ADDCHANCE HOLDINGS LIMITED
互益集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3344)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

HIGHLIGHTS

- **Revenue increased by 4.7% to approximately HK$617.2 million**
- **Gross profit margin for the period under review was approximately 23.3%**
- **Net profit derived from core operations was approximately HK$32.3 million with net profit margin of approximately 5.2%**

INTERIM RESULTS

On behalf of the board of directors (the "Board") of Addchance Holdings Limited, I am pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2011, together with unaudited comparative figures for the corresponding period in 2010. These interim financial statements have not been audited, but have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu, who conducted the review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants and the audit committee of the Company (the "Audit Committee").

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

		For the six months ended 30th June,	
		2011	2010
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**617,184**	589,341
Cost of sales		**(473,596)**	(440,841)
Gross profit		**143,588**	148,500
Other income		**11,812**	10,048
Selling and distribution costs		**(38,400)**	(31,604)
Administrative expenses		**(66,713)**	(56,665)
Finance costs	*4*	**(13,521)**	(13,482)
Profit before tax		**36,766**	56,797
Income tax expense	*5*	**(4,498)**	(5,205)
Profit for the period	*6*	**32,268**	51,592
Other comprehensive income for the period			
Exchange differences arising on translation of foreign operations		**876**	(851)
Total comprehensive income for the period		**33,144**	50,741
Profit for the period attributable to:			
Owners of the Company		**32,415**	51,592
Non-controlling interests		**(147)**	–
		32,268	51,592
Total comprehensive income attributable to:			
Owners of the Company		**33,291**	50,741
Non-controlling interests		**(147)**	–
		33,144	50,741
Earnings per share, in HK cents			
Basic	*8*	**7.35**	12.49

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE, 2011

	NOTES	30.6.2011 HK$'000 (unaudited)	31.12.2010 HK$'000 (audited)
NON-CURRENT ASSETS			
Investment properties		**1,910**	1,936
Property, plant and equipment		**767,196**	734,115
Prepaid lease payments		**57,945**	58,653
Deposit paid for acquisition of land use rights and property, plant and equipment		**15,050**	20,134
Club debentures		**1,070**	1,070
Deferred tax assets		**159**	159
		843,330	816,067
CURRENT ASSETS			
Prepaid lease payments		**1,437**	1,437
Inventories		**778,154**	540,473
Trade receivables, bills receivables and other receivables, deposits and prepayments	*9*	**453,687**	295,322
Amounts due from related companies		**108**	191
Bank balances and cash		**79,256**	99,115
		1,312,642	936,538
Assets classified as held for sale	*10*	**25,434**	27,158
		1,338,076	963,696
CURRENT LIABILITIES			
Trade and other payables	*11*	**252,554**	244,997
Bills payable	*11*	**252,859**	32,773
Amounts due to non-controlling interests		**175**	175
Bank borrowings – due within one year		**563,085**	490,878
Taxation payable		**1,831**	1,899
Dividend payable		**13,238**	–
Bank overdrafts		**23,516**	–
		1,107,258	770,722
NET CURRENT ASSETS		**230,818**	192,974
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,074,148**	1,009,041

	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
CAPITAL AND RESERVES		
Share capital	**4,413**	4,413
Reserves	**927,717**	907,664
Equity attributable to owners of the Company	**932,130**	912,077
Non-controlling interests	**1,403**	1,550
	933,533	913,627
NON-CURRENT LIABILITIES		
Bank borrowings – due after one year	**117,670**	74,535
Deferred tax liabilities	**22,945**	20,879
	140,615	95,414
	1,074,148	1,009,041

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2011 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2010.

In the current interim period, the Group has applied, for the first time, the following new and revised standards and interpretations ("new and revised IFRSs") issued by the International Accounting Standards Board ("IASB").

IFRSs (Amendments)	Improvements to IFRSs issued in 2010
IAS 24 (as revised in 2009)	Related Party Disclosures
IAS 32 (Amendments)	Classification of Rights Issues
IFRIC 14 (Amendments)	Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new and revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31st December, 2010 were authorised for issuance and are not yet effective:

IFRS 10	Consolidated Financial Statements[1]
IFRS 11	Joint Arrangements[1]
IFRS 12	Disclosures of Interests in Other Entities[1]
IFRS 13	Fair Value Measurement[1]
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
IAS 19 (as revised in 2011)	Employee Benefits[1]
IAS 27 (as revised in 2011)	Separate Financial Statements[1]
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]

