MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2009

The directors (the "Directors") of Mongolia Energy Corporation Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group" or "MEC") for the six months ended September 30, 2009 together with the comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended September 30, 2009

		Six months ended September 30,	
		2009	2008
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	*(unaudited)*
Revenue	*3*	**1,239**	10,497
Bank interest income		**1,409**	10,894
Other income		**–**	1,873
Staff costs		**(28,168)**	(25,979)
Depreciation		**(15,923)**	(11,422)
Other expenses		**(43,413)**	(35,800)
Finance costs	*4*	**(52,649)**	(100,993)
Loss on early redemption of loan note		**–**	(73,581)
Loss on disposal of investment properties		**–**	(16,062)
Fair value loss on investment property		**(13,533)**	–
Impairment loss on aircraft		**(24,333)**	–
Fair value gains (losses) from held-for-trading investments		**47,588**	(19,712)
Share of losses of associates		**(165)**	(2,898)
Loss before taxation		**(127,948)**	(263,183)
Income tax credit	*5*	**–**	77,572
Loss for the period	*6*	**(127,948)**	(185,611)
LOSS PER SHARE	*7*		
– basic *(HK cents)*		**2.11**	3.07
– diluted *(HK cents)*		**2.11**	3.07

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended September 30, 2009

	Six months ended September 30,	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Loss for the period	**(127,948)**	(185,611)
Other comprehensive income (expense) for the period		
Exchange difference arising on translation of foreign operations	**1,299**	(15,848)
Total comprehensive expense for the period attributable to the owners of the Company	**(126,649)**	(201,459)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At September 30, 2009

	Notes	**September 30, 2009** *HK$'000* *(unaudited)*	March 31, 2009 *HK$'000* *(audited)*
Non-Current Assets			
Property, plant and equipment		**193,628**	224,456
Investment property		**90,513**	104,046
Intangible assets		**868**	809
Development in progress		**954,030**	738,941
Exploration and evaluation assets	*8*	**13,073,237**	12,758,720
Interests in associates		**68,316**	67,678
Other assets		**1,150**	1,150
Prepayments for exploration and evaluation expenditure		**54,050**	54,050
Deposits for property, plant and equipment and other long-term deposits		**171,055**	170,527
Amount due from an associate		**200,000**	200,000
		14,806,847	14,320,377
Current Assets			
Accounts receivable	*9*	**375**	–
Other receivables, prepayments and deposits		**44,561**	31,986
Held-for-trading investments		**76,330**	28,742
Amounts due from associates		**5,253**	5,275
Cash and cash equivalents		**291,941**	660,889
		418,460	726,892
Current Liabilities			
Accounts payable	*10*	**579**	1,049
Other payables and accruals		**49,424**	18,482
Amount due to an associate		**1,323**	5,510
Tax payable		**5,301**	5,301
		56,627	30,342
Net Current Assets		**361,833**	696,550
		15,168,680	15,016,927
Non-Current Liabilities			
Convertible notes		**1,748,877**	1,647,166
Loan note		**114,934**	110,468
		1,863,811	1,757,634
Net assets		**13,304,869**	13,259,293
Financed by:			
Equity			
Capital and reserves attributable to owners of the Company			
Share capital		**122,056**	120,964
Reserves		**13,182,756**	13,138,272
		13,304,812	13,259,236
Minority interests		**57**	57
Total Equity		**13,304,869**	13,259,293

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended September 30, 2009

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 and with Hong Kong Accounting Standard 34, Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property and certain financial instruments which are measured at fair values. The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended March 31, 2009.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA. Except for described below, the adoption of the new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. 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 business segments. The application of HKFRS 8 has 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 3).

The Group has not early applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combination for which the acquisition dates are on or after April 1, 2010. HKAS 27 (Revised 2008) may have other effect on the accounting treatment for changes in the Group's ownership interest in a subsidiary.

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

3. REVENUE AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from April 1, 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, represented by the board of directors of the Company, in order to allocate resources to the segment 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 returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of HKFRS 8, the Group's reportable segments has changed.

In prior years, segment information reported externally was analysed on three operating divisions (i.e. coal mining, charter flight services and property investments). However, information reported to the Group's board of directors for the purposes of resource allocation and assessment of performance focuses just on the coal mining and charter flight services segment. Therefore the property investments segment is excluded from the reportable segments for the purposes of HKFRS 8.

In prior period, the Group disposed of its all investment properties located in Hong Kong and then property investments segment was classified as discontinued operation in 2008 interim report. The Group acquired an investment property located in the Mainland China in January 2009. The property investment segment was reclassified as continued operation in 2009 annual report and this interim report.

