Armitage Technologies Holding Limited
（萬達資訊科技控股有限公司）*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8213)

INTERIM REPORT
FOR THE PERIOD ENDED
30 SEPTEMBER 2009

* *For identification purpose only*

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This report, for which the directors (the "Directors") of Armitage Technologies Holding Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

- Consolidated turnover for both continuing and discontinued operations (inclusive of hardware sales of HK$1.3 million) at HK$28.3 million was recorded for the reporting period. Excluding hardware sales, turnover decreased by 15% compared with HK$31.6 million recorded for the corresponding period last year.

- Turnover from Hong Kong and the PRC's IT businesses, exclusive of hardware sales, decreased by 15% and 8% respectively over the corresponding period last year.

- Income from discontinued operations, magazine publication, was HK$107,000, representing a decrease of 87% over the corresponding period last year.

- Amortisation of development costs amounted to HK$1.1 million, representing a decrease of 46% over the corresponding period last year.

- Operating expenses decreased by 8% compared with the corresponding period last year was resulted from various cost control schemes implemented by the Group.

- EBITDA from the Group's IT business for the reporting period was HK$2.1 million, representing a decrease of 30% over the corresponding period last year.

- Loss attributed from discontinued operations, magazine publication, was HK$1.3 million, whilst loss from continuing operations was HK$405,000. Overall loss attributable to equity holders of the Company increased to HK$1.7 million (a deterioration of 6% from HK$1.6 million for the corresponding period last year).

INTERIM RESULTS

The board of directors (the "Board") of the Company hereby announces the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the period ended 30 September 2009, together with the comparative unaudited consolidated figures for the corresponding period:

Consolidated Statement of Comprehensive Income (Unaudited)
For the six months ended 30 September 2009

		For the six months ended 30 September		For the three months ended 30 September	
		2009	2008	**2009**	2008
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations					
Turnover	2	**28,212**	31,247	**15,419**	16,403
Cost of sales and services rendered		**(12,126)**	(13,468)	**(6,501)**	(6,745)
Gross profit		**16,086**	17,779	**8,918**	9,658
Other net income/(expense)		**375**	173	**(12)**	109
Operating expenses		**(16,424)**	(17,916)	**(8,811)**	(9,360)
Operating profit		**37**	36	**95**	407
Finance costs	3(a)	**(486)**	(488)	**(241)**	(247)
(Loss)/profit before income tax	3	**(449)**	(452)	**(146)**	160
Income tax credit /(expense)	4	**44**	(29)	**74**	2
(Loss)/profit for the period from continuing operations		**(405)**	(481)	**(72)**	162
Discontinued operations	8				
Loss for the period from discontinued operations		**(1,310)**	(1,160)	**(699)**	(678)
Loss for the period and attributable to equity holders of the Company		**(1,715)**	(1,641)	**(771)**	(516)
Other comprehensive income					
Exchange (loss)/gain arising from translation of foreign operations		**(4)**	763	**(4)**	149
Total comprehensive income for the period and attributable to equity holders of the Company		**(1,719)**	(878)	**(775)**	(367)
Dividend	4	**—**	—	**—**	—

	Note	For the six months ended 30 September 2009 HK$'000	2008 HK$'000	For the three months ended 30 September 2009 HK$'000	2008 HK$'000
(Loss)/earnings per share (HK cents)	5				
From continuing and discontinued operations					
- Basic		**(0.2287)**	(0.2188)	**(0.1028)**	(0.0688)
- Diluted		**N/A**	N/A	**N/A**	N/A
From continuing operations					
- Basic		**(0.0540)**	(0.0641)	**(0.0096)**	0.0216
- Diluted		**N/A**	N/A	**N/A**	N/A

Condensed Consolidated Balance Sheet

As at 30 September 2009

	Note	**At 30 September 2009 *(Unaudited)* *HK$'000***	At 31 March 2009 *(Audited)* *HK$'000*
NON-CURRENT ASSETS			
Plant and equipment		**3,409**	3,980
Trade mark		**74**	76
Goodwill on consolidation		**1,721**	1,721
Development costs		**14,225**	13,669
Club debenture, at cost		**200**	200
Deferred tax		**1,140**	1,096
		20,769	20,742
CURRENT ASSETS			
Financial assets at fair value through profit or loss		**731**	412
Debtors, deposits and prepayments	6	**16,483**	17,110
Pledged time deposits		**9,000**	9,000
Pledged bank balance		**—**	80
Cash and bank balances		**3,767**	3,777
		29,981	30,379
DEDUCT :			
CURRENT LIABILITIES			
Bank overdrafts, secured		**8,931**	11,815
Bank loans, secured		**3,144**	671
Bank loan - factoring arrangement		**1,985**	1,601
Obligation under finance lease		**61**	78
Creditors, accruals and deposits received	7	**8,635**	8,718
		22,756	22,883
NET CURRENT ASSETS		**7,225**	7,496
TOTAL ASSETS LESS CURRENT LIABILITIES		**27,994**	28,238
NON-CURRENT LIABILITIES			
Obligation under finance lease		**—**	21
Bank loans, secured		**3,443**	2,139
NET ASSETS		**24,551**	26,078

