shares issued rank pari passu in all respects with the then existing shares of the Company.

(d) On 25 May 2009, 500,000 share options were exercised. The shares issued rank pari passu in all respect with the existing shares of the Company.

15. COMMITMENTS UNDER OPERATING LEASES

The Group as lessor

Property rental income earned during the year was approximately RMB11,600,000 (2008:RMB9,128,000). The investment properties generated rental yields of 6.91% (2008: 5.19%) on an ongoing basis. The investment properties held have committed tenants for the next one to five years (2008: two to five years).

At the balance sheet date, the Group had contracted with tenants for the following minimum lease payments:

	2009 *RMB'000*	2008 *RMB'000*
Within one year	**11,951**	7,475
In the second to fifth years inclusive	**8,182**	3,339
	20,133	10,814

The Group as lessee

The Group leases certain of its equipment under operating leases arrangements. Leases are negotiated for a term ranging from two to five years (2008: two to five years) and rentals are fixed. None of the leases includes contingent rentals and terms of renewal were established in the leases.

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

	2009	2008
	RMB'000	*RMB'000*
Within one year	**15**	15
In the second to fifth years inclusive	**14**	29
	29	44

16. PLEDGE OF ASSETS

At the balance sheet date, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

	2009	2008
	RMB'000	*RMB'000*
Property, plant and equipment	**2,745**	2,787
Investment properties	**40,765**	44,468
Prepaid lease payments	**17,811**	18,110
Bank deposits	**57**	1,017
Time deposits	**12,527**	11,272
	73,905	77,654

In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

As at the date of this announcement, the executive Directors are Mr. Chen Xian, Mr. Tsim Sze Hon, Mr. Lau Sai Chung and Mr. Xiong Jianrui; the non-executive Director is Ms. Xia Dan and the independent non-executive Directors are Mr. Poon Lai Yin, Michael, Mr. Chong Yiu Chik and Mr. Choi Kai Ming, Raymond.

This announcement will remain on the "Latest Company Announcements" page of the website of the Stock Exchange and the website of the Company for at least 7 days from the date of its posting.

* *For identification purposes only*