The segment revenue and results for the period ended September 30, 2009 are as follows:

	For the six months ended September 30, 2009		
	Coal mining	**Charter flight services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment revenue	**–**	**1,239**	**1,239**
Segment loss	**(29,040)**	**(31,979)**	**(61,019)**
Unallocated corporate expenses			**(49,579)**
Bank interest income			**1,409**
Fair value gain from held-for-trading investments			**47,588**
Fair value loss on investment property			**(13,533)**
Finance costs			**(52,649)**
Share of losses of associates			**(165)**
Loss before taxation			**(127,948)**
Income tax credit			**–**
Loss for the period			**(127,948)**

The segment revenue and results for the period ended September 30, 2008 are as follows:

	For the six months ended September 30, 2008		
	Coal mining	Charter flight services	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue	–	1,569	1,569
Segment loss	(21,768)	(8,570)	(30,338)
Unallocated corporate expenses			(41,294)
Other revenue – property income, gross			8,928
Bank interest income			10,894
Other income			1,873
Loss on early redemption of loan note			(73,581)
Fair value loss from held-for-trading investments			(19,712)
Loss on disposal of investment properties			(16,062)
Finance costs			(100,993)
Share of loss of an associate			(2,898)
Loss before taxation			(263,183)
Income tax credit			77,572
Loss for the period			(185,611)

Reconciliation of segment revenue to consolidated revenue

	HK$'000
Segment revenue	1,569
Other revenue – property income, gross	8,928
Total revenue	10,497

The following is an analysis of the Group's assets by operating segments:

	September 30, 2009	March 31, 2009
	HK$'000	*HK$'000*
Coal mining	**14,166,763**	13,675,699
Charter flight services	**241,651**	267,881
	14,408,414	13,943,580

4. FINANCE COSTS

	Six months ended September 30, 2009	2008
	HK$'000	*HK$'000*
Interest on borrowings wholly repayable within five years:		
Interest expense:		
– convertible notes	**101,711**	86,079
– loan note	**4,466**	23,656
– bank loans	**–**	772
Less: Interest expense capitalised to Development in progress	**(53,528)**	(9,514)
	52,649	100,993

5. INCOME TAX CREDIT

The amount of taxation credited to the consolidated income statement represents:

	Six months ended September 30, 2009	2008
	HK$'000	*HK$'000*
Current income tax at Hong Kong tax rate 16.5%	**–**	(6,427)
Deferred income tax credit	**–**	83,999
Income tax credit	**–**	77,572

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after crediting and charging:

	Six months ended September 30, 2009	2008
	HK$'000	*HK$'000*
Crediting		
Gross rental income and management fee from investment properties	**–**	8,928
Charging		
Operating lease rentals in respect of land and buildings	**8,275**	5,335
Direct outgoings in respect of investment properties	**–**	1,701
Amortisation of intangible assets	**229**	77

7. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Six months ended September 30, 2009 HK$'000	2008 HK$'000
Loss attributable to the owners of the Company, as used in the calculation of basic and diluted loss per share	**(127,948)**	(185,611)

	Six months ended September 30, 2009 '000	2008 '000
Number of shares		
Weighted average number of ordinary shares in issue for calculation of basic and diluted loss per share	**6,067,904**	6,047,913

The computation of 2009 and 2008 diluted loss per share does not assume the conversion of the Company's outstanding convertible notes and/or exercise of share options since their exercise would result in a decrease in loss per share.

8. EXPLORATION AND EVALUATION ASSETS

	Mining and Exploration Rights *HK$'000*	Others *HK$'000*	Total *HK$'000*
At April 1, 2008	12,560,873	151,355	12,712,228
Other additions *(Note a)*	–	99,046	99,046
Exchange adjustments	(48,687)	(3,867)	(52,554)
At March 31, 2009	12,512,186	246,534	12,758,720
Acquisition of an exploration right *(Note b)*	285,676	–	285,676
Other additions *(Note a)*	–	28,841	28,841
At September 30, 2009	12,797,862	275,375	13,073,237

Notes:

(a) Other additions represent the geological and geophysical costs, drilling and exploration expenses and labour costs directly attributable to exploration activities.