	Note	At 30 September 2009 (Unaudited) HK$'000	At 31 March 2009 (Audited) HK$'000
REPRESENTING:			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		**7,500**	7,500
Reserves		**17,051**	18,578
TOTAL EQUITY		**24,551**	26,078

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital	Accumulated losses	Share premium	Special reserve	Exchange reserve	Employee share-based compensation reserve	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2008 (Audited)	7,500	(27,248)	42,836	3,801	1,621	–	28,510
Total comprehensive income for the period	–	(1,641)	–	–	763	–	(878)
At 30 September 2008 (Unaudited)	7,500	(28,889)	42,836	3,801	2,384	–	27,632
At 1 April 2009 (Audited)	7,500	(30,476)	42,836	3,801	2,236	181	26,078
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	192	192
Total comprehensive income for the period	–	(1,715)	–	–	(4)	–	(1,719)
At 30 September 2009 (Unaudited)	**7,500**	**(32,191)**	**42,836**	**3,801**	**2,232**	**373**	**24,551**

Condensed Consolidated Cash Flow Statement

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
NET CASH FROM OPERATING ACTIVITIES	**386**	1,283
NET CASH USED IN INVESTING ACTIVITIES	**(1,637)**	(2,730)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**4,125**	(158)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**2,874**	(1,605)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**(8,038)**	(7,448)
EFFECT OF FOREIGN EXCHANGE RATE CHANGE	**—**	140
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(5,164)**	(8,913)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 30 September 2009	At 30 September 2008
	(Unaudited)	*(Unaudited)*
	HK$'000	*HK$'000*
Cash and bank balances	**3,767**	3,509
Bank overdraft	**(8,931)**	(12,422)
	(5,164)	(8,913)

Notes:

1. Basis of preparation

These unaudited consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and are prepared under historical cost convention as modified by revaluation of financial assets at fair value through profit or loss and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The HKICPA has issued some new HKFRSs, amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Except for the HKAS 1 (revised 2007) - Presentation of financial statements and HKFRS 8-Operating segments, the application of other standards or interpretations did not have material impact on the results and the financial position of the Group.

As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income , if they are recognised as part of profit or loss for the period, or otherwise in the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment Reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was geographical segments.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see Note 10).

Except for the above mentioned, the accounting policies and basis of preparation used in preparing the unaudited consolidated results are consistent with those used in the audited financial statements for the year ended 31 March 2009.

2. Turnover

The Group is engaged in the provision of information solutions and design, development and sales of application software packages. Turnover, for both continuing and discontinued operations, represents revenue recognised in respect of the provision of information solutions and application software packages sold and publishing and advertising income, net of discounts and business tax, during the period. An analysis of the turnover recorded for the period is set out below:

	Continuing operations For the six months ended 30 September		Discontinued operations For the six months ended 30 September		Consolidated total For the six months ended 30 September	
	2009	2008	**2009**	2008	**2009**	2008
	(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*	***(unaudited)***	*(unaudited)*
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Provision of information solutions						
- System development and integration	**12,283**	14,625	**—**	–	**12,283**	14,625
- Maintenance and enhancement income	**408**	586	**—**	–	**408**	586
Sales of application software packages and related maintenance income	**15,521**	16,036	**—**	–	**15,521**	16,036
Publishing and advertising income	**—**	–	**107**	835	**107**	835
	28,212	31,247	**107**	835	**28,319**	32,082

3. (Loss)/profit before income tax

(Loss)/profit before income tax is arrived at after charging:

	Continuing operations For the six months ended 30 September		Discontinued operations For the six months ended 30 September		Consolidated total For the six months ended 30 September	
	2009	2008	**2009**	2008	**2009**	2008
	(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*	***(unaudited)***	*(unaudited)*
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
(a) Finance costs:						
Interests on bank loans, factoring loans and overdraft repayable within five years	**452**	463	**–**	–	**452**	463
Finance charge on obligation under finance lease	**4**	7	**–**	–	**4**	7
Other bank charge	**30**	18	**1**	2	**31**	20
	486	488	**1**	2	**487**	490
(b) Other items:						
Amortisation of development costs	**1,144**	2,128	**–**	–	**1,144**	2,128
Amortisation of trade mark	**2**	2	**–**	–	**2**	2
Depreciation	**431**	427	**12**	12	**443**	439
Less : Amounts capitalised as development costs	**40**	36	**–**	–	**40**	36
	391	391	**12**	12	**403**	403

4. Income tax credit/(expense)

Income tax credit/(expense) in the unaudited consolidated statement of comprehensive income represents:

	Continuing operations For the six months ended 30 September		Discontinued operations For the six months ended 30 September		Consolidated total For the six months ended 30 September	
	2009	2008	**2009**	2008	**2009**	2008
	(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*	***(unaudited)***	*(unaudited)*
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax	**–**	–	**–**	–	**–**	–
Deferred tax	**44**	(29)	**–**	–	**44**	(29)
Income tax credit/(expense)	**44**	(29)	**–**	–	**44**	(29)

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(ii) The Company's subsidiaries incorporated/established in Hong Kong and the People's Republic of China ("PRC") are subject to Hong Kong Profits Tax and PRC Enterprise Income Tax ("EIT") at the rates of 16.5% and 25% respectively. No provision for Hong Kong Profits Tax and EIT has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax and EIT for each of the two periods ended 30 September 2008 and 2009.

