



田 生 集 團 有 限 公 司<sup>\*</sup>  
RICHFIELD GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8136)



**2007/08**  
Third Quarterly Report

<sup>\*</sup> For identification purposes only



## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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

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

## THIRD QUARTERLY RESULTS

The board of directors (the "Board") of Richfield Group Holdings Limited (the "Company") herein presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 December 2007 together with the comparative unaudited figures for the corresponding periods in 2006 as follows:

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2007

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
TURNOVER	4	97,611	45,679	30,887	20,486
Cost of sales		(66,655)	(26,982)	(26,409)	(13,773)
Gross profit		30,956	18,697	4,478	6,713
Other income		5,100	2,147	3,275	1,156
Selling and distribution costs		(8,802)	(14,928)	(611)	(6,077)
Administrative expenses		(7,435)	(7,834)	(1,427)	(2,201)
OPERATING PROFIT/(LOSS)		19,819	(1,918)	5,715	(409)
Finance costs	5	(6,967)	(62)	(1,911)	(24)
PROFIT/(LOSS) BEFORE INCOME TAX		12,852	(1,980)	3,804	(433)
Income tax expense	6	(2,170)	-	(146)	-
PROFIT/(LOSS) FOR THE PERIOD		10,682	(1,980)	3,658	(433)
Attributable to:					
Equity holders of the Company		10,682	(1,900)	3,658	(433)
Minority interests		-	(80)	-	-
PROFIT/(LOSS) FOR THE PERIOD		10,682	(1,980)	3,658	(433)
DIVIDENDS	7	-	-	-	-
EARNINGS/(LOSS) PER SHARE	8				
Basic		HK0.43 cent	HK(0.29) cent	HK0.12 cent	HK(0.06) cent
Diluted		N/A	N/A	N/A	N/A

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2007

	Equity attributable to equity holders of the Company						
	Issued share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Convertible bonds equity reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Minority interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2006	4,605	14,918	-	(11,255)	8,268	80	8,348
Issue of new shares	2,646	15,066	-	-	17,712	-	17,712
Issuing costs	-	(1,315)	-	-	(1,315)	-	(1,315)
Exercise of share options	381	5,829	-	-	6,210	-	6,210
Net loss for the period	-	-	-	(1,900)	(1,900)	(80)	(1,980)
At 31 December 2006	<u>7,632</u>	<u>34,498</u>	<u>-</u>	<u>(13,155)</u>	<u>28,975</u>	<u>-</u>	<u>28,975</u>

	Equity attributable to equity holders of the Company						
	Issued share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Convertible bonds equity reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Minority interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2007	18,000	39,632	-	(22,908)	34,724	-	34,724
Issue of convertible bonds	-	-	149,101	-	149,101	-	149,101
Full conversion of convertible bonds	7,600	450,986	(149,101)	-	309,485	-	309,485
Issue of new shares	3,685	265,320	-	-	269,005	-	269,005
Issuing costs	-	(7,119)	-	-	(7,119)	-	(7,119)
Net profit for the period	-	-	-	10,682	10,682	-	10,682
At 31 December 2007	<u>29,285</u>	<u>748,819</u>	<u>-</u>	<u>(12,226)</u>	<u>765,878</u>	<u>-</u>	<u>765,878</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Richfield Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 10 January 2002 as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit 1209, 12th Floor, Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Hong Kong. The Company’s shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Pursuant to a special resolution passed on 26 July 2007 at an annual general meeting, the Company’s name was proposed to be changed from Maxitech International Holdings Limited (Chinese translation being 全美國際集團有限公司, for identification purpose only) to Richfield Group Holdings Limited (Chinese translation being 田生集團有限公司, for identification purpose only). The change of name of the Company was approved by the Registrar of Companies in the Cayman Islands and Hong Kong on 10 August and 29 August 2007, respectively.

The principal activity of the Company is investment holding. The subsidiaries (together with the Company referred to as the “Group”) are principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading in Hong Kong, the trading of recycled computers and the trading of bags and accessories.

