GLOBAL TECH (HOLDINGS) LIMITED
耀科國際（控股）有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 143)

ANNUAL RESULTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

The board of directors (the "Board") of Global Tech (Holdings) Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 September 2008, together with the comparative figures, as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 30 September 2008

	Notes	2008 HK$'000	2007 HK$'000 (Restated)
Turnover	4	**676,356**	1,315,279
Cost of sales		**(738,652)**	(1,264,707)
Gross (loss)/profit		**(62,296)**	50,572
Other revenue		**2,873**	8,694
Other income		**411**	1,776
Realised gain on disposal of available-for-sale financial assets		**-**	31,165
Selling and distribution expenses		**(21,135)**	(32,121)
Administrative expenses		**(85,725)**	(107,652)
Other operating expenses		**(1,975)**	(184)
Loss from operations	6	**(167,847)**	(47,750)
Finance costs	7	**(3,585)**	(1,886)
Loss before taxation		**(171,432)**	(49,636)
Taxation	8	**12**	165
Loss for the year		**(171,420)**	(49,471)
Dividends	9	**-**	-
Loss per share attributable to equity holders of the Company			
Basic and diluted	10	**HK$(0.033)**	HK$(0.009)

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

At 30 September 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Investment property		**12,000**	12,000
Property, plant and equipment		**3,983**	4,311
Intangible assets		**29,381**	36,341
Available-for-sale financial assets		**12,301**	12,301
		57,665	64,953
Current assets			
Inventories		**3,668**	100,370
Trade receivables	11	**44,967**	152,095
Prepayments, deposits and other receivables		**9,055**	33,986
Financial assets at fair value through profit or loss		**5,761**	3,116
Pledged time deposits		**106,360**	75,204
Cash and bank balances		**8,217**	81,721
		178,028	446,492
Current liabilities			
Trade payables	12	**7,652**	83,608
Accrued charges and other payables		**22,502**	49,891
Tax payable		**52,535**	52,535
Bank borrowings – secured		**61,863**	62,667
Obligation under finance lease – due within one year		**-**	42
		144,552	248,743
Net current assets		**33,476**	197,749
Total assets less current liabilities		**91,141**	262,702
Non-current liabilities			
Deferred tax liabilities		**504**	534
Net assets		**90,637**	262,168
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital		**51,659**	51,659
Reserves		**38,978**	210,509
Total equity		**90,637**	262,168

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention, as modified for the revaluation of certain financial assets at fair value through profit or loss and investment property which are stated at their fair values. The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the application of the Group's accounting policies.

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

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 October 2007. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKAS 1 (Amendment)	Capital Disclosures
HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HKFRS 7	Financial Instruments – Disclosures
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

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 applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1(Amendment) and HKFRS 7 has been presented for the first time in the current year.

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Item[3]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Share-based payment – Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 12	Service Concession Arrangements[4]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[6]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, which is effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 January 2009
3 Effective for annual periods beginning on or after 1 July 2009
4 Effective for annual periods beginning on or after 1 January 2008
5 Effective for annual periods beginning on or after 1 July 2008
6 Effective for annual periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combinations for which the acquisition date is 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 parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The management is in the process of making an assessment of the impact of the above new standards, amendments or interpretations.

4. TURNOVER

The principal activities of the Group are (i) trading of telecommunications products; (ii) provision of repair services of telecommunications products; and (iii) investments in financial assets.

An analysis of turnover is as follows:

	2008 HK$'000	2007 HK$'000 (Restated)
Sales of goods	**690,724**	1,306,391
Provision of repair services	**8,384**	4,125
(Loss)/gain from financial assets at fair value through profit or loss, net #	**(22,752)**	4,763
	676,356	1,315,279

Financial assets at fair value through profit or loss represents the sale of financial assets at fair value through profit or loss of approximately HK$16,738,000 (2007: HK$57,723,000) less the cost of sales which comprise (i) the cost of financial assets at fair value through profit or loss of approximately HK$18,730,000 (2007: HK$53,001,000), and (ii) the decrease in fair value change on financial assets at fair value through profit or loss of approximately HK$20,760,000 (2007: increase in HK$41,000), respectively.

Notes:

In the prior year's financial statements, the Group separately presented the proceeds from the sale of financial assets at fair value through profit or loss as "turnover"; the cost of financial assets at fair value through profit or loss as "cost of sales"; and the fair value changes on financial assets at fair value through profit or loss and realised gain on disposals of available-for-sale financial assets as "investment income, net".