(iii) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which was effective on 1 January 2008. As a result of the New Tax Law, the statutory income tax rate adopted by the PRC entities, other than the aforesaid subsidiaries below, changed from 33% to 25% with effect from 1 January 2008.

(a) As approved by the relevant PRC tax authority, Guangzhou Armitage Technologies Limited ("GZATL") was entitled to a two-year exemption from EIT followed by 50% tax exemption for the next three years, commencing from the first cumulative profit-making year in 2007. Therefore, GZATL was exempted from EIT for the fiscal years 2007 and 2008. For the following three fiscal years from 2009 to 2011, GZATL is subject to EIT at the rate of 12.5%. Starting from the fiscal year 2012, GZATL will be subject to EIT at the unified rate of 25% under the transitional arrangement of the New Tax Law.

(b) Armitage Technologies (Shenzhen) Limited ("ATL(SZ)") being engaged in the research and development of IT solutions and provision of customers services was granted a preferential EIT rate of 15%. ATL(SZ) enjoyed preferential policy in the form of reduced tax rate shall have five years from the time when the New Tax Law takes effect to transit progressively to the new statutory tax rate. During this period, ATL(SZ) enjoyed the EIT rate of 15% shall be subject to the 18% tax rate for the year 2008, 20% for the year 2009, 22% for the year 2010, 24% for the year 2011 and 25% for the year 2012.

5. Loss/(earnings) per share

The calculation of basic (loss)/earnings per share for all periods presented is based on the Group's (loss)/profit attributable to the equity holders of the Company and 750,000,000 ordinary shares in issue during all periods.

No diluted (loss)/earnings per share has been presented as no dilutive potential ordinary shares outstanding during the six months ended 30 September 2008 and the three months from 1 July 2008 to 30 September 2008. The potential ordinary shares to be issued upon exercise of the outstanding options under share option scheme are anti-dilutive for the six months ended 30 September 2009 and the three months from 1 July 2009 to 30 September 2009.

6. Debtors, deposits and prepayments

Debtors, deposits and prepayments comprise:

	At 30 September 2009 (Unaudited) ***HK$'000***	At 31 March 2009 (Audited) *HK$'000*
Trade debtors	**15,201**	16,139
Less : Accumulated impairment losses	**(1,738)**	(1,448)
	13,463	14,691
Rental and utility deposits	**362**	506
Prepayments	**1,078**	825
Other debtors	**1,580**	1,088
	16,483	17,110

(a) Aging analysis

The Group allows its customers credit period of normally 30 days to 60 days depending on their creditworthiness. The following is an aging analysis of trade debtors (net of allowance for doubtful debts) at the balance sheet date:

	At 30 September 2009 (Unaudited) ***HK$'000***	At 31 March 2009 (Audited) *HK$'000*
0 - 30 days	**10,576**	11,126
31 - 60 days	**54**	228
61 - 90 days	**809**	732
91 - 180 days	**305**	716
181 - 365 days	**750**	793
Over 1 year	**969**	1,096
	13,463	14,691

(b) As at 30 September 2009, a sum of trade accounts receivables of approximately of HK$2.2 million (at 31 March 2009: HK$1.8 million) has been assigned to a bank with recourse as collateral under factoring arrangement.

(c) The movement of the accumulated impairment losses during the period was as follow:

	At 30 September 2009 (Unaudited) ***HK$'000***	At 31 March 2009 (Audited) *HK$'000*
Beginning of the period	**1,448**	1,380
Impairment loss for the period	**290**	21
Exchange adjustment	**—**	47
End of the period	**1,738**	1,448

(d) Trade debtors that are not impaired

The aging analysis of trade debtors that are not considered to be impaired were as follows:

	At 30 September 2009 (Unaudited) ***HK$'000***	At 31 March 2009 (Audited) *HK$'000*
Neither past due nor impaired	**9,020**	10,857
Past due but not impaired:		
1 - 30 days	**1,556**	269
31 - 60 days	**54**	228
61 - 90 days	**809**	732
91 - 180 days	**305**	716
181 - 365 days	**750**	793
Over 1 year	**969**	1,096
	4,443	3,834
	13,463	14,691

Trade debtors that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Trade debtors that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

7. Creditors, accruals and deposits received

Creditors, accruals and deposits received comprise:

	At 30 September 2009 (Unaudited) ***HK$'000***	At 31 March 2009 (Audited) *HK$'000*
Trade creditors	**2,113**	1,449
Deferred enhancement and maintenance income - *Note*	**1,742**	1,843
Accruals and provisions	**4,550**	5,157
Other creditors	**230**	269
	8,635	8,718

Note :

Deferred maintenance income represents after-sales maintenance service income from customers in respect of system development and integration projects and sales of application software packages. After the completion of the system development project or sales of application software packages, the Group charged its customers the maintenance service fee in advance.

