理 文 造 紙 有 限 公 司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

FINANCIAL HIGHLIGHTS

— Turnover decreased by 7.9% to HK$5,060 million as compared to the last corresponding period.

— Net profit increased by 22.3% to HK$817 million as compared to the last corresponding period.

— Gross profit margin increased by 33.2% from 18.5% to 24.6%.

— Earnings per share increased by 22.2% to HK71.8 cents as compared to the last corresponding period.

— Proposed interim dividend of HK22 cents per share.

INTERIM RESULTS

The board of directors of Lee & Man Paper Manufacturing Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	Notes	**2009 (unaudited) *HK$'000***	2008 (unaudited) *HK$'000*
Revenue	*2*	**5,059,742**	5,492,866
Cost of sales		**(3,812,769)**	(4,476,592)
Gross profit		**1,246,973**	1,016,274
Other income		**92,625**	85,989
Net (loss) gain from fair value changes of derivative financial instruments		**(24,664)**	5,581
Distribution and selling expenses		**(119,965)**	(148,104)
Administrative expenses		**(204,760)**	(184,932)
Finance costs	*3*	**(96,238)**	(79,212)
Profit before tax		**893,971**	695,596
Income tax expense	*4*	**(77,309)**	(27,767)
Profit and total comprehensive income for the period	*5*	**816,662**	667,829
Attributable to:			
Equity holders of the Company		**816,662**	668,213
Minority interests		**—**	(384)
		816,662	667,829
Dividends:	*6*		
— Final dividend paid		**—**	113,738
— Interim dividend proposed		**250,224**	56,869
		HK cents	*HK cents*
Earnings per share	*7*		
— Basic		**71.80**	58.75
— Diluted		**71.80**	58.74

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009

	Notes	30 September 2009 (unaudited) HK$'000	31 March 2009 (audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	**12,226,984**	12,222,870
Prepaid lease payments		**359,369**	336,513
Deposits paid for acquisition of property, plant and equipment and land use rights		**358,809**	314,951
Interests in an associate	9	**—**	—
Deferred tax assets		**22,249**	55,000
Retirement benefit assets		**202**	202
		12,967,613	12,929,536
CURRENT ASSETS			
Inventories	10	**1,716,703**	1,635,918
Prepaid lease payments		**6,622**	14,018
Trade and other receivables	11	**2,405,645**	2,146,879
Amounts due from an associate		**380,195**	253,999
Amounts due from related companies		**13,191**	22,129
Derivative financial instruments		**—**	5,064
Tax recoverable		**—**	7,664
Restricted bank deposits		**1,908**	1,908
Bank balances and cash		**507,851**	1,659,444
		5,032,115	5,747,023
CURRENT LIABILITIES			
Derivative financial instruments		**115,391**	97,854
Trade and other payables	12	**1,405,458**	848,933
Tax payable		**8,161**	5,259
Bank and other borrowings		**2,407,634**	4,738,379
		3,936,644	5,690,425
NET CURRENT ASSETS		**1,095,471**	56,598
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,063,084**	12,986,134

	Notes	**30 September 2009 (unaudited)** *HK$'000*	31 March 2009 (audited) *HK$'000*
CAPITAL AND RESERVES			
Share capital		**113,738**	113,738
Reserves		**9,211,559**	8,353,107
Equity attributable to equity holders of the Company		**9,325,297**	8,466,845
Minority interests		**—**	—
Total equity		**9,325,297**	8,466,845
NON-CURRENT LIABILITIES			
Derivative financial instruments		**53,292**	139,347
Other payables	*12*	**146,279**	364,042
Bank and other borrowings		**4,284,985**	3,803,321
Deferred tax liabilities		**253,231**	212,579
		4,737,787	4,519,289
TOTAL EQUITY AND LIABILITIES		**14,063,084**	12,986,134

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2009.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by HKICPA, which are effective for the Group's financial year beginning on 1 April 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 to that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

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

The Group has not early applied the new or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. SEGMENTS INFORMATION

Business segments

For management purposes, the Group is currently organised into two operating businesses — manufacture and sales of paper, and manufacture and sales of pulp. These businesses are the basis on which the Group reports its segment information.