## 2. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The unaudited consolidated results also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“GEM Listing Rules”). The unaudited consolidated results have been prepared under the historical convention.

The accounting policies adopted in the preparation of the unaudited consolidated results are consistent with those used in the annual financial statements and interim financial statements of the Group for the year ended 31 March 2007 and the 6 months ended 30 September 2007, respectively, in addition to those mentioned in note 3 “Principal Accounting Policies” below.

All significant transactions and balances within the Group have been eliminated on consolidation.

### 3. PRINCIPAL ACCOUNTING POLICIES

#### Revenue recognition

Revenue arising from the sale of properties held for trading is recognised upon the signing of the sale and purchase agreement. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet under forward sales deposits and instalments received.

### 4. TURNOVER

Turnover represents the aggregate of the net invoiced value of services rendered on property brokerage and assembly and goods sold, after allowances for returns and trade discounts.

	Nine months ended		Three months ended	
	31 December		31 December	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover				
Property assembly and brokerage services	30,874	–	10,393	–
Sales of properties held for trading	9,169	–	9,169	–
Trading of recycled computers	29,437	6,766	6,107	6,766
Trading of bags and accessories	28,131	38,913	5,218	13,720
	<u>97,611</u>	<u>45,679</u>	<u>30,887</u>	<u>20,486</u>

Certain comparative figures have been reclassified to conform with the current period's presentation of the result report.

### 5. FINANCE COSTS

	Nine months ended		Three months ended	
	31 December		31 December	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interests on bank loans	2	62	–	24
Effective interest expense on convertible bonds	2,586	–	–	–
Effective interest expense on promissory notes	4,379	–	1,911	–
	<u>6,967</u>	<u>62</u>	<u>1,911</u>	<u>24</u>

## **6. INCOME TAX EXPENSE**

Hong Kong profits tax has been provided at the rate of 17.5% (three and nine months ended 31 December 2006: Nil) on the estimated assessable profit arising in Hong Kong for the current period. Taxes on profits assessable in other jurisdictions have been calculated at the rates of tax prevailing in the places in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Deferred tax had not been provided for the Group because the Group had no significant temporary differences at the balance sheet date (31 December 2006: Nil).

## **7. DIVIDENDS**

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2007 (nine months ended 31 December 2006: Nil).

## **8. EARNINGS/(LOSS) PER SHARE**

The calculations of basic earnings per share for the three and nine months ended 31 December 2007 are based on the unaudited consolidated net profit attributable to equity holders for the three and nine months ended 31 December 2007 of approximately HK\$3,658,000 and HK\$10,682,000 respectively (three and nine months ended 31 December 2006: net loss attributable to equity holders of approximately HK\$433,000 and HK\$1,900,000 respectively) and on the weighted average number of 2,928,500,000 and 2,493,014,545 shares during the three and nine months ended 31 December 2007 (three and nine months ended 31 December 2006: 757,551,652 shares and 650,278,879 respectively).

Diluted earnings/(loss) per share for the three and nine months ended 31 December 2007 and the corresponding periods in 2006 have not been disclosed as no dilutive events existed during those periods.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Group is principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading in Hong Kong, the trading of recycled computers and the trading of bags and accessories.

The Group is currently engaged in property assembly schemes for approximately 90 redevelopment projects in Hong Kong. Those projects engaged are all residential and commercial properties which are located in Hong Kong Island and Kowloon side.

The bags sold by the Group consist principally of business bags, sports bags, backpacks, handbags and wallets. The accessories sold by the Group include belts, watches, spectacles and umbrellas. The trading of recycled computers by the Group includes PCs, laptops and computer parts (such as RAM modules, LCD panels, hard disks, DVD-ROMs, plastic covers, and keyboards etc.).



## FINANCIAL REVIEW

### RESULTS

During the nine months ended 31 December 2007, the Group recorded a turnover of approximately HK\$97.6 million (nine months ended 31 December 2006: approximately HK\$45.7 million), representing an increase of approximately 113.6% as compared with the corresponding period last year. The increase was mainly attributable to the contribution of the two new businesses of provision of property assembly and brokerage services and property trading and trading of recycled computers, which accounted for 41.0% and 30.2% respectively of the Group's total turnover for the period under review. The turnover for trading of bags and accessories was decreased by 27.7% as compared with the corresponding period last year.

The Group recorded a profit attributable to equity holders of the Company of approximately HK\$10.7 million, revealing a significant improvement when compared to a loss of approximately HK\$1.9 million in the corresponding period last year. The improvement was also mainly derived from the new business of provision of property assembly and brokerage services and property trading which was acquired on 29 May 2007. However, due to high competition, the business of trading of recycled computers recorded an operating profit of approximately HK\$1 million only for the nine months ended 31 December 2007. The trading of bags and accessories recorded an operating loss of HK\$0.2 million for the nine months ended 31 December 2007, which was mainly attributable to the decrease in turnover and the dramatic increase in operating costs.

The gross profit was increased by 65.6% for the nine months ended 31 December 2007 because of the new businesses of property assembly and brokerage and property trading. The property assembly and brokerage and property trading businesses contributed approximately 61.1% of the Group's total gross profit for the period. On the contrary, the gross profit margin was decreased from approximately 40.9% to 31.7% for the nine months ended 31 December 2007, which was attributable to the extreme lower gross profit margin for the business of provision of trading of recycled computers.

The decrease of 41.0% in the selling and distribution costs in the period under review was mainly attributable to the reduction of the selling and distribution costs for trading of bags and accessories. The administrative expenses were decreased by approximately 5.1% in the period under review due to stringent cost controls for the businesses of provision of property assembly and brokerage services and trading of recycled computers.

### BUSINESS REVIEW

In view of Hong Kong's favourable economic conditions and upward momentum of robust growth for local property market, the business potential from our core businesses, the provision of property assembly and brokerage services and property trading, is promising. The business has contributed approximately 41.0% and 80.5% to the Group's turnover and operating profit, respectively for the nine months ended 31 December 2007. However, the results during the period have not yet fully revealed the business potential since substantial part of the revenue of property assembly and brokerage cannot be recognised until completion of the property assembly agreement, which is expected to be in the forth quarter of the financial year.



As at 31 December 2007, the Group had approximately 90 property assembly projects in progress with a total site area of approximately 630,000 square feet. Among those projects in progress, there were approximately 70 projects located on Hong Kong Island, mainly in Midlevel, Sheung Wan and Causeway Bay, etc. and approximately 20 projects in Kowloon, mainly in Ho Man Tin, Sham Shui Po and Mongkok, etc. The Group expects to further complete a number of property assembly projects in the current financial year which are all in the prime locations on Hong Kong Island and in Kowloon.

The business of trading of recycled computers contributed HK\$29.4 million to the Group's turnover and HK\$1 million to the Group's operating profit, representing 30.2% and 4.9% to the Group's turnover and operating profit, respectively, for the nine months ended 31 December 2007. The net profit margin was 3.1% only during the reporting period. The decreasing turnover and the low operating profit margin were mainly due to fierce competition and the increase in operating cost.

The business of trading of bags and accessories recorded a substantial decrease in turnover and an unsatisfactory result for the reporting period. The business suffered from sustained operating losses in view of the increasing in operating costs and rental expenses, which were increased drastically for the last two years.

## **CAPITAL STRUCTURE**

There is no material change in capital structure of the Company during the three months ended 31 December 2007.

## **PROSPECTS**

Optimistic outlook on the Hong Kong economy, prosperous local property market and increasing demand for urban redevelopment maintain a favourable business environment and present new opportunities to the Group. Contributions from business of the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong are expected to be increasing in forthcoming periods.

In view of the keen competition and the increasing costs, the trend of decreasing profit margin and turnover for the businesses of trading of bags and trading of recycled computers is expected to continue and the situation is expected to deteriorate in the future. The Group will restrain from making further investments and will exercise tighter control on the operating costs in these businesses with a view to focus on the development of the business of property assembly and brokerage.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2007, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rules 5.46 of the GEM Listing Rules, