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HARMONY ASSET LIMITED

(Incorporated in the Cayman Islands with limited liability)

(HKEX stock code: 428)

(TSX stock symbol: HAR)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2008

FINANCIAL HIGHLIGHTS

The financial highlights of Harmony Asset Limited and its subsidiaries for the year ended 31st December, 2008 are summarised as follows:

- The Group recorded turnover, other revenue, other (losses) and gains resulting in a loss of HK\$74,822,392 as compared to the gain of HK\$80,048,650 in the previous year, representing a 193% decrease.
- Net loss attributable to shareholders was HK\$88,590,514 as compared to the profit of HK\$50,907,356 in the previous year, representing a 274% decrease.
- No dividend was declared (2007: HK\$6,630,444).
- Basic loss per share was HK\$2.27 (2007: basic earnings per share of HK\$1.48).

FINAL RESULTS

The Board of Directors of Harmony Asset Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries for the year ended 31st December, 2008 together with comparative figures for the year ended 31st December, 2007. The following consolidated balance sheet, consolidated income statement and related notes, including the comparative figures, have been extracted from the Company’s consolidated financial statements for the year ended 31st December, 2008 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and audited by the Company’s auditor, BDO McCabe Lo Limited.

CONSOLIDATED INCOME STATEMENT

| | | For the year ended | |
|-----------------------------------------------------------------------------|------|---------------------|-------------------|
| | | 31st December, | |
| | | 2008 | 2007 |
| | Note | HK\$ | HK\$ |
| Turnover | 4 | 12,916,300 | 5,084,365 |
| Other revenue | 4 | 599,451 | 879,909 |
| Other (losses) and gains | 4 | (88,338,143) | 74,084,376 |
| | | <u>(74,822,392)</u> | <u>80,048,650</u> |
| Employee benefits expenses | | (5,570,840) | (3,063,128) |
| Depreciation of property, plant and equipment | | (129,027) | (206,717) |
| Other operating expenses | | (13,139,975) | (14,789,073) |
| | | <u>(93,662,234)</u> | <u>61,989,732</u> |
| Operating (loss) profit | 5 | (93,662,234) | 61,989,732 |
| Finance costs | 6 | – | (3,613) |
| | | <u>(93,662,234)</u> | <u>61,986,119</u> |
| (Loss) profit before income tax | | (93,662,234) | 61,986,119 |
| Income tax credit (expenses) | 7 | 5,071,720 | (11,078,763) |
| | | <u>(88,590,514)</u> | <u>50,907,356</u> |
| (Loss) profit for the year attributable to equity holders of the Company | | (88,590,514) | 50,907,356 |
| Proposed dividend | | – | 6,630,444 |
| | | <u>–</u> | <u>6,630,444</u> |
| (Loss) earnings per share | 8 | | |
| Basic | | (HK\$2.27) | HK\$1.48 |
| | | <u>(HK\$2.27)</u> | <u>HK\$1.48</u> |
| Diluted | | N/A | HK\$1.46 |
| | | <u>N/A</u> | <u>HK\$1.46</u> |

CONSOLIDATED BALANCE SHEET

| | | As at 31st December, | |
|----------------------------------------------------------|------|----------------------|--------------------|
| | | 2008 | 2007 |
| | Note | HK\$ | HK\$ |
| Non-current assets | | | |
| Property, plant and equipment | | 136,886 | 213,780 |
| Interests in associates | | – | – |
| Available-for-sale financial assets | | 68,058,932 | 58,321,923 |
| Loans and receivables | | 20,077,507 | 59,097,252 |
| | | <u>88,273,325</u> | <u>117,632,955</u> |
| Current assets | | | |
| Accounts receivable and prepayments | 9 | 19,383,342 | 28,940,971 |
| Financial assets at fair value through profit or loss | | 72,896,629 | 132,070,553 |
| Bank balances and cash | | 10,252,785 | 21,698,184 |
| | | <u>102,532,756</u> | <u>182,709,708</u> |
| Current liabilities | | | |
| Accounts payable and accruals | | 1,786,655 | 2,246,637 |
| Tax payable | | 2,825,920 | 10,048,931 |
| | | <u>4,612,575</u> | <u>12,295,568</u> |
| Net current assets | | <u>97,920,181</u> | <u>170,414,140</u> |
| Total assets less current liabilities | | <u>186,193,506</u> | <u>288,047,095</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 2,651,742 | – |
| Net assets | | <u>183,541,764</u> | <u>288,047,095</u> |
| Capital and reserves | | | |
| Share capital | 10 | 39,002,615 | 39,002,615 |
| Reserves | | 144,539,149 | 249,044,480 |
| Total equity | | <u>183,541,764</u> | <u>288,047,095</u> |
| Net asset value per share | | <u>HK\$4.71</u> | <u>HK\$7.39</u> |

Notes:

1. GENERAL

Harmony Asset Limited is incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is Room 1101, St. George's Building, 2 Ice House Street, Central, Hong Kong. Its shares are dual listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Toronto Stock Exchange.