The following is an aging analysis of trade creditors:

	At 30 September 2009 (Unaudited) ***HK$'000***	At 31 March 2009 (Audited) *HK$'000*
0 - 30 days	**1,021**	548
31 - 60 days	**296**	76
61 - 90 days	**13**	—
91 - 180 days	**181**	97
Over 180 days	**602**	728
	2,113	1,449

8. Discontinued operations

The Company passed an ordinary resolution on 1 August 2009 to discontinue all the businesses of magazine publication and provision of advertising services.

The comparative figures for the six months ended 30 September 2008 have been re-presented for the discontinued operations.

a. Loss for the period for the publishing and advertising income was as follow:

	For the six months ended 30 September (Unaudited) 2009 ***HK$'000***	For the six months ended 30 September (Unaudited) 2008 *HK$'000*
Turnover	**107**	835
Cost of sales and services rendered	**(149)**	(575)
Gross (loss)/profit	**(42)**	260
Other income	**1**	—
Operating expenses	**(1,268)**	(1,418)
Operating loss	**(1,309)**	(1,158)
Finance costs	**(1)**	(2)
Loss before income tax	**(1,310)**	(1,160)
Income tax expenses	**—**	—
Loss for the period	**(1,310)**	(1,160)

b. The net cash flows incurred by publishing and advertising income was as follow:

	For the six months ended 30 September 2009 (Unaudited) ***HK$'000***	For the six months ended 30 September 2008 (Unaudited) *HK$'000*
Operating activities	**40**	37
Investing activities	**—**	(55)
Financing activities	**—**	—
	40	(18)

9. RELATED PARTY AND CONNECTED TRANSACTIONS

The Group had the following related party and connected transactions under the GEM Listing Rules during the period:

		For the six months ended 30 September	
		2009	2008
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
(i) Rentals paid to Supercom Investments Limited "(Supercom)"	(a)	**256**	256
(ii) Management fee income from Supercom	(b)	**8**	8
(iii) Management fee income from Kingspecial Investments Limited	(b)	**8**	8

(iv) Pledge of properties of Supercom to secure banking facilities of the Group.

Note:

(a) The transaction was entered into with reference to market rate as appraised by independent professional valuers.

(b) The amounts were predetermined by both parties.

The directors have reviewed the above related party and connected transactions and are of the opinion that these transactions were effected on normal commercial terms (or better to the Group) and in the ordinary course of the business of the Group.

Key management compensation

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Fees for key management personnel	**—**	—
Salaries, allowances and other benefits in kind	**2,835**	3,178
Retirement scheme contributions	**74**	87
Equity-settled share-based payment expenses	**161**	—
	3,070	3,265

10. Segment information

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the Group's board of directors) in order to allocate resources to segments and to assess its performance. In contrast, the predecessor standard, (HKAS 14 "Segment Reporting"), required an entity to identify two sets of segments (business and geographical) using a risks and rewards approach, with the entity's "system of internal financing reporting to key management personnel" serving only as the starting point for identification of such segments.

In the past, the Group's primary reporting format was geographical segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reporting segments as compared with the primary reportable segments determined in accordance with HKAS 14.

(a) The following is an analysis of the Group's revenue and results by operating segment from continuing operations for the period under review:

	Hong Kong For the six months ended 30 September		Mainland China For the six months ended 30 September		Inter-segment For the six months ended 30 September		Consolidated For the six months ended 30 September	
	2009 (Unaudited) *HK$'000*	2008 (Unaudited) *HK$'000*	**2009 (Unaudited) *HK$'000***	2008 (Unaudited) *HK$'000*	**2009 (Unaudited) *HK$'000***	2008 (Unaudited) *HK$'000*	**2009 (Unaudited) *HK$'000***	2008 (Unaudited) *HK$'000*
Turnover	**17,194**	20,061	**11,018**	11,186	**–**	–	**28,212**	31,247
Cost of sales and services rendered	**(9,884)**	(11,185)	**(2,242)**	(2,283)	**–**	–	**(12,126)**	(13,468)
Gross profit	**7,310**	8,876	**8,776**	8,903	**–**	–	**16,086**	17,779
Other income	**360**	153	**15**	4	**–**	–	**375**	157
Operating expenses	**(8,139)**	(9,689)	**(8,285)**	(8,211)	**–**	–	**(16,424)**	(17,900)
Operating (loss)/profit	**(469)**	(660)	**506**	696	**–**	–	**37**	36
Finance costs	**(479)**	(481)	**(7)**	(7)	**–**	–	**(486)**	(488)
(Loss)/profit before income tax	**(948)**	(1,141)	**499**	689	**–**	–	**(449)**	(452)
Income tax (expense)/credit	**22**	(33)	**22**	4	**–**	–	**44**	(29)
(Loss)/profit for the period from continuing operations	**(926)**	(1,174)	**521**	693	**–**	–	**(405)**	(481)
Interest income	**25**	74	**2**	5	**–**	–	**27**	79
Depreciation and amortisation	**904**	1,889	**633**	632	**–**	–	**1,537**	2,521
Capital expenditure incurred during the period	**633**	1,506	**1,084**	1,224	**–**	–	**1,717**	2,730