Segment information about these businesses is presented below:

Six months ended 30 September 2009

	Paper *HK$'000*	**Pulp** *HK$'000*	**Consolidated** *HK$'000*
REVENUE			
External sales	**4,881,743**	**177,999**	**5,059,742**
SEGMENT RESULTS	**1,052,895**	**(45,888)**	**1,007,007**
Net loss from fair value changes of derivative financial instruments			**(24,664)**
Interest income			**10,385**
Central administration cost			**(2,519)**
Finance costs			**(96,238)**
Profit before tax			**893,971**
Income tax expense			**(77,309)**
Profit for the period			**816,662**

Six months ended 30 September 2008

	Paper *HK$'000*	Pulp *HK$'000*	Consolidated *HK$'000*
REVENUE			
External sales	5,200,082	292,784	5,492,866
SEGMENT RESULTS	795,208	(27,844)	767,364
Net gain from fair value changes of derivative financial instruments			5,581
Interest income			3,678
Central administration cost			(1,815)
Finance costs			(79,212)
Profit before tax			695,596
Income tax expense			(27,767)
Profit for the period			667,829

3. FINANCE COSTS

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**122,521**	145,741
Interest on notes payable	**12,042**	23,422
Total borrowing costs	**134,563**	169,163
Less: Amounts capitalised in property, plant and equipment	**(38,325)**	(89,951)
	96,238	79,212

4. INCOME TAX EXPENSE

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
— PRC Foreign Enterprise Income Tax	**3,906**	13,010
Deferred taxation in respect of:		
— Accelerated tax depreciation	**40,652**	27,123
— tax losses	**32,751**	(12,366)
	77,309	27,767

The Group's profit is subject to taxation from the place of its operations where its profit is generated. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

PRC

The subsidiaries in the PRC are entitled to exemption from PRC Enterprise Income Tax for two years starting from their respective first profit-making year, followed by a 50% relief for the three years thereafter ("tax holiday").

All the Group's PRC subsidiaries were within the tax exemption period during the six months period ended 30 September 2009 and were therefore not subject to PRC Enterprise Income Tax for the period, except the following:

The tax exemption period of a subsidiary, Guangdong Lee & Man Paper Manufacturing Limited ("Guangdong Lee & Man") expired on 31 December 2008 and its applicable preferential tax rate is 12.5% for the period from 1 January 2009 to 31 December 2011. Beside, pursuant to approvals granted by the PRC tax authority, Guangdong Lee & Man was granted tax credits that resulted from the purchase of plant and equipment manufactured in the PRC by Guangdong Lee & Man. Current period's tax charge of Guangdong Lee & Man was fully offset by such credits.

The tax exemption period of a subsidiary, Jiangsu Lee & Man Paper Manufacturing Company Limited ("Jiangsu Lee & Man") expired on 31 December 2006 and it is subject to a reduced tax rate of 9% and 10% for the calendar years of 2008 and 2009 respectively.

The Tax Holiday of a subsidiary, Dongguan Lee & Man Paper Factory Company Limited("Dongguan Lee & Man") expired on 31 December 2005 and it is subject to a preferential tax rate of 18% and 20% for the calendar years of 2008 and 2009 respectively. Based on the Guofa [2007] No. 39 released by the State Council of the PRC, Dongguan Lee & Man is entitled to such preferential treatment as its investment exceeds USD30,000,000 with a long position of recovering investment.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "Tax Law") by Order No. 63 of the President of the PRC. On 6 December 2007 the State Council of the PRC issued Implementation Regulations of the Tax Law. The Tax Law and Implementation Regulations increase the tax rate for the Group's PRC subsidiaries to 25% with effect from the expiry of the Tax Holiday and in the case of Jiangsu Lee & Man and Dongguan Lee & Man, they are on a progressive basis over a period of five years.

Malaysia

The subsidiary in Malaysia carries on offshore trading activities in Labuan, with other group companies which are non-residents of Malaysia. As such, it is qualified as an offshore trading company in Labuan and is charged at a fixed annual rate of Malaysian RM20,000.

Macau

The Macau subsidiaries incorporated under Decree-Law no. 58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a maximum rate of 25%. No provision for Vietnam Corporate Income Tax has been made for the year as the Vietnam subsidiaries incurred losses for the period.

5. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging:		
Directors' emoluments	**3,926**	6,408
Staff salaries and other benefits, excluding those of directors	**160,902**	219,852
Contributions to retirement benefit schemes, excluding those of directors	**12,798**	11,345
Total employee benefit expense	**177,626**	237,605
Amortisation of prepaid lease payments	**2,998**	2,627
Cost of inventories recognised as expenses	**3,812,769**	4,476,592
Depreciation of property, plant and equipment	**234,983**	179,198
Loss on disposal of property, plant and equipment	**634**	390
Operating lease rentals in respect of land and buildings	**1,768**	4,549
and after crediting (in other income):		
Interest income	**10,385**	3,678
Income from operating a pier	**28,769**	18,655
Net foreign exchange gains	**16,955**	42,753

6. DIVIDENDS

No final dividend was paid for the year ended 31 March 2009 (for the year ended 31 March 2008: HK10 cents per share was paid) to shareholders during the current period.