2. ADOPTION OF AMENDMENTS AND NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

- (a) In the current year, the Group has applied, for the first time, the following amendments and new interpretations issued by the International Accounting Standards Board ("IASB") that are effective for the current accounting period of the Group.

| | |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Amendments to IAS 39 and IFRS 7 IFRIC – Interpretation 11 | Reclassification of Financial Assets IFRS 2: Group and Treasury Share Transactions |
| IFRIC – Interpretation 12 | Service Concession Arrangements |
| IFRIC – Interpretation 14 | IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |

The adoption of the above amendments and new interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods and no prior period adjustment has been recognised.

- (b) Potential impact arising on the new or revised IFRSs not yet effective

The Group has not yet applied the following new or revised IFRSs that have been issued but are not yet effective.

| | |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| IFRSs (Amendments) IFRS 1 (Revised) | Improvements to IFRSs ¹ First-time Adoption of International Financial Reporting Standards ³ |
| Amendments to IAS 32 and IAS 1 | Puttable Financial Instruments and Obligations Arising on Liquidation ² |
| Amendment to IAS 39 | Eligible Hedged Items ³ |
| Amendments to IFRS 1 and IAS 27 | Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ² |
| Amendments to IFRS 7 | Improving Disclosures about Financial Instruments ² |
| Amendments to IFRIC – Interpretation 9 and IAS 39 | Embedded Derivatives ⁷ |
| IAS 1 (Revised) | Presentation of Financial Statements ² |
| IAS 23 (Revised) | Borrowings Costs ² |

| | |
|---------------------------|----------------------------------------------------------------------------|
| IAS 27 (Revised) | Consolidated and Separate Financial Statements ³ |
| IFRS 2 Amendment | Share-based Payment – Vesting Conditions and Cancellations ² |
| IFRS 3 (Revised) | Business Combinations ³ |
| IFRS 8 | Operating Segments ² |
| IFRIC – Interpretation 13 | Customer Loyalty Programmes ⁴ |
| IFRIC – Interpretation 15 | Agreements for the Construction of Real Estate ² |
| IFRIC – Interpretation 16 | Hedges of a Net Investment in a Foreign Operation ⁵ |
| IFRIC – Interpretation 17 | Distributions of Non-cash Assets to Owners ³ |
| IFRIC – Interpretation 18 | Transfers of Assets from Customers ⁶ |

¹ Effective for annual periods beginning on or after 1st January, 2009 except the amendments to IFRS 5, effective for annual periods beginning on or after 1st July, 2009

² Effective for annual periods beginning on or after 1st January, 2009

³ Effective for annual periods beginning on or after 1st July, 2009

⁴ Effective for annual periods beginning on or after 1st July, 2008

⁵ Effective for annual periods beginning on or after 1st October, 2008

⁶ Effective for transfers of assets from customers received on or after 1st July, 2009

⁷ Effective for annual periods ending on or after 30th June, 2009

The Group is in the process of making an assessment of the potential impact of these standards, amendments or interpretations and the directors of the Company so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Group have been prepared in accordance with IFRS issued by the IASB, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention except for available-for-sale financial assets and financial assets at fair value through profit or loss which are stated at fair value.

(c) Use of estimates and judgements

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(d) Functional and presentation currency

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

4. TURNOVER, OTHER REVENUE AND OTHER (LOSSES) AND GAINS

The Group principally invests in securities listed on the Stock Exchange and unlisted securities, including equity securities, convertible notes issued by corporate entities. Turnover, other revenue and other gains and losses recognised during the year are as follows:

| | 2008 | 2007 |
|--------------------------------------------------------|---------------------|-------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Turnover: | | |
| Interest income from | | |
| – bank deposits | 334,813 | 845,809 |
| – loans receivable | 4,056,915 | 2,877,013 |
| Dividend income from | | |
| – listed investments | 124,572 | 231,543 |
| – unlisted investments | 8,400,000 | 1,130,000 |
| | 12,916,300 | 5,084,365 |
| Other revenue: | | |
| Sundry income | 599,451 | 879,909 |
| Other (losses) and gains: | | |
| Fair value changes on financial assets | | |
| at fair value through profit or loss | (44,044,129) | 75,431,756 |
| Net realised gain on disposal of financial assets | | |
| at fair value through profit or loss | 5,839,602 | 4,929,798 |
| Exchange (loss) gain, net | (1,610,946) | 2,434,795 |
| Reversal of impairment loss upon disposal of | | |
| available-for-sale financial assets | – | 800,000 |
| Impairment loss on accounts receivable | (4,703,792) | (356,523) |
| Impairment loss on loans and receivables | (38,219,864) | (8,617,204) |
| Impairment loss on available-for-sale financial assets | | |
| – equity investments | (5,399,014) | (288,246) |
| – deposits on investments written off | (200,000) | (250,000) |
| | (88,338,143) | 74,084,376 |

No analysis of the Group's turnover, other revenue and contribution to operating (loss) profit for the year set out by principal activities and geographical markets is provided as the Group has only one single business segment, investment holding, and less than 10% of the turnover and other revenue, results and assets of the Group are attributable to markets outside Hong Kong.

5. OPERATING (LOSS) PROFIT

Operating (loss) profit has been arrived at after charging the following:

| | 2008 | 2007 |
|-------------------------------------------------------------|------------------------|-------------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Auditor's remuneration | | |
| – Current year | 780,000 | 780,000 |
| – Underprovision in prior year | 50,000 | 30,000 |
| | <u>830,000</u> | <u>810,000</u> |
| Management fees | 4,175,591 | 3,427,995 |
| Incentive fee | – | 1,424,700 |
| Pension costs – contributions to defined contribution plan* | 76,812 | 62,695 |
| Operating leases in respect of land and buildings | 2,438,110 | 2,244,839 |
| Equity-settled share-based payment expenses | 343,000 | 762,000 |
| Expenses incurred in connection with dual listing | – | 2,250,586 |
| | <u><u>–</u></u> | <u><u>2,250,586</u></u> |

* There was no forfeited contribution in respect of the defined contribution plan available at 31st December, 2008 to reduce future contributions (2007: nil). There was no outstanding contributions to the plan at 31st December, 2008 (2007: nil).

6. FINANCE COSTS

| | 2008 | 2007 |
|--------------|-----------------|---------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Bank charges | – | 3,613 |
| | <u><u>–</u></u> | <u><u>3,613</u></u> |

7. INCOME TAX CREDIT (EXPENSES)

- (a) Provision for Hong Kong Profits Tax has been made at 16.5% (2007: 17.5%) of the Group's estimated assessable profits for the year.

| | 2008 | 2007 |
|----------------------------------------|---------------------------|-------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Current tax | | |
| Hong Kong Profits Tax | | |
| – Current year | 2,825,920 | 10,542,229 |
| – (Over) under provision in prior year | (10,549,382) | 536,534 |
| | <u>(7,723,462)</u> | <u>11,078,763</u> |
| Deferred taxation | | |
| – Current year | (3,546,546) | – |
| – Under provision in prior year | 6,198,288 | – |
| | <u>2,651,742</u> | <u>–</u> |
| | <u>(5,071,720)</u> | <u>11,078,763</u> |

During the year, the directors consider unrealised gains and losses recognised in income statement should not be taxable and deductible respectively until they have been realised. The current tax and deferred taxation in respect of prior year are adjusted in the current year accordingly.

8. (LOSS) EARNINGS PER SHARE

- (a) **Basic (loss) earnings per share**

The calculation of basic (loss) earnings per share is based on the Group's loss attributable to equity holders of the Company amounting to HK\$88,590,514 (2007: profit of HK\$50,907,356) and on the weighted average of 39,002,614 (2007: 34,480,665) ordinary shares in issue during the year.

(b) **Diluted earnings per share**

No diluted loss per share for the year has been presented as the effect of the assumed conversion of the outstanding share options is anti-dilutive.

The calculation of diluted earnings per share for the year ended 31st December, 2007 is based on the Group's profit attributable to equity holders of the Company amounting to HK\$50,907,356 and the weighted average number of ordinary shares of 34,833,461, calculated as follows:

| | 2007 |
|---------------------------------------------------------------------------------------------|--------------------------|
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 34,480,665 |
| Effect of deemed issue of shares under the Company's share option scheme | <u>352,796</u> |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | <u><u>34,833,461</u></u> |