(b) On July 10, 2009, the Group entered into an acquisition agreement with Lenton Capital Management Limited for the acquisition of the entire interest in Millennium Hong Kong Group Limited and its Mongolian subsidiary (collectively referred as the "Millennium Group"). The Mongolian subsidiary owns an exploration concession of around 2,986 hectares in western Mongolia for ferrous resources. The consideration was satisfied by: (1) US$10,000,000 (approximately HK$77,540,000) in cash; (2) 54,577,465 new shares of the Company at an issue price of HK$3.1 at July 27, 2009; and (3) the remaining consideration of US$5,000,000 (approximately HK$39,000,000) in cash which to be payable conditional to the issuance of a mining licence of the concession area. The total consideration for the above amounted to HK$285,730,000 and the acquisition was completed on July 27, 2009. The acquisition was not considered as business combination due to the business activity of the Millennium Group is solely investment holding which does not meet the definition of a business according to HKFRS 3 "Business Combination". In this circumstance, the acquisition is treated as assets acquisition and the Group identified and recognized the individual identifiable assets and liabilities being acquired and allocated the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their fair values at the date of completion. Such acquisition does not give rise to goodwill. In this regard, the amount represents the total consideration less fair value of cash and bank balances of Millennium Group being acquired at the completion date.

9. ACCOUNTS RECEIVABLE

The Group's credit terms on the provision of services range from 30 to 90 days. The ageing analysis of accounts receivable by invoice date is as follows:

	September 30, 2009	March 31, 2009
	HK$'000	*HK$'000*
Current to 30 days	**–**	–
31 to 60 days	**375**	–
	375	–

10. ACCOUNTS PAYABLE

The ageing analysis of accounts payable by invoice date is as follows:

	September 30, 2009	March 31, 2009
	HK$'000	*HK$'000*
Current to 30 days	**575**	226
31 to 60 days	**–**	82
61 to 90 days	**–**	–
Over 90 days	**4**	741
	579	1,049

11. SUBSEQUENT EVENT

On December 9, 2009, the Company entered into a sale and purchase agreement with New World Mobile Holdings Limited ("NWM") to dispose of its entire interest in Glory Key Investments Limited ("Glory Key"), an indirect wholly owned subsidiary of the Company, at a consideration of HK$96 million. Mr Lo Lin Shing, Simon, the Director of the Company, is also a director and controlling shareholder of NWM. The consideration is to be satisfied by (i) cash of HK$50 million and (ii) a loan note issued by NWM of HK$46 million at 4% interest per annum. The principal asset of Glory Key is a Gulfstream G200 aircraft. The disposal has not been completed as at the date when these interim financial statements were approved for issue by the directors.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended September 30, 2009 (2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results Analysis

During the six-month period ended September 30, 2009, we continued to focus on our business as an energy and resources developer. We are developing mining operations over 600 hectares of our 330,000 hectares of concession areas in western Mongolia at Khushuut, Khovd Province. This area includes approximately 149.2 million tonnes of JORC in-place coal resources which are predominantly premium coking coal. Our target is to build up to a 3 million tonnes raw coal per annum (2 million tonnes saleable) production rate over time.

As our initial Khushuut coal mine project is at the mine development stage during the reporting period, there was no revenue contribution made from this business sector. The revenue from the aircraft charter flight services declined slightly period-on-period which is in line with the depressed market sentiment resulting from the financial crisis. Our revenues, as expected, declined 88.2% compared to the same period last year mainly due to the fact that there was no rental income following disposal of our investment properties in Hong Kong in July 2008.

The loss for the six months period ended September 30, 2009 was HK$127.9 million (2008: HK$185.6 million). The loss flowed mainly from the accounting loss relating to the energy and related resources projects of the Group as well as other impairment losses. In fact, HK$90.4 million of the non-cash related loss during the reporting period was accounting treatment from (1) the notional interest expenses on the convertible notes and loan note of HK$52.6 million as disclosed in Note 4 to the condensed consolidated financial statements; (2) the decrease in fair value of an investment property of HK$13.5 million according to a valuation report prepared by an independent qualified valuer as at September 30, 2009; and (3) the decrease in fair value on aircraft of HK$24.3 million according to a valuation report prepared by an independent qualified valuer as at September 30, 2009.

Apart from the accounting losses, there was a fair value gain from Hong Kong listed investments of HK$47.5 million (2008: Loss of HK$19.7 million) resulting from the upswing of Hong Kong stock market performance during the reporting period. The decline in interest income during the reporting period was in line with the utilization of cash reserves in our energy and related resources businesses.

Business Review

We continued to stay focused, as an energy and resources developer, on the mining development of our initial project in western Mongolia. We are also pressing ahead with the development of further prospects in western Mongolia and our other investments during this reporting period.