The Directors determined that an interim dividend of HK22 cents per share (2008: HK5 cents per share) should be paid to the shareholders of the Company whose names appear in the Register of Members on 2 December 2009.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share	**816,662**	668,213

	2009	2008
	Number of shares	*Number of shares*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,137,380,412**	1,137,380,412
Effect of dilutive potential ordinary shares:		
— Share options	**—**	144,797
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,137,380,412**	1,137,525,209

The computation of diluted earnings per share for the six months ended 30 September 2009 does not assume the exercise of the Group's outstanding share options as the exercise prices of certain options are higher than the average market price and also the performance conditions for the exercise of certain options were not met.

8. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, there were additions of HK$215 million (six months ended 30 September 2008: HK$852 million) to property, plant and equipment to expand its operations.

9. INTERESTS IN AN ASSOCIATE

	30 September 2009 HK$'000	31 March 2009 HK$'000
Cost of unlisted investment	**1**	1
Share of post-acquisition results	**(1)**	(1)
	—	—

Details of the Group's associate at 30 September 2009 and 31 March 2009 are as follows:

Name of associate	Form of business structure	Place of Incorporation/ registration and operations	Issued and fully paid share capital/ registered capital	Effective interest in the issued share capital/ registered capital held	Principal Activity
Fortune Sight Group Limited ("FSGL")	Incorporated	British Virgin Islands	Ordinary shares — US$1,000	19% *(note)*	Investment holding in a PRC subsidiary engaging in producing raw materials for manufacturing of paper and pulp

Note: The Group is able to exercise significant influence over FSGL because it has the power to appoint one out of the three directors of that company.

10. INVENTORIES

	30 September 2009 HK$'000	31 March 2009 HK$'000
Raw materials	**1,381,687**	1,156,853
Finished goods	**335,016**	479,065
	1,716,703	1,635,918

11. TRADE AND OTHER RECEIVABLES

	30 September 2009 HK$'000	31 March 2009 HK$'000
Trade receivables	**1,325,696**	1,080,864
Bills receivables	**320,387**	306,648
	1,646,083	1,387,512
Deposits and prepayments	**193,234**	285,072
Deferred consideration receivables for disposal of subsidiaries	**118,135**	118,135
Other receivables	**448,193**	356,160
	2,405,645	2,146,879

The Group generally allows an average credit period range from 45 to 60 days to its customers. An ageing analysis of the trade and bills receivables is as follows:

	30 September 2009 HK$'000	31 March 2009 HK$'000
Aged:		
Less than 30 days	**1,177,930**	990,808
31–60 days	**336,108**	316,046
61–90 days	**74,455**	54,140
91–120 days	**39,835**	13,779
Over 120 days	**17,755**	12,739
	1,646,083	1,387,512

12. TRADE AND OTHER PAYABLES

	30 September 2009 HK$'000	31 March 2009 HK$'000
Current		
Trade and bills payables	**797,891**	338,221
Accruals	**128,089**	147,927
Other payables	**479,478**	362,785
	1,405,458	848,933
Non-current		
Other payables	**146,279**	364,042

The average credit period taken for trade purchases range from 30 to 60 days. An ageing analysis of the trade and bills payables is as follows:

	30 September 2009 HK$'000	31 March 2009 HK$'000
Aged:		
Less than 30 days	**375,061**	232,636
31–60 days	**175,806**	44,888
61–90 days	**202,698**	15,041
Over 90 days	**44,326**	45,656
	797,891	338,221

13. REVIEW OF INTERIM ACCOUNTS

The condensed interim financial statements are unaudited, but have been reviewed by the Audit Committee.

BUSINESS REVIEW AND OUTLOOK

Business Review

For the 1st half of fiscal year 2009/2010, the Group achieved a turnover of HK$5,060 million and net profit attributable to equity holders of the Company of HK$817 million, representing a decrease of 7.9% and an increase of 22.3% respectively as compared to the last corresponding period. The Group has maintained a good financial position with improvement on cash flows and we are able to reduce bank debts by HK$1,800 million. We are targeting to continuously reduce the debts ratio to 50%. During the period, we have also successfully upgraded our paper machines to meet the market changes as well as improving products quality to provide a better sales condition and strengthening our cost control to generate more profits.

Outlook

Although there are continued strong growth of the Chinese domestic market and recovering export-driven demand, newly established paper production lines have resulted in more competition in the market. However, with the Group's experience and well-established foundation, the management is confident of the Group's competitiveness. Therefore, we plan to start the operation of PM15 and PM16 before end of December 2010, which will add 900,000 tons capacity, which will boost up the Group's total capacity to 5.45 million tons of paper and 180,000 tons of pulp. In additions, our Vietnam pulp and paper plant is also under planning to resume construction. In the meantime, the management will continue to focus on cost control, sales network expansion, more value-added services to our customers, products diversification, improvements of cash flows and debt reduction to create better return to our shareholders and potential investors.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operation

Revenue and net profit attributable to equity holder of the Company for the six months ended 30 September 2009 was HK$5,060 million and HK$817 million respectively, representing a decrease of 7.9% and an increase of 22.3%, as compared to HK$5,493 million and HK$668 million, for the corresponding period last year. The earnings per share for the period was HK71.80 cents as compared to HK58.75 cents for the corresponding period last year.