9. ACCOUNTS RECEIVABLE AND PREPAYMENTS

| | 2008 | 2007 |
|-------------------------------------------------|--------------------------|--------------------------|
| | HK\$ | HK\$ |
| Accounts receivable | 5,184,826 | 4,134,412 |
| Loan receivable, secured (<i>Note a</i>) | 8,000,000 | 8,000,000 |
| Loan receivable, unsecured (<i>Note b</i>) | – | 10,000,000 |
| Interests receivable | 5,429,015 | 5,324,161 |
| Other receivables | 9,448 | 135 |
| | <u>18,623,289</u> | <u>27,458,708</u> |
| Receivables after allowance for impairment loss | 18,623,289 | 27,458,708 |
| Deposits | 606,883 | 796,994 |
| Prepayments | 153,170 | 685,269 |
| | <u><u>19,383,342</u></u> | <u><u>28,940,971</u></u> |

Notes:

- (a) The loan is secured on rental receivables and guaranteed by certain related companies of the borrower. The loan carries interest at annual fixed rate of 12% (2007: 12%) and is repayable on 30th June, 2008. During the year, the loan is renewed and is repayable on 30th June, 2009.
- (b) The loan was unsecured and carried interest at 24% per annum. The Group was entitled to utilise the loan to subscribe for 5% of the share capital of the borrower at a price to be determined by the Group and the borrower within one year from the drawdown date of the loan. However, the Group has not exercised the option and the loan was repaid in full during the year.

10. SHARE CAPITAL

| | Number of Shares | Amount HK\$ |
|----------------------------------------------------------------------|--------------------|--------------------|
| Authorised ordinary shares of HK\$1 each: | | |
| At 1st January, 2007, 31st December, 2007 and 31st December, 2008 | <u>100,000,000</u> | <u>100,000,000</u> |
| Issued and fully paid ordinary shares of HK\$1 each: | | |
| At 1st January, 2007 | 29,220,474 | 29,220,475 |
| Issue of shares during the year (<i>Notes a & b</i>) | <u>9,782,140</u> | <u>9,782,140</u> |
| At 31st December, 2007 and 31st December, 2008 | <u>39,002,614</u> | <u>39,002,615</u> |

Notes:

(a) Share placement

Pursuant to an agency agreement with a placing agent dated 31st May, 2007, the Company agreed to place through the placing agent an aggregate of 8,766,140 placing shares of HK\$1 each, to five places, at a price of CDN\$0.70 per share. On 18th June, 2007, such placing shares were issued and fully paid.

(b) Exercise of share options

On 22nd June, 2007, the directors and employees exercised 1,016,000 share options granted at exercise price of HK\$2.75 per share which resulted in 1,016,000 new shares of HK\$1 each issued by the Company.

DIVIDEND

The directors do not recommend the payment of dividend in respect of the year ended 31st December, 2008 (2007: HK\$6,630,444).

BUSINESS REVIEW

For the year ended 31st December, 2008, the Group recorded a turnover of HK\$12,916,300 as compared to HK\$5,084,365 in the last year, a 154% increase. After taking into account of other revenue and other (losses) and gains, the Group had a loss of HK\$74,822,392 before operating expenses when compared to the gain of HK\$80,048,650 in the last year, a 193% decrease.

As a result of the continuing turmoil in the global financial markets, the Group recorded fair value loss of HK\$44,044,129 on public traded securities held as financial assets at fair value through profit or loss when compared to the gain of HK\$75,431,756 in the last year, a 158% decrease. Net realised gain on disposal of listed securities was HK\$5,839,602 (2007: HK\$4,929,798). Impairment losses on loans and receivables, accounts receivable, available-for-sale financial assets and deposits on investments written off amounting to HK\$48,522,670 (2007: HK\$9,511,973) were charged to the income statement. Employees benefits and depreciation expenses amounted to HK\$5,699,867 (2007: HK\$3,269,845) while other operating expenses totalled at HK\$13,139,975 (2007: HK\$14,789,073). Finally, the loss attributable to equity holders of the Company for the year recorded HK\$88,590,514 as compared to the profit of HK\$50,907,356 in the last year, a 274% decrease.

PROSPECTS AND FUTURE PLANS

The global economic slowdown has pushed the financial stock markets to a brink of collapse and the impact is being felt worldwide. We are certainly in the middle of a major international shock that is developing from financial turbulence into economic recession.

No doubt the financial crisis and sharp falls in the Hong Kong share market followed by the credit crunch have had a severe impact on the Company's business performance and affected its investment strategies. Over this period, we saw governments in many foreign countries announced plans to stabilise their financial institutions, including through large-scale capital injections and guarantees of some forms of bank debt.

The Hong Kong and Chinese governments have introduced similar measures, but the process of readjustment could be very rocky for an exposed economy such as Hong Kong, with real economic costs – in terms of high unemployment and slowdown in business.

We have not escaped the impact of this massive international credit crunch. The next 12 months will be the most challenging year the Company has to face.