As at September 30, 2009, we have spent a total of HK$851.5 million of a contracted RMB866 million road contract (approximately HK$987.2 million) for the construction of the road foundation to link Khushuut with the Yarant/Takeshenken border crossing at Xinjiang, PRC, some 310 km away. The Khushuut Road is substantially complete, leaving some of the minor structures to be finished. We will then decide upon paving of the Khushuut Road depending on the extent of the expected wear and tear of the road.

With the road infrastructure in place, we are at the crossroad for commencing our mining operations at Khushuut. Our target is to build up to a 3 million tonnes raw coal per annum (2 million tonnes saleable) production rate over time.

In terms of the consummation of long terms supply agreement(s) as set out under the CEO's Annual Review contained in our 2009 Annual Report, in September, 2009, a potential customer visited the site of our Khushuut coking coal mine via the Khushuut Road. The visit led to around 200 tonnes of bulk samples of coal being transported from the Khushuut site to the potential customer through the Yarant/Takeshenken border into Xinjiang, PRC. The local customs at Xinjiang made special arrangement for this historical first delivery of coal from Mongolia to Xinjiang through this border. The potential customer tested the samples and was satisfied. We are in negotiations on the supply terms. Depending on our production schedule, we will finalize the terms over time prior to the commencement of our mining operations.

In July 2009, we acquired 2,986 hectares of concession in Bayan-Olgiy in western Mongolia for iron resources. Shortly after the acquisition, we commenced exploration over the concession area and our drilling work has now been completed. A JORC resources statement is expected early next year following review of the exploration results. Based upon these results, we will establish plans to develop the iron ore resources based on our experience from the Khushuut project.

Subsequent Business Development

Subsequent to our reporting period, our independent technical consultant, John T. Boyd Company, has provided us with an independent technical report. This confirmed the economic viability of our Khushuut deposit and the order of magnitude for our investments for an up to 8 million tonnes raw coal per annum (5.85 million tonnes saleable) production rate over time under certain conditions.

Also, we are pleased to have selected Leighton LLC, a member of the Leighton Group, the world's largest international contract miner, as our mining contractor to assist us in our targeted initial production rate of 3 million tonnes per annum over time. Leighton LLC has on the ground experience in Mongolia, and is willing to assist upon the compliance for commencement of mining and the supply capital for our mining equipment. We thus view Leighton LLC as our partner in Mongolia. Leighton LLC is now on site for the mine preparation work. With final approvals for commencement of mining operations, we plan to finalize a long term appointment of Leighton LLC.

We contracted to dispose of Glory Key Investments Limited ("Glory Key") in December 2009 for about HK$96 million. Glory Key is the owner of a Gulfstream G200 aircraft and through which we provide our private jet charter services. The disposal is subject to independent shareholders' approval.

Financial Review

1. *Liquidity and financial resources*

   The Group's funding was derived from internal resources. The Group will consider fund raising should the appropriate opportunity present itself to the Group.

   The borrowings of the Group as at September 30, 2009 comprised loan note and convertible notes amounted to HK$1,863.8 million (March 31, 2009: HK$1,757.6 million). The increase was due to the accrual of interest for the period at effective interest rates in the range of 10.43% p.a. to 14.14% p.a. As at September 30, 2009, all borrowings fall in the 1 to 2 year maturity profile.

   As at September 30, 2009, the cash and bank balances were HK$291.9 million (March 31, 2009: HK$660.9 million). The decline in cash and bank balances was mainly due to the usage of funding in the construction of the road from the Group's mine areas in Khushuut, western Mongolia to the Yarant/Takeshenken border crossing with Xinjiang, PRC and the payment of cash consideration for the acquisition of an exploration concession with ferrous resources in western Mongolia.

   The liquidity ratio as at September 30, 2009 was 7.4 (March 31, 2009: 24.0).

2. *Investment in listed securities*

   As at September 30, 2009, the Group's held-for-trading investments comprised equity securities listed in Hong Kong with fair value of HK$76.3 million (March 31, 2009: HK$28.7 million).

3. *Charge on Group's assets*

   As at September 30, 2009, there were no charges on the Group's assets (March 31, 2009: Nil).

4. *Gearing Ratio*

   As at September 30, 2009, the gearing ratio of the Group was 0.12 (March 31, 2009: 0.12) which was calculated based on the Group's total borrowings to total assets.

5. *Foreign exchange*

   The Group mainly operates in Hong Kong, Mainland China and Mongolia. The Group's assets and liabilities are mainly dominated in Hong Kong dollar, United States dollar, Renminbi and Mongolia Tugrik. The Group does not have a foreign currency hedging policy. However, management will monitor foreign exposure and will consider hedging significant currency exposure should the needs arise.

6. *Contingent liabilities*

   As at September 30, 2009, the Group did not have significant contingent liabilities (March 31, 2009: Nil).

Outlook

We continue to work upon commercial production of the Khushuut coking coal mine project. The Khushuut Road is now in place for commencement of mining operations. We have also selected Leighton LLC as our mining contractor. We are in negotiations for the long term supply coal contract with a major Xinjiang steel/coke producer.

Aside from Khushuut, MEC is looking to replicate its business model as an energy and resources developer, over its other prospects and investments. In this connection, we have completed an exploration drilling program of our recently acquired iron deposit. A JORC resources statement is expected early next year. Based upon these results, we will develop our plans based on our experience from the Khushuut project.

We have also identified, with our geological team and their geological reconnaissance work, a number of coal, copper and gold and copper prospects. These include an interesting prospect for further coal resources at Khushuut. Our current explored resources are to the south of the Khushuut river. There is prospect for further coking coal resources to the north of the Khushuut River based on continuation of the explored coal seams.

We will also continue to work with our business partners in other investment projects including the coal projects in Xinjiang, PRC and oil and gas projects in Mongolia to provide drivers for our future growth opportunity.

We have recently contracted to dispose of our Gulfstream G200 aircraft which is currently our only source of revenue under our private jet charter services until we commence commercial production of our Khushuut coking coal mine or other sources of revenue which may arise over time. Upon the delivery of the new Falcon 900EX aircraft next year, we will review the business strategy again in relation to our aircraft charter business.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended September 30, 2009.

CORPORATE GOVERNANCE

The board of Directors of the Company (the "Board") recognizes the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders. The Board and the senior management of the Company recognize their responsibilities to maintain the interest of the shareholders and to enhance their value. The Board also believes a deliberate policy of corporate governance can facilitate the Company's rapid growth under a healthy governance structure and strengthen the confidence of shareholders and investors.

The Company has applied the principles of the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 (the "CG Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

For the six months period ended September 30, 2009, the Company has complied with the CG Code except for deviations from the code provision A.4.1and E.1.2 of the CG Code as summarized below:

i. Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term.

   None of the existing non-executive Directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the CG Code. However, they are subject to the retirement by rotation under the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

ii. The code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting ("AGM") of the Company.

   The Chairman did not attend the 2009 AGM due to other business engagement. An Executive Director had chaired the 2009 AGM and answered questions from shareholders. A member of the Audit and Remuneration Committee was also available to answer questions at the 2009 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own Model Code for Securities Transactions by Directors (the "Code") which is on terms no less exacting than those set out in the Model Code for Securities by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. During the period of 60 days immediately preceding and including the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to and including the publication date of the annual results, all Directors are restricted to deal in the securities and derivatives of the Company until such results have been published.

In the period of 30 days immediately preceding and including the publication of the half year results or, if shorter, the period from the end of the relevant quarterly or half year period up to and including the publication date of the results, all Directors are restricted to deal in the securities and derivatives of the Company until such results have been published. Under the Code, Directors of the Company are required to notify the Chairman and receive a dated written acknowledgement before dealing in the securities and derivatives of the Company, and in the case of the Chairman himself, he must notify the designated Director and receive a dated written acknowledgement before any dealing.

Upon specific enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Code throughout the six months period ended September 30, 2009.

HUMAN RESOURCES

As at September 30, 2009, the Group employed 280 full employees in Hong Kong, Mainland China and Mongolia. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective geographical locations and businesses in which the Group operates. The remuneration policies of the Group are reviews on periodic basis. Apart from retirement schemes, year-ended bonuses and share options are awarded to the employees according to the assessment of individual performance and industry practice. Appropriate trainings are also offered for staff training and development.

AUDIT COMMITTEE

The audit committee currently comprises Mr. Peter Pun, Mr. Tsui Hing Chuen, William and Mr. Lau Wai Piu (Chairman of the committee), the three Independent Non-executive Directors of the Company.

The audit committee has reviewed the unaudited interim accounts of the Group for the six months ended September 30, 2009.

By order of the Board
Lo Lin Shing, Simon
Chairman

Hong Kong, December 23, 2009

As at the date hereof, the Board comprises seven directors, of which Mr. Lo Lin Shing, Simon, Mr. Liu Zhuo Wei and Ms. Yvette Ong are executive directors, Mr. To Hin Tsun, Gerald is a non-executive director and Mr. Peter Pun OBE. JP., Mr. Tsui Hing Chuen, William JP. and Mr. Lau Wai Piu are independent non-executive directors.