	Hong Kong At 30 September		Mainland China At 30 September		Inter-segment At 30 September		Reportable Segments At 30 September	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets and total assets	**56,124**	68,683	**22,106**	23,750	**(27,819)**	(38,636)	**50,411**	53,797
Segment liabilities and total liabilities	**(21,800)**	(25,100)	**(21,113)**	(35,949)	**16,762**	34,219	**(26,151)**	(26,830)

(b) The following is the reconciliation of the reportable segments' assets and liabilities to the Group's assets and liabilities:

	Reportable Segments At 30 September		Discontinued Operations At 30 September		Consolidated At 30 September	
	2009	2008	**2009**	2008	**2009**	2008
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Total assets	**50,411**	53,797	**339**	754	**50,750**	54,551
Total liabilities	**(26,151)**	(26,830)	**(48)**	(89)	**(26,199)**	(26,919)

(c) The total amount of turnover from a group of companies from Hong Kong segment amounted to 10 per cent or more of the Group's turnover was HK$9.2 million (2008: HK$9.4 million).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the period ended 30 September 2009 (2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's unaudited total turnover for both continuing and discontinued operations for the six months ended 30 September 2009 amounted to HK$28.3 million (2008: HK$32.1 million), a decrease of 12% when compared with the corresponding period last year. Excluding hardware sales of HK$1.3 million (2008: HK$509,000), turnover decreased by 15% compared with the corresponding period last year. Net loss attributable to equity holders of the Company was increased to HK$1.7 million from HK$1.6 million compared with the corresponding period last year.

HONG KONG OPERATIONS

Outsourcing and Information Solutions

The total turnover generated from the Outsourcing and Information Solutions Business Unit for the six months ended 30 September 2009 was HK$12.7 million, representing a decrease of 16% when compared with HK$15.2 million recorded for the corresponding period last year.

Consistent with reports from the previous quarters, the after-effects of the financial tsunami continued to hit the logistic and transportation industry severely. The largest airline operator in Hong Kong has been going through a major internal re-structuring in the past few months and, as a result, the enhancement work (Phase II) of the Crew Control System for this airline operator has been suspended. Nevertheless, the Company is able to extend our insourcing contract for this client for at least another six to twelve months. Following the successful installation of Integrated Customer Enquiry System (ICES) Phase II for a reputable telecom company in Hong Kong in the first fiscal quarter, the Group has recently confirmed the code review project for its Human Capital Management System ("HCMS") in the second fiscal quarter. We will continue to explore other opportunities with this client and prospects look promising.

During the reporting period, we have successfully completed the Gasoline Management System ("GMS") Phase II enhancement for a container terminal operator in Yantian, Shenzhen. Our Shenzhen subsidiary has also completed the installation of a wired petroleum monitoring system for a container terminal operator in Shekou, Shenzhen and at the same time submitted a bid to this client for the Enterprise Asset Management (EAM) System, a project which the Group believes we have a high chance of winning.

Our Shenzhen subsidiary has concluded two contracts during the reported period, one with a major electronic logistic infrastructure service hub in Shenzhen and another with a Gasoline Discount Club card issuance company, of which implementation for both have been completed in the second fiscal quarter.

Applications Software Packages Solutions

Turnover generated from the Group's proprietary ERP application software package Armitage Industrial Management System ("***AIMS***"), together with its previous version ***Konto 21***, decreased to HK$2.7 million, a 25% decrease when compared with HK$3.6 million of the corresponding period last year. Several new contracts were concluded during the reported period, as well as a number of system enhancements and additional services contracts requested by existing ***AIMS/Konto*** clients. The Group firmly believes that, in the longer term, this business sector will be back on track. Meanwhile, the sister version of ***AIMS Express***, ***Konto Express***, was launched in the first fiscal quarter as planned. This simpler budget version of ***Konto*** will be able to attract new clients in a different sector and bring in new businesses for the Group.

Given the negative business sentiment at present, the Group has strategically launched TradeEasy. Similar to ***AIMS Express***, it is an entry level trading system targeted at customers who have simpler system requirements and will be launched in the Pearl River Delta region. The Group's R&D department has currently begun to study and develop two new ***AIMS*** modules—the Customs Management (關務管理) and Supply-Chain Management, during the reporting period under review.

PRC OPERATIONS

Pegasus Hotel Management System *("Pegasus")*

The turnover generated from ***Pegasus*** amounted to HK$11.0 million (excluding hardware sales of HK$1.2 million), representing an increase of 9% compared with HK$9.5 million recorded for the corresponding period last year (excluding hardware sales of HK$509,000).

Due to the global economic downturn, business in the first fiscal quarter has been challenging. A number of hotel development projects were postponed or cancelled and, subsequently, the license sale of our ***Pegasus PMS*** (Property Management System) product was affected. However, there was a significant improvement in business sentiment in the second fiscal quarter because of the robust property market activities and forthcoming major events such as the Asian Games 2010 in Guangzhou and the World Expo 2010 in Shanghai that have brought about new hotel developments in the Southern and Eastern regions. Suspended projects were once again resumed, and the Group was able to conclude two significant group solution projects, thus the turnover increased by approximately 10% when compared with the same period last year.