The Group's containerboard capacities was increased as a result of the full period commercial operation of PM12 and PM13 during the period. The decrease in revenue was mainly attributable to the decrease in the Group's average selling price of containerboard while the Group's sales volume recorded an increase of about 25%.

The increase in net profit for the period was mainly due to the increase in sales volume as a result of the machine optimization to increase production capacities and the commercial operation of PM12 and PM13, and the successful cost control through the improvements of cash flow and debt reduction.

Distribution and Selling Expenses and Administrative Expenses

The Group's distribution and selling expenses decreased by approximately 19.0% from HK$148.1 million for the six months ended 30 September 2008 to HK$120.0 million for the six months ended 30 September 2009.

The Group's administrative expenses increased by approximately 10.7% from HK$184.9 million for the six months ended 30 September 2008 to HK$204.8 million for the six months ended 30 September 2009 as a result of the expansion in the operation of the Group during this period. The distribution and selling expenses and administrative expenses represented about 2.4% and 4.0% of the revenue, respectively, for the six months ended 30 September 2009, and were comparable to the year ended 31 March 2009.

Finance Costs

The Group's total borrowing costs (including the amounts capitalized) decreased by approximately 20.5% from HK$169.2 million for the six months ended 30 September 2008 to HK$134.6 million for the six months ended 30 September 2009. The decrease was mainly due to the decrease in average amount of outstanding bank and other borrowings during the period.

Inventories, Debtors' and Creditors' Turnover

The inventory turnover of the Group's raw materials and finished products were 75 days and 16 days, respectively, for the year ended 30 September 2009 as compared to 66 days and 20 days, respectively, for the six months ended 31 March 2009.

The Group's debtors' turnover days were 48 days for the six months ended 30 September 2009 as compared to 41 days for the year ended 31 March 2009. This is in line with the credit terms of 45 days to 60 days granted by the Group to its customers.

The Group's creditors' turnover days were 44 days for the six months ended 30 September 2009 as compared to 19 days for the year ended 31 March 2009 and is in line with the credit terms granted by the Group's suppliers to the Group.

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 September 2009 was HK$9,325 million (31 March 2009: HK$8,467 million). As at 30 September 2009, the Group had current assets of HK$5,032 million (31 March 2009: HK$5,747 million) and current liabilities of HK$3,937 million (31 March 2009: HK$5,690 million). The current ratio was 1.28 as at 30 September 2009 as compared to 1.01 at 31 March 2009.

The Group generally finances its operations with internally generated cashflow and credit facilities provided by its principal bankers in Macau, Hong Kong and the PRC. As at 30 September 2009, the Group had outstanding bank and other borrowings of HK$6,693 million (31 March 2009: HK$8,542 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from 0.81 as at 31 March 2009 to 0.66 as at 30 September 2009.

The Group's liquidity position continuously improved and the Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's transactions and the monetary assets are principally denominated in Renminbi, Hong Kong dollars or United States dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 September 2009.

During the six months ended 30 September 2009, the Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

EMPLOYEES

As at 30 September 2009, the Group had a workforce of more than 7,000 employees. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Company.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

The Group has a Share Option Scheme whereby employees of the Group are granted options to acquire shares in the Company.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK22 cents (2008: HK5 cents) per share for the six months ended 30 September 2009 to shareholders whose names appear on the Register of Members on 2 December 2009. It is expected that the interim dividend will be paid around 11 December 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 30 November 2009 to 2 December 2009, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4.30 pm on 27 November 2009.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as a code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2009. The Model Code also applies to other specified senior management of the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2009.

AUDIT COMMITTEE

The Audit Committee of the Company comprised of three independent non-executive directors namely, Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control procedures and financial reporting matters including the review of the Group's unaudited interim financial statements for the six months ended 30 September 2009.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee was established on 28 September 2005 with specific written terms of reference which deal clearly with its authority and duties. The current members of the remuneration committee comprise Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David. All members of the remuneration committee are independent non-executive directors.

On behalf of the Board
Lee Wan Keung Patrick
Chairman

Hong Kong, 9 November 2009

As at the date of this notice, the board of directors of the Company comprises four executive directors, namely Mr Lee Wan Keung Patrick, Mr Lee Man Chun Raymond, Mr Lee Man Bun and Mr Li King Wai Ross, one non-executive director, namely Professor Poon Chung Kwong and three independent non-executive directors, namely Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David.

* *for identification purposes*