During the current year, the Group restated the gain/loss on sales of financial assets and fair value changes on financial assets at fair value through profit or loss as "turnover" on the net basis and solely disclose the gain on disposals of available-for sale financial assets in a separate line.

The change in presentation has had no impact to the loss for the year attributable to equity holders of the Company for the year ended 30 September 2007.

5. SEGMENT INFORMATION

The Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Business segments

During the year ended 30 September 2008, the Group was principally engaged in (i) trading of telecommunications products; (ii) provision of repair services of telecommunications products; and (iii) investments in financial assets.

Segment information about these businesses for the years ended 30 September 2008 and 2007 is as follows:

	Trading of tele-communications products 2008 HK$'000	**Provision of repair services of tele-communications products 2008 HK$'000**	**Investments in financial assets 2008 HK$'000**	**Consolidated 2008 HK$'000**
Turnover	**690,724**	**8,384**	**(22,752)**	**676,356**
Segment results	**(123,020)**	**(2,889)**	**(6,816)**	**(132,725)**
Unallocated expenses				**(35,122)**
Finance costs				**(3,585)**
Loss before taxation				**(171,432)**
Taxation				**12**
Loss for the year				**(171,420)**

5. SEGMENT INFORMATION (continued)

	Trading of tele-communications products 2007 HK$'000	Provision of repair services of tele-communications products 2007 HK$'000	Investments in financial assets 2007 HK$'000 (Restated)	Consolidated 2007 HK$'000 (Restated)
Turnover	1,306,391	4,125	4,763	1,315,279
Segment results	(47,374)	(4,384)	33,672	(18,086)
Unallocated expenses				(29,664)
Finance costs				(1,886)
Loss before taxation				(49,636)
Taxation				165
Loss for the year				(49,471)

Geographical segments

During the years ended 30 September 2008 and 2007, more than 99% of the Group's turnover, total assets and capital expenditure were derived from and located in Hong Kong and Macau. Therefore, no geographical segment for the respective years is presented.

6. LOSS FROM OPERATIONS

Expenses included in cost of sales, selling and distribution expenses, administrative expenses and other operating expenses are stated after (crediting)/charging:-

	2008 HK$'000	2007 HK$'000
Cost of trading inventories sold	**695,391**	1,194,441
Employee benefit expenses	**45,267**	52,458
Retirement benefit costs	**418**	1,875
Depreciation		
- owned assets	**1,890**	2,105
- leased assets	**35**	35
Amortisation of intangible assets	**6,960**	2,039
Auditors' remuneration	**1,652**	1,679
Loss on disposals of property, plant and equipment	**1,270**	92
Impairment loss recognised in trade receivables	**705**	92
(Reversal)/allowance for obsolete and slow-moving inventories	**(4,413)**	1,713
Operating lease rental in respect of rental premises	**14,505**	16,344

7. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Interest element of finance leases	**3**	9
Interest expenses on secured bank borrowings wholly repayable within five years	**3,582**	1,877
	3,585	1,886

8. TAXATION

	2008 HK$'000	2007 HK$'000
Current tax:		
Hong Kong profits tax:		
Current year	-	-
Over-provision in prior years	-	(165)
Overseas taxation:		
Current year	**18**	-
	18	(165)
Deferred tax:		
Change of tax rate	**(30)**	-
Taxation attributable to the Group	**(12)**	(165)

9. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 September 2008 (2007: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share is based on the loss attributable to equity holders of the Company of approximately HK$171,420,000 (2007: HK$49,471,000) and on 5,165,973,933 (2007: 5,165,973,933) ordinary shares in issue during the year.

No diluted loss per share for the years ended 30 September 2008 and 2007 has been presented as the share options outstanding during the year had an anti-dilutive effect on the basic loss per share for the year.