Adhering to the Group's strategy to establish relationships with chain hotel operators, the Group successfully entered into a contract with a reputable chain hotel group in Beijing that owns more than 10 hotels. At the same time, realising that the development pace of second tier cities in the PRC has grown at a rapid rate in the past few years, it is obvious that business opportunities in these cities are vast. The Group has recently established offices in Lanzhou (Gansu Province) and in Hefei (Anhui Province) as the first step of penetrating into the hospitality market in the Northwest region and in Anhui province.

Maintenance income increased steadily by 9% when compared with the corresponding period last year. The Group will continue to extend more efforts and will take measures to further raise our maintenance service qualities and explore ways and means to offer add-on values to attract customers to join our maintenance scheme. Furthermore, the Group is encouraged by the positive feedback we received from our clients regarding our service quality.

During the reporting period, a new version of the Food and Beverage System that targets restaurants not attached to hotels was launched. This new version included more sophisticated reservation and delivery functions, and the user-friendliness interface is also greatly improved. More resources have been directed to market this new version of the F&B system during the reported period and feedback is positive.

FUTURE PROSPECTS

HONG KONG OPERATIONS

Outsourcing and Information Solutions

Noting the possibility that our GMS and Petroleum Monitoring System ("PEMOS") may be future Group revenue drivers, we have and will continue to pool resources from both the Project business unit and Sales & Marketing business unit to put much effort into developing and promoting these systems. The Group is currently planning on delivering a GMS roadshow that introduces its basic functions to other international container terminals under the management of our client, the largest container terminal operator in the world, within the last fiscal quarter if possible. Although the economy is starting to emerge from the financial meltdown and we have a number of prospects under negotiation, we hold a prudent business view and will vigilantly formulate our business strategies, such as those pertaining to strengthening relationships with existing clients.

Application Software Packages Solutions

The impacts of the financial tsunami on SMEs seems to be lessening, as we have been receiving an increasing number of enquires from our SME customers. The Group is confident that we will be able to achieve the targeted sales budget during the second half of our fiscal year. We firmly believe that the future for ***AIMS*** is reasonably optimistic and will continue to put effort into researching and redeveloping this product to expand our customer base and market share in the Pearl River Delta region.

PRC OPERATIONS

Pegasus Hotel Management System ("*Pegasus*")

As now we have a hot property and stock market in the PRC and the economy is starting to stabilise, business sentiment is improving and so is business operations. Being among the top three most reputable hospitality solutions providers in the PRC, the Group is optimistic that ***Pegasus*** will be able to exceed its sales target in the latter half of the fiscal year. Meanwhile, leveraging on the Group's expertise in developing group solutions (***Pegasus PMS***, Central Reservation System and Customer Relationship Management System) and the large hotel customer base we possess, the Group has been planning to develop a B2B platform which connects hotels and hotel distribution channels and corporate customers etc. This platform enables real-time hotel room bookings and will greatly reduce manpower requirements from both ends. We are currently exploring the most appropriate business model allowing a two-way interface connecting hotels to distribution channels for instantaneous transactions. Efforts are being exerted on research and developing in this product.

With the improvement of living standards of the people, the food and beverage industry in the PRC is thriving at a fast-growing pace. In order to cope with the markets' needs and requirements, the Group has decided to streamline the operations procedures of our existing ***Pegasus*** Food and Beverage System by increasing its user-friendliness and enhancing the backend functions to fit market needs. The Group anticipates cooperation with suitable and reliable hardware vendors and local F&B corporations to increase our exposure in this dynamic and fast-moving business sector.

FINANCIAL REVIEW

For the six months ended 30 September 209, the Group recorded a total turnover of HK$28.3 million (2008: HK$32.1 million), of which HK$28.2 million (2008:HK$31.3 million) is from continuing operations and HK$107,000 (2008:HK$835,000) is from discontinued operations. For the continuing operations, exclusive of hardware sales of HK$1.3 million (2008: HK$509,000), the turnover decreased by 13% compared with the corresponding period last year.

Turnover generated from Hong Kong continuing operations was HK$17.2 million (2008: HK$20.1 million). Exclusive of hardware sales of HK$147,000 (2008: Nil), this represented a decrease of 15% compared with the corresponding period last year.

Turnover generated from PRC continuing operations was HK$11.0 million (2008: HK$11.2 million). Exclusive of hardware sales of HK$1.2 million (2008: HK$509,000 million), this represented a decrease of 8% compared with the corresponding period last year was recorded.

The gross profit margin from the continuing operations of the Group was 57% (2008: 57%).

Losses for the period from continuing and discontinued operations were HK$405,000 and HK$1.3 million respectively (2008: HK$481,000 and HK$1.2 million respectively). The loss for the period from continuing operations had an improvement of 16% compared with the corresponding period last year. Net loss attributable to the equity holders of the Company was HK$1.7 million (2008: HK$1.6 million), representing a deterioration of 6% compared with the corresponding period last year.

The realised and unrealised gains on financial assets at fair value through profit or loss were HK$316,000 (2008: losses of HK$414,000). Excluding the realised and unrealised gain or loss on financial assets at fair value through profit or loss, the loss attributable to equity holders of the Company and loss for the period from continuing operations were adjusted to HK$2.0 million and HK$721,000 respectively (2008: HK$1.2 million and HK$67,000 respectively).

The Group's core business is provision of IT services and sales of application software packages ("IT business"). The EBITDA (earnings before interest, income tax, depreciation and amortisation) for the six months ended 30 September 2009 from its IT business was HK$2.1 million (2008: HK$3.0 million).

Financial Resources and Liquidity

As at 30 September 2009, the equity attributable to equity holders of the Company amounted to HK$24.6 million (at 31 March 2009: HK$26.1 million). Current assets amounted to HK$30.0 million (at 31 March 2009: HK$30.4 million) of which HK$12.8 million (at 31 March 2009: HK$12.9 million) was cash and bank deposits and HK$16.5 million (at 31 March 2009: HK$17.1 million) was debtors, deposits and prepayments. The Group's current liabilities amounted to HK$22.8 million (at 31 March 2009: HK$22.9 million), including bank loans and overdrafts and obligation under finance lease in the amount of HK$14.1 million (at 31 March 2009: HK$14.2 million).

Current ratio was 1.32 (at 31 March 2009: 1.33). Debt-to-equity capital ratio, expressed as a ratio of total debts less pledged time deposits and cash and bank balances to shareholders' funds, was 0.55 (at 31 March 2009: 0.47).

Foreign Exchange

The Group received Renminbi income from sales in China. Fluctuation in exchange rates of Renminbi against foreign currencies could affect the Group's results of operations. During both periods for the six months ended 30 September 2009 and 2008, no hedging transaction or other exchange rate arrangements were made.

Significant Investments and Acquisition

The Group had no material acquisitions and disposal of subsidiaries and affiliated companies during the six months ended 30 September 2009.

Charges on the Group's Assets

As at 30 September 2009, the Group's time deposits of HK$9.0 million (at 31 March 2009: HK$9.0 million) and accounts receivable of HK$2.2 million (31 March 2009: HK$1.8 million) have been pledged to banks to secure general banking facilities granted to the Group.

Capital Commitments

The Group had no material capital commitments during the six months ended 30 September 2009.

Contingent Liabilities

(a) As at 30 September 2009, the Group had contingent liabilities in respect of performance bonds amounting to HK$33,000 (at 31 March 2009: HK$33,000) issued by a bank in favour of a customer for the due performance of contract works undertaken by the Group.

(b) As at 30 September 2009, the Group has contingent liabilities in respect of possible future long service payments to employees under the Employment Ordinance in Hong Kong, with a maximum possible amount of HK$1.6 million (at 31 March 2009: HK$1.5 million).

During the reporting periods, there was no on-going financial exposure to borrowers or other on-going matters of relevance as defined in Rules 17.22 to 17.24 of the GEM Listing Rules.

Employees and Remuneration Policies

As at 30 September 2009, the Group had a total of 276 employees (at 31 March 2009: 309). Remuneration is determined by reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and in reward for their contributions. Other fringe benefits such as medical subsidy, medical insurance, education/training subsidies, pension fund plans are offered to most employees. Share options are granted at the discretion of the Board under the terms and conditions of the Employees Share Option Scheme.

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

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2009, the interests or short positions of the directors of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), Chapter 571 under the Laws of Hong Kong), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name	Type of interests	Number of shares	Approximate percentage of the issued share capital *(Note 3)*
Mr. Lee Shun Hon, Felix	Personal	206,858,740	27.58%
	Family	32,797,651 *(Note 1)*	4.37%
	Corporate	114,578,176 *(Note 2)*	15.28%
Ms. Jim Sui Fun	Personal	3,034,786	0.40%
Mr. Lee Wai Yip, Alvin	Personal	29,090,595	3.88%
Dr. Liao, York	Corporate	29,988,007 *(Note 3)*	4.00%

Notes:

1. The spouse of Mr. Lee Shun Hon, Felix is the beneficial shareholder.

2. These shares are held by Kingspecial Investments Limited ("Kingspecial"), which is owned as to 30% by Mr. Lee Shun Hon, Felix and therefore Mr. Lee Shun Hon, Felix is deemed to have an interest in these shares in which Kingspecial is interested.

3. These shares are held by Winbridge Company Limited ("Winbridge"), which is owned as to 99% by Dr. Liao, York and therefore Dr. Liao, York is deemed to have an interest in these shares in which Winbridge is interested.

4. Based on 750,000,000 shares of the Company in issue as at 30 September 2009.

(b) Long positions in underlying shares of equity derivatives of the Company

A summary of the share option granted to the directors pursuant to the share option scheme adopted on 26 February 2003 was as follow:

Name	Type of interests	Exercisable period	Exercise price	Number of underlying shares
Ms. Jim Sui Fun	Personal	10 October 2009 to 25 February 2013	HK$0.055	7,400,000
Mr. Lee Wai Yip, Alvin	Personal	10 October 2009 to 25 February 2013	HK$0.055	5,500,000
				12,900,000

Save as disclosed herein, as at 30 September 2009, none of the directors had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as is known to any directors of the Company, as at 30 September 2009, other than the directors as disclosed above, the persons or companies who had an interest or short position in the shares and underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Long positions in the ordinary shares of the Company

Name	Type of interests	Number of shares	Approximate percentage of the issued share capital *(Note 3)*
Kingspecial Investments Limited	Corporate	114,578,176 *(Note 1)*	15.28%
Mr. Lee Shun Kwong	Corporate	114,578,176 *(Note 2)*	15.28%
	Personal	22,212,000	2.96%

Notes:

1. The issued share capital of Kingspecial Investments Limited is beneficially owned as to 30% by Mr. Lee Shun Hon, Felix, as to 30% by Mr. Lee Shun Kwong and as to 30% by Dr. Lee Shun Hung, Kelvin (both of whom are brothers of Mr. Lee Shun Hon, Felix) and as to 10% by Mrs. So Li Hang Lin, the sister of Mr. Lee Shun Hon, Felix.

2. These shares are held by Kingspecial, which is owned as to 30% by Mr. Lee Shun Kwong and therefore Mr. Lee Shun Kwong is deemed to have an interest in these shares in which Kingspecial is interested.

3. Based on 750,000,000 shares of the Company in issue as at 30 September 2009.

Save as disclosed herein, so far as is known to the directors of the Company, as at 30 September 2009, no other persons or companies had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO or were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

SHARE OPTIONS

The Company operates a share option scheme, namely Share Option Scheme, adopted on 26 February 2003.

As at 30 September 2009, options under Share Option Scheme to subscribe for an aggregate of 20,300,000 shares have been granted to a total of 16 directors and employees of the Group, details as follows:

Grantee	Date of grant	Exercisable period	Exercise price per share	Number of share options outstanding at 1.4.2009	lapsed during the period	at 30.9.2009
			HK$			
Category 1: Director						
Ms. Jim Sui Fun	10 September 2008	10 October 2009 to 25 February 2013	0.055	7,400,000	–	7,400,000
Mr. Lee Wai Yip, Alvin	10 September 2008	10 October 2009 to 25 February 2013	0.055	5,500,000	–	5,500,000
Category 2: Employees	10 September 2008	10 October 2009 to 25 February 2013	0.055	7,800,000	(400,000)	7,400,000
Total of all categories				20,700,000	(400,000)	20,300,000

COMPETING INTERESTS

None of the directors, the substantial shareholders or the management shareholders (as defined in the GEM Listing Rules) had any interests in any business which competed with or might compete with the business of the Group.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's draft annual, interim and quarterly financial reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. The Audit Committee comprises three independent non-executive directors, namely Mr. Anthony Francis Martin Conway, Mr. Chan Hang and Mr. Li Pak Ki.

Up to the date of approval of the Group's unaudited results for the six months ended 30 September 2009, the Audit Committee has held two meetings and has reviewed the draft interim report and accounts for the six months ended 30 September 2009 prior to recommending such report and accounts to the Board for approval.

DIRECTORS' SECURITIES TRANSACTIONS

Throughout the six months ended 30 September 2009, the Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all directors, the Company confirms that all of the Company's directors complied with such required standard of dealings and its code of conduct regarding directors' securities transactions.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in Code on Corporate Governance Practices under Appendix 15 of the GEM Listing Rules of the Stock Exchange throughout the six months ended 30 September 2009 except the followings:

Code Provision A.2.1 stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual. The responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. Mr. Lee Shun Hon, Felix is the Chairman of the Board and the Chief Executive Officer of the Group. As such, such dual role constitutes a deviation from Code Provisions A.2.1. However, the Board is of the view that the Company's size is relatively small and thus does not justify the separation of the roles of the Chairman and Chief Executive Officer; the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and Chief Executive Officer; Mr. Lee Shun Hon, Felix as the Chairman of the Board and the Chief Executive Officer of the Group is responsible for ensuring that all directors act in the best interests of the shareholders. He is fully accountable to the shareholders and contributes to the Board and the Group on all top-level and strategic decisions; and this structure will not impair the balance of power and authority between the Board and the management of the Company.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Pursuant to the Articles of Association of the Company, at every annual general meeting of the Company, one-third of the directors (for the time being or, if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall retire from office by rotation, provided that the Chairman of the Board and/or the managing director of the Company shall not, while holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. As such, as at the date hereof, Mr. Lee Shun Hon, Felix, being the Chairman of the Company, is not subject to retirement by rotation. However, the management of the Company is of the view that the membership of the Board represents rich and diversified background and industry expertise and as such, the management considers that there is no imminent need to amend the relevant provisions of the Articles of Association of the Company.

Code Provision B.1.1 stipulates that Company should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors. The Company has not established a remuneration committee as required by this Code Provision considering the small size of the Board, and as such, the Company currently does not have any plans to set up a remuneration committee. During the six months ended 30 September 2009, the Board is mainly responsible for determining the Company's policy on the remuneration of the directors and the review and approval of all remuneration packages of directors.

On behalf of the Board
Lee Shun Hon, Felix
Chairman

Hong Kong, 11 November 2009

As at the date of this report, the Company's executive directors are Mr. Lee Shun Hon, Felix, Ms. Jim Sui Fun and Mr. Lee Wai Yip, Alvin; non-executive director is Dr. Liao, York; independent non-executive directors are Mr. Anthony Francis Martin Conway, Mr. Chan Hang and Mr. Li Pak Ki.