The bearish forces developing in world financial markets will certainly create difficult investment conditions especially in the Hong Kong and China markets and caution will be applied to all our direct investments.

The Board of Directors will undertake no further investments in new projects, for at least in the next six months. The key to an optimistic attitude is to have a quality portfolio and our portfolio decisions will focus on that goal.

The Board of Directors is aware, despite the gloom; there will be good investment opportunities over the next year or so especially in China. The Company is financially sound, with no borrowings and with net current assets of HK\$97,920,181, the Company remains positive and well-positioned to take advantage of investments opportunities when the economy recovers and confidence returns.

SIGNIFICANT INVESTMENTS HELD AND THEIR PERFORMANCE

For the year ended 31st December, 2008, the turnover increased to HK\$12,916,300 when compared to HK\$5,084,365 in the last year, a 154% increase. The interest income was HK\$4,391,728 as compared to HK\$3,722,822 in the last year, a 18% increase. Dividends generated from the listed and unlisted securities was HK\$8,524,572 as compared to HK\$1,361,543 in the last year, a 526% increase.

During the year ended 31st December, 2008, the Group disposed of certain publicly traded securities with an aggregate value of HK\$23,180,802, resulting in a net realised gain of HK\$5,839,602 as compared to HK\$4,929,798 representing a 18% increase. As a result of the continuing global financial turmoil markets, the Group recorded an unrealised loss of HK\$44,044,129 on fair value change on the publicly traded securities as compared to the gain of HK\$75,431,756 in the last year, a 158% decrease. After taking into account of turnover, other revenue, other gains and losses, a negative result of HK\$74,822,392 appeared in the Group's records when compared to the gain of HK\$80,048,650 in the last year, a 193% decrease.

As at 31st December, 2008, the Group's long term investments, which represent available-for-sale financial assets ("AFS Financial Assets") and loans and receivables, amounted to HK\$88,136,439 as compared to HK\$117,419,175 as at 31st December, 2007, representing a 25% decrease. The decrease was primarily due to an impairment loss of HK\$43,818,878 recognised for the year ended 31st December, 2008, consisting of losses of HK\$5,399,014 on AFS Financial Assets, HK\$38,219,864 on loans and receivables and HK\$200,000 on investment deposits written off. Despite the impairment provision, the Group still increased its investments which included a HK\$19,020,796 investment in a manufacturer of high quality wire and electrical accessory products, an increase in additional investment in a private equity by HK\$5,000,000 resulting from the receipt of dividend payments on new shares and a subscription of an overseas listed security for HK\$2,211,405.

As at 31st December, 2008, the Group reduced accounts receivable and prepayments to HK\$19,383,342 as compared to HK\$28,940,971 as at 31st December, 2007, representing a 33% decrease. During the year ended 31st December, 2008, the Group received HK\$10,000,000 from loan repayment. The Group paid a deposit of HK\$3,294,939 to a property development project in Nanning, Guangxi province of PRC. An impairment loss of HK\$4,703,792 was recognised on the accounts receivable.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st December, 2008, the Group employed a total of 9 full-time employees, including the executive directors of the Company. Employees' remuneration are fixed and determined with reference to the market remuneration.

The remuneration policy of the Company for non-executive directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company and that for the employees, including the executive directors and senior management, is to ensure that the remuneration offered is appropriate for the duties and in line with market practice. The remuneration policy is to ensure that the pay levels are competitive and effective in attracting, retaining and motivating employees. No director, or any of his associates and executive, is involved in deciding his own remuneration.

The key components of the Company's remuneration package include basic salary plus other allowances, discretionary cash bonus and mandatory provident fund. As a long-term incentive plan and with the aim at motivating employees in the continued pursuit of the Company's goal and objectives, the Company has granted share options to subscribe for the shares of the Company to the employees of the Company based on their performance and contribution to the Company under the Company's share option scheme.

EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group has no significant exposures to fluctuations in foreign exchange rates and, therefore, did not employ any financial instruments to hedge such exposures.

CONTINGENT LIABILITIES

As at 31st December, 2008, the Group has no significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE

The Company had met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31st December, 2008.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the annual results for the year ended 31st December, 2008.

By Order of the Board
LEE Fong Lit David
Chairman

Hong Kong, 30th March, 2009

As at the date hereof, the executive directors are Mr. Lee Fong Lit David, Dr. Chow Pok Yu Augustine, Dr. Lam Andy Siu Wing, JP and Mr. Chan Shuen Chuen Joseph; and the independent non-executive directors are Mr. Tong Kim Weng Kelly, Dr. Wong Yun Kuen and Mr. Ho Man Kai Anthony.