[1] *Effective for annual periods beginning on or after 1st January, 2013*

[2] *Effective for annual periods beginning on or after 1st July, 2012*

The directors of the Company anticipate that the application of these new or revised standards will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30th June, 2011

	Production and sale of cotton yarn *HK$'000*	Production and sale of knitted sweaters *HK$'000*	Production and sale of dyed yarns *HK$'000*	Provision of dyeing services *HK$'000*	Trading of cotton and yarns *HK$'000*	Segment total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
REVENUE								
External sales	57,537	273,603	253,935	14,392	17,717	617,184	–	617,184
Inter-segment sales	97,279	228,790	392,333	7,384	93,013	818,799	(818,799)	–
	154,816	502,393	646,268	21,776	110,730	1,435,983	(818,799)	617,184
SEGMENT PROFIT	2,270	32,107	24,791	2,139	2,335	63,642	–	63,642
Unallocated income								640
Unallocated expenses								(13,995)
Finance costs								(13,521)
Group's profit before tax								36,766

Six months ended 30th June, 2010

	Production and sale of cotton yarn *HK$'000*	Production and sale of knitted sweaters *HK$'000*	Production and sale of dyed yarns *HK$'000*	Provision of dyeing services *HK$'000*	Trading of cotton and yarns *HK$'000*	Segment total *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
REVENUE								
External sales	93,071	167,736	295,280	18,094	15,160	589,341	–	589,341
Inter-segment sales	67,686	162,250	292,709	12,442	64,980	600,067	(600,067)	–
	160,757	329,986	587,989	30,536	80,140	1,189,408	(600,067)	589,341
SEGMENT PROFIT	16,388	13,064	53,679	2,115	2,456	87,702	–	87,702
Unallocated income								223
Unallocated expenses								(17,646)
Finance costs								(13,482)
Group's profit before tax								56,797

Segment profit represents profit before tax of each segment without allocation of central administrative costs, directors' emoluments, interest income, rental income and finance cost.

4. FINANCE COSTS

	For the six months ended 30th June, **2011** ***HK$'000***	2010 *HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**13,521**	13,464
Finance leases	**–**	18
	13,521	13,482

5. INCOME TAX EXPENSE

	For the six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax – current year	**2,199**	2,269
PRC Enterprise Income Tax – current year	**233**	123
Deferred taxation:		
– Current year	**2,066**	2,813
	4,498	5,205

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Company are exempted from the PRC Enterprise Income Tax for the two years starting from their first profit-making year, followed by a 50% reduction for the next three years (the "Tax Holiday"). The Tax Holiday of these PRC subsidiaries will expire in 2011 to 2012. The Tax Holiday continues to be applicable for the PRC subsidiaries after the EIT Law on Enterprise Income Tax was implemented.

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following items:

	For the six months ended 30th June,	
	2011	2010
	HK$'000	*HK$'000*
Depreciation of investment properties	**26**	26
Depreciation of property, plant and equipment	**48,085**	39,433
Amortisation of prepaid lease payments	**708**	687
Interest income	**(48)**	(37)
Net exchange gain	**(2,063)**	(2,419)

7. DIVIDEND

During the current interim period, a final dividend of HK3.0 cents per share in respect of the year ended 31st December, 2010 (six months ended 30th June, 2010: HK$2.0 cents per share in respect of the year ended 31st December, 2009) was declared and subsequently paid to the owners of the Company in July 2011.

The directors do not recommend the payment of an interim dividend for the six months ended 30th June, 2011.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit for the period attributable to owners of the Company of approximately HK$32,415,000 (six months ended 30th June, 2010: HK$51,592,000) and on the weighted average number of shares in issue of 441,250,000 (six months ended 30th June, 2010: 413,218,000).

No diluted earnings per share is presented as the Company had no potential ordinary shares outstanding during both periods.

9. TRADE RECEIVABLES, BILLS RECEIVABLES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group generally allows credit periods of 30 days to 120 days to its trade customers.

At 30th June, 2011, included in trade receivables, bills receivable and other receivables, deposits and prepayments are trade receivables of HK$374,258,000 and bills receivables of HK$3,864,000 (31st December, 2010: trade receivables of HK$230,100,000 and bills receivables of HK$22,252,000) respectively and their aged analysis, net of allowance for doubtful debts presented based on the invoice date, at the end of reporting period is as follows:

	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
Aged:		
0 – 30 days	**260,790**	149,783
31 – 60 days	**71,217**	53,412
61 – 90 days	**20,931**	14,605
91 – 120 days	**8,625**	5,029
Over 120 days	**16,559**	29,523
	378,122	252,352
Other receivables, deposits and prepayments	**75,565**	42,970
	453,687	295,322

10. ASSETS CLASSIFIED AS HELD FOR SALE

On 27th April, 2010, the Group entered into a conditional sale and purchase agreement with an independent third party, to dispose of a subsidiary for a consideration of approximately HK$71,500,000 (equivalent to RMB61,500,000). As at 30th June, 2011, the Group has received a deposit of approximately HK$53,372,000 (equivalent to RMB45,900,000) for the disposal, which are included in other payables *(note 11)*. The disposal are expected to be completed on or before 11th October, 2011 according to the terms of the conditional sale and purchase agreement. The assets of the subsidiary have been presented separately in the condensed consolidated statement of financial position as assets classified as held for sale. The major classes of these assets are as follows:

	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
Prepaid lease payment	**25,025**	25,025
Bank balances and cash	**409**	2,133
Total assets classified as held for sale	**25,434**	27,158

11. TRADE AND OTHER PAYABLES/BILLS PAYABLE

At 30th June, 2011, included in trade and other payables are trade payables of HK$80,463,000 (31st December, 2010: HK$41,128,000) and their aged analysis, presented based on the invoice date, at the end of reporting period is as follows:

	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
Aged:		
0 – 60 days	**55,079**	24,960
61 – 90 days	**10,780**	4,680
Over 90 days	**14,604**	11,488
	80,463	41,128
Other payables and accruals	**172,091**	203,869
	252,554	244,997

At 30th June, 2011, bills payable are aged within 0 – 90 days (31st December, 2010: 0 – 120 days).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are pleased to report the results of the Group for the six months ended 30th June, 2011. The Group's consolidated revenue increased by approximately 4.7% to HK$617.2 million. Profit attributable to equity shareholders derived from the core business of the Group was approximately HK$32.4 million, with net profit margin of approximately 5.2%.

Despite the recovering international market, the operation environment of the entire textile industry was still full of challenges with the fluctuating raw material prices and the continuous appreciation of RMB. Cotton prices achieved a record high in the first quarter of 2011, though it started to drop gradually thereafter. The fluctuation in cotton prices and other related raw material costs pose a change on our sales and inventory management strategies. Other direct manufacturing costs such as energy and wages also increased due to the global inflation. The upsurge of those costs has resulted in the Group not being able to maintain our gross profit margin at the same level as that of the comparable period.

However, as a one-stop service provider, the Group was still able to stabilize our supply chain and strengthen our control on raw material costs. Leveraging on our competitive edges, the Group still managed to strengthen its core competences and achieved growths in revenue and sales volume. Our efforts enabled the Group to continuously achieve satisfactory performance in terms of revenue and net profits during the period under review. With the successive record highs in the cotton prices during the period under review, the Group deliberately decreased its cotton inventory and the profit margin has been slightly affected comparing with that during the same period last year.

In view of the upsurge of the raw material cost, we continuously adopted a new series of strategies to maintain our profit margin without being affected by any sudden increase in cotton prices. The Group requested full deposits on cotton or yarn purchases in advance upon accepting new customers' orders. Such deposits received in advance can lock-in the cotton costs, neutralize the rising cost and maintain our profit margins at a stable level.

PROSPECTS

Cotton prices are expected to be volatile in the second half of 2011. Therefore, the Group will continue to adopt series of strategies to maintain the profit margin and will procure our raw materials in a timely and flexible manner according to the market conditions. The Group will proactively procure low-price cotton at each cycle to combat fluctuating raw material prices and to maintain the inventory at an optimal level for continued order flow and production. Our existing spinning arm in SuSong and Xinjiang do allow the Group to further sustain our cost advantages by providing stable supply chain at a lower cost.

Sweater business remained the most profitable business and therefore the Group will continue to increase its production capacity to cope with the recovering demand from overseas countries. Computerized knitting machines will be set up in our knitting manufacturing arms and will commence operation in the second half of 2011. Furthermore, an environmental friendly factory will be constructed in different phases in Cambodia to increase our production capacity of knitted sweaters and strengthen our competitive advantages towards those European manufacturers. We expected that this green factory will enable the Group to further expand our customer base. Also, the dominant contribution from the domestic market bode well the Group to increase our domestic sales in the PRC. Sales made to PRC markets are expected to increase further thereafter.

Looking ahead, the Group will continuously be benefited by the economic growth momentum of the PRC and the recovery of the global economy. The prevailing tough operating environment will continue to exert pressures on industry players and will result in further industry consolidation. The Group will continue to enhance its competitive edges to grasp the opportunities arising from this challenge and strive to implement further stringent cost control measures and streamline existing operations and structures to further enhance operational efficiency and profit margin.

FINANCIAL REVIEW

The Group is principally engaged in the production and sale of dyed yarn, knitted sweaters and cotton yarn, the provision of dyeing services and knitting services, and the trading of cotton and yarns. Its major products include dyed yarns made of over 200 different types of cotton, cashmere, ramie, rayon, acrylic, polyester, silk, wool, nylon, linen and a mixture of the above, and knitted sweaters including cardigans and pullovers. Further, the Group also started to expand our product variety to hosiery products.

Comparing with the same period last year, the Group recorded around 4.7% growth in turnover during the period under review. The revenue increased slightly from approximately HK$589.3 million to approximately HK$617.2 million. Production and sales of knitted sweaters and dyed yarn remained as the principal operation of the Group and the revenue generated from the production and sales of cotton yarns is expected to increase gradually.

Turnover of the sweater business substantially increased by approximately 63.1%, from approximately HK$167.7 million in the corresponding period last year to approximately HK$273.6 million during the period under review, representing approximately 44.3% of the Group's total turnover. With the challenging operating environment of the fluctuating raw material costs, our existing vertically integrated infrastructure was enhanced our competitive advantage. Our sweater business is being benefited by our upstream spinning arm by utilizing the raw materials at a controllable and stable costs and in turn improving our profit margins. Revenue generated from sweater business increased in terms of both sales volumes and selling price at the same time. Orders with high profit margins received by the Group increased during the year under review and the orders received from existing customers generally increased yearly. Average selling price per piece increased by around 22.0% comparing with that of the corresponding period last year while the output quantity of knitted sweaters increased by around 21.9% and surged to 5.0 million pieces. Our sweater products were still mainly exported to Europe and the Group continues to expand our customer base to have a less reliance on the existing customers. As a percentage of the revenue of sweater business, the sales made to our largest customer decreased from 28.1% to approximately 22.7% during the period under review as planned. Further, we have built up relationship with new customers during the period under review and the PRC domestic sales also increased upon the signing of strategic agreements with certain PRC customers. We are able to keep a balance between the PRC domestic sales and export sales in order to hedge against the continuous appreciation of RMB. Besides, textile products imported from Cambodia are subject to tax-free beneficial treatment for those European customers and again strengthen the bargaining power of the Group. We believe that the order rescheduling and the efficient production planning will result in the continued increase in the profit margins in the second half of 2011.

Dyed yarn remains the core product of the Group. Turnover generated from the production and sales of dyed yarns for the period under review was approximately HK$253.9 million, which represented a decrease of approximately 14.0% as compared with that in the previous year and accounted for approximately 41.1% of the Group's total turnover. With the adoption of our new sales strategies towards this increasing raw materials costs, the Group focused on those orders with high profit margins and full deposits were required to be made on the raw materials at the same time. Therefore, this adjustment in the sales strategy made the average selling price per pound of dyed yarns increased by approximately 59.6% whereas the sales volume drop by around 46.1% due to change in the product mix. With our competitive advantage of our self-owned upstream manufacturing facilities, the Group can secure a stable supply of yarn products at lower costs for the production of dyed yarns despite the increasing cotton costs during the period under review and profit margin derived from dyed yarns segment increased. We continued to exercise tight cost controls and efficient order scheduling and production planning to streamline our existing operations and improve our profit margin.

In line with the consistent sales strategy, revenue generated from the provision of dyeing services also decreased from approximately HK$18.1 million during the corresponding period last year to approximately HK$14.4 million during the period under review, representing a decrease of approximately 20.5% from that of last year. Most of the Group's dyed yarn was sold to the PRC and Hong Kong manufacturers with production bases in Guangdong, Jiangsu and Zhejiang. Sales proceeds generated from the PRC, Hong Kong and Macau accounted for approximately 95.0% of the Group's total sales proceeds generated from dyed yarns. The remainder of the sales proceeds was derived from exports to overseas countries including Thailand, Taiwan, and Indonesia.

Production and sales of cotton yarns is another core segment of the Group following series of expansion of our spinning facilities in Xinjiang and Anqing. Revenue generated from cotton yarns decreased from approximately HK$93.1 million to approximately HK$57.5 million, representing a decrease of approximately 38.2%. During the period under review, the cotton prices recorded high in the first quarter of 2011 and started to drop in the second quarter of 2011. Therefore, the proportion of external and internal usage of cotton yarns was adjusted to minimize the sales of finished cotton yarns with low profit margin. With the decrease in the cotton yarns prices in the second quarter of 2011, more cotton yarns products were consumed internally by the Group's downstream operation and lesser cotton yarns products were sold to customers in order to sustain the profit margin. Therefore, the external utilization rate of the cotton yarns decreased from approximately 57.9% during the corresponding period last year to approximately 37.2% during the period under review. As a result, the average selling price per ton increased by approximately 46.4% while the sales volume made decreased by approximately 57.8% comparing with that of the corresponding period last year. Cotton prices started to recover after the period under review and we expected more external sales with satisfactory profit margin can be made in the second half of 2011.

The Group recorded approximately HK$143.6 million in gross profit for the period under review, representing a slight decrease of approximately 3.3% as compared with approximately HK$148.5 million during the corresponding period last year. Gross profit margin was kept at about 23.3%. During the period under review, the price of cotton and cotton-related products repeatedly broke new record highs. Although customers have generally accepted increases in selling price of yarns products, the increases can only compensate part of the increase in costs of sales. It was generally insufficient to maintain the gross profit margin with the upsurge in the price of yarns as well as inflation in other operation costs. However, with our improvement in the operational efficiency, factory utilization rate as well as other cost control measures, the Group still managed to keep the gross profit margin at a stable level. The Group was able to pass part of the cost to end-customers by raising the selling prices of various products. Therefore, the average selling prices in each segment increased significantly, including approximately 59.6% increase in the price of dyed yarns, approximately 22.0% increase in the price of knitted sweaters and approximately 46.4% increase in the price of cotton yarns. The Group will continuously maintain a healthy inventory level by proactively purchasing cotton at different cycles to stabilize our raw material costs.

Net profit margin was maintained at approximately 5.2% for the period under review. The Group will continuously overcome the challenges by sharpening its competitive edges.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30th June, 2011, the Group's cash and cash equivalents amounted to approximately HK$56.1 million, maintaining at a stable level as that of the corresponding period last year. Total assets amounted to approximately HK$2,181.4 million, representing an increase of approximately HK$256.0 million comparing with approximately HK$1,925.4 million as at 30th June, 2010.

With the increase in the procurement of the raw materials during the period under review, net cash outflow in operating activities increased to approximately HK$78.2 million for the six months ended 30th June, 2011. Net cash used in investing activities increased to HK$66.6 million, together with the increase in net cash generated from bank loans raised, the cash and cash equivalents remained at around HK$56.1 million.

The Group mainly met its funding requirements in its usual course of operation by cash flows generated from operations, as well as long-term and short-term borrowings. The Group will focus on reducing the net gearing ratio continuously by improving profitability, procuring the disposal of non-core properties as well as the implementation of tighter control over costs, working capital and capital expenditure.

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

The Company has not redeemed any of its listed shares during the six months ended 30th June, 2011. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the six months ended 30th June, 2011.

CORPORATE GOVERNANCE

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules during the six months ended 30th June, 2011 save that Code provision A.2.1 requires that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Sung Chung Kwun is the Chairman of the Board and there is no chief executive officer appointed by the Company and the day-to-day management of the Group is led by Dr. Sung. There is no time schedule to change this structure as the Directors consider that this structure provides the Group with strong and consistent leadership in the Company's decision making process and operational efficiency.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all the Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th June, 2011.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group, its internal control, financial reporting matters, interim results and the interim report for the six months ended 30th June, 2011.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement will be published on the websites of the Stock Exchange and the Company (http://www.irasia.com/listco/hk/addchance/index.htm). An interim report for the six months ended 30th June, 2011 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

MEMBERS OF THE BOARD

As at the date of this announcement, the Board comprises Dr. Sung Chung Kwun, Mr. Wong Chiu Hong, Mr. Sung Kim Ping, Ms. Sung Kit Ching and Mr. Ip Siu Lam as executive Directors, Mr. Lau Gary Q. as non-executive Director and Mr. Chan Tsz Fu, Jacky, Mr. Ng Man Kin and Professor Cai Xiu Ling as independent non-executive Directors.

On behalf of the Board, I would like to express my heartfelt gratitude to our management team, staff and shareholders for their dedication and contribution to the Group.

By Order of the Board
Sung Chung Kwun
Chairman

Hong Kong, 26th August, 2011