11. TRADE RECEIVABLES

At the balance sheet dates, the aging analysis of the trade receivables is as follows:

	2008	2007
	HK$'000	HK$'000
Current	**1,634**	195,749
One to three months over due	**2,517**	75,990
More than three months, but less than twelve months over due	**151,759**	217
Over twelve months over due	**10,966**	1,343
	166,876	273,299
Less: Impairment loss recognised in trade receivables	**(121,909)**	(121,204)
	44,967	152,095

12. TRADE PAYABLES

At the balance sheet dates, the aging analysis of the trade payables is as follows:

	2008	2007
	HK$'000	HK$'000
Current and within one month	**1,554**	78,287
One to three months overdue	**794**	5,321
Over three months overdue	**5,304**	-
	7,652	83,608

13. CONTINGENT LIABILITIES

Included in the terms of the sale and purchase agreement in connection with the acquisition of Calaview Assets Limited and Sino Media Group (SMG) Limited ("SMG") (the "Acquired Companies") entered into by the Group in the year 2000, the Group has agreed to pay the vendor an amount of approximately HK$35,000,000 contingent upon successful listing of either one of the Acquired Companies on any recognised stock exchange. Up to the date of approval of these financial statements, the Group has no plan of listing the shares of the Acquired Companies on any recognised stock exchange and SMG has already begun statutory liquidation procedures.

BUSINESS REVIEW AND OUTLOOK

Financial Highlights

For the year ended 30 September 2008, the Group recorded a turnover of approximately HK$676.4 million (2007: HK$1,315.3 million), representing a decrease of approximately 49% over the previous year. This was mainly attributable to the decrease in the trading of telecommunications products, decrease in fair value and the loss in investments at fair value through profit or loss. The performance reflects the effect of the deteriorating global economy on consumer confidence and the business environment in general.

During 2008, polarisation of the low-end and high-end handsets continued. The handset replacement market has been dominated by the introduction of smartphone models usually equipped with advanced functions including large touch-sensitive screens, cameras of higher power, instant Internet access and GPS navigation functions. Sluggish sales of mid-tier handsets indicated that consumers are becoming increasingly technology-savvy and are not content with just a built-in music player or camera. Such trends have inflicted deteriorating sales on traditional handset models.

Besides, as all major economies entered a major slowdown, sales from the trading of telecommunications products during the year therefore further contracted by 47% to approximately HK$690.7 million (2007: HK$1,306.4 million).

The loss from the business segments was deepened by the loss of approximately HK$6.8 million recorded from investment in financial assets segment. Gross loss of approximately HK$62.3 million was resulted during the current year (Gross profit in 2007: HK$50.5 million) due to losses from clearance of obsolete and slow-moving handset models.

The Group's loss from operations for the year increased to approximately HK$167.8 million from approximately HK$47.8 million last year. The Group recorded a loss for the year of approximately HK$171.4 million compared with the loss of approximately HK$49.5 million last year. The widened loss was worsened by the decrease in quantity of handsets sold and the loss from selling out-of-fashioned handset models due to slackened demand as a result of the financial crisis and global credit crunch. Such market challenges were exacerbated by lowered selling prices during the period and the potentially harmful reliance on subsidies by telecommunications operators to sustain handset sales in Hong Kong.

The Hong Kong Market

As in many other parts of the world, 3G accessibility has become the key consideration when acquiring a mobile phone, and smartphones loaded with advanced functions are now the dominant trend. In the case of the replacement market, as revealed in a recent industry survey, 90% of consumers in this segment plan to purchase a smartphone. But in contrast with the situation a few years ago, customers now take a much closer look at the functions on offer. Discreet selection and careful comparison are now the order of the day as a result of the plethora of choices available on the market.

According to market-research firm Synovate, Hong Kong's mobile phone users are acclaimed as the most mobile-savvy across the region, and the latest data from OFTA (Office of the Telecommunications Authority) indicate that the number of mobile accounts in Hong Kong now exceeds 11 million, corresponding to a 160.8% penetration rate, well ahead of corresponding rates in the United States, the United Kingdom, Japan and Korea. This phenomenal growth in subscriber base and handset sales, as exhibited over recent years, is not considered sustainable.

The 3G/3.5G mobile service subscriber rate in Hong Kong grew rapidly from 8% in 2005 to over 21% in 2008, well ahead of most developed countries, including the United Kingdom, Sweden and Singapore. Meanwhile, in May 2008, China launched its long-awaited telecommunications restructuring, in which its six telecommunications operators were to be merged into three mobile service firms. On completion of this process by the end of the year or early 2009, the government will issue 3G licenses. With Hong Kong now equipped with a more mature 3G operating system, preference among mobile phone users will undoubtedly become directive to its Mainland counterpart.

The OFTA study also revealed that Hong Kong has the lowest mobile tariffs. Across the range of pricing packages, Hong Kong ranked the lowest, enabling the city to become one of the highest-performing markets. At the same time, in light of fierce competition among network operators, heavy subsidies continue to be offered, stimulating replacement frequency and the demand for high-end, function-loaded mobile phones. A good example of this phenomenon is the case of the Apple iPhone, which proved a runaway success when launched in Hong Kong. Hutchison Telecommunications International Limited, which has been granted the exclusive rights to distribute the iPhone, recently revealed that iPhone sales were beyond the company's expectations and had directly boosted its service subscription rate.

Although the 3G and smartphone trend has boosted mobile phone sales to a certain extent, the economic and financial crisis spreading across the world has deeply upset the industry. Confidence, lack of which is detrimental to spending, is in short supply these days. Consumer confidence in Hong Kong has touched a record low and also fell off the global top-10-most-optimistic list, according to a survey conducted during September and October by AC Nielsen. With an economy closely interlinked with world demand, it has been impossible for Hong Kong to remain unaffected. As a direct impact of the financial tsunami originating in the West, consumers are now nervously eyeing the current investment market and job prospects, and top priority is being given to savings. But despite increasingly cautious spending sentiment locally, consumers are not entirely holding back from spending and are willing to hunt for good bargains, commented AC Nielsen. There are still business opportunities for companies in the leisure, retail and entertainment sectors, but the property and luxury-goods market will be badly hit, according to the market intelligence service provider.

Similar findings were obtained from another consumer confidence survey, conducted in late October by the Department of Economics of the Chinese University of Hong Kong. This found that consumer confidence in Hong Kong had plummeted to the same level as that recorded during the SARS period in 2003, indicating that consumers are suffering from an acute lack of confidence in the economic outlook. The consumer confidence index also suggested that consumers' pessimistic sentiments will adversely affect domestic demand.

In conclusion, both surveys show no sign of a quick rebound next year and, coupled with a sluggish performance from the export sector, the local economy will most likely enter a period of recession.

A significantly declining number of tourists from the Mainland has also contributed to a troubled retail sector in Hong Kong. Although Hong Kong is still considered the top destination for Mainland tourists, during the recent Golden Week the number of tourist groups travelling to Hong Kong dropped by 20%. At the same time, Mainland tourists are now visiting Hong Kong for the sight-seeing as well as for the shopping, with the result that the shopping spree phenomenon has subsided into a more rational spending pattern.

The United States (US) economy is now in the depths of a recession, as the world finds itself at the very beginning of the process of unwinding a credit and asset-price bubble that has ballooned over several decades. On a brighter note, however, with ongoing co-ordinated government action, some economists expect to see the economic landscape eventually improving. Nevertheless, the local mobile telecommunications sector is expected to face continued unprecedented challenges. In the face of such market volatility and a shrinking economy, our primary objective is to maintain resilience through stringent cost control and realignment of business operations. We will further discuss the Group's strategies in the Prospects and Strategic Outlook section.

Liquidity, Financial and Working Capital Resources

As at 30 September 2008, the Group's total non-current assets were reduced to approximately HK$57.7 million (2007: HK$65.0 million) is mainly due to amortization of intangible assets.

Due to the change in sales model and clearance of slow-moving inventories for the year, inventories decreased to approximately HK$3.7 million as at 30 September 2008 (2007: HK$100.4 million).

As at 30 September 2008, the Group's net trade receivables significantly decreased from approximately HK$152.1 million last year to approximately HK$45.0 million in the current year as a result of an improved monitoring processes and decrease in turnover.

The Group has continued to take measures to optimize its cash-management. As at 30 September 2008, the value of the Group's investment in financial assets amounted to approximately HK$5.8 million (2007: HK$3.1 million).

The Group's cash reserves as at the year end stood at approximately HK$114.6 million (2007: HK$156.9 million), of which approximately HK$106.4 million was pledged as collateral for banking facilities (2007: HK$75.2 million). The current ratio was approximately 1.23 (2007: 1.79) while the liquid ratio was approximately 1.21 (2007: 1.39).

As at 30 September 2008, the total borrowings of the Group, which mainly comprised of bank borrowings, amounted to approximately HK$61.9 million (2007: HK$62.7 million). The bank borrowings were secured by fixed deposits of approximately HK$106.4 million (2007: HK$75.2 million) and investment property with a carrying amount of approximately HK$12.0 million (2007: HK$12.0 million). The gearing ratio, which is expressed as a percentage of total borrowings over total assets, was 26.2% (2007 : 12.3%).

As in previous years and now amidst the waves of the current financial turmoil, the Group will renew its commitment to adopting a conservative cash-management policy.

Currencies

The Group conducts its core business transactions mainly in Hong Kong, New Taiwan and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the year ended 30 September 2008, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivates.

Prospects and Strategic Outlook

As seen in developed markets, smartphones are now must-have accessories for both business and consumer use and make up the fastest growing segment of the handset market.

With soaring demand for smartphones, the pre-loaded operating system has become another hot topic in the mobile industry. Compatibility and upgradability are two of the crucial elements determining the success of a smartphone model. Even traditional brands have started negotiating with operating-system suppliers and in 2009 will launch handsets based on the advanced operating system to complement their existing mobile platforms and to create a new user experience. Mobile brands, big and small, established and new, are swept up in the stampede to grab a share of this bonanza. Manufacturers are now re-allocating their resources to research and development in smartphones, as well as towards mega advertising campaigns.

As demonstrated by the smartphone phenomenon, consumers have become increasingly sophisticated and will not pay a premium for anything other than top-tier models. At the same time, consumers are expected to be extremely discreet and demand genuine bargains in these difficult times. Price cuts are now the sole solution to luring consumers into replacing their old handsets. A global price war among mobile manufacturers is envisaged in the next few quarters as they struggle to support the growth rate.

In light of an unprecedented global financial crisis and a serious economic downturn, coupled with job insecurity and uncertain outlook, consumer spending power will inevitably slacken off. According to market analyses, the mobile market will be hit harder in 2009, especially in developed markets, where consumer demand is slowing in while growth in emerging markets is expected to show a sharp decline from double-digit growth to a 2% rise. No signs of economic recovery will be visible until the final quarter of 2009, according to industry forecasts.

Industry analysts have given out bleak earnings forecasts for handset players as product delays and slowed consumer spending reduced sales. The worsening trend is likely to continue for some time, creating increased risks and uncertainties. Risk will inspire the Group to work even harder and more prudently to closely look at businesses within its portfolio, examining them for industry fit, market trends, long-term contribution and ability to deliver returns. Since the preference of customers have shifted from traditional handsets to fashionable and multi-functions smartphone, and considering the intensifying price competition between products, the Group has taken a step to source new suppliers to maximize the customers' choices between different type, tier, functions and price level of products.

Facing a tough road ahead, and in view of past years' performance, the Group is now under negotiation with its major supplier, targeting to work out a feasible business model, though may substantially decrease the sales of trading of telecommunications products, which will result in a lowered inventories level, but more importantly, may generate profit for the Group. Although the outcome remains uncertain, and even may be unfavourable, the management believes that this is a necessary process for the Group to cope with the market trend and to improve the financial position in the coming future. The management will pledge their best efforts to rationalize the Group's business mix until the operating environment evolves towards higher clarity.

Employee information

As at 30 September 2008, the Group employed a work force of 50 (2007: 98). Staff costs, including salaries and bonuses, were approximately HK$ 45.7 million (2007: HK$54.3 million).

The Group adheres to a competitive remuneration policy to ensure it can motivate and retain existing employees as well as attract potential employees.

The remuneration packages mainly include salary payments, group medical insurance plans and discretionary bonuses awarded on a performance basis. The Group provides pension schemes for employees as part of their staff benefits.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 30 September 2008, the Company has complied with the code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, except for the following deviations:-

1. Code Provision A.2.1

Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and there is a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors). Given the composition of the Board, the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

2. Code Provision A.4.2

Code Provision A.4.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to Article 116 of the articles of association of the Company, all Directors (except the CEO) shall retire by rotation at the annual general meeting of the Company at least once every three years. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the CEO and, therefore, the Board is of the view that the CEO should be exempt from this arrangement at the present time.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audited annual results of the Group for the year ended 30 September 2008 have been reviewed by the Audit Committee of the Company.

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 22 December 2008

As at the date of this announcement, the Board comprises 6 directors, of which 2 are executive directors, namely Mr. SY Ethan, Timothy and Mr. SUNG Yee Keung, Ricky, 1 is a non-executive director, namely Mr. KO Wai Lun, Warren and 3 are independent non-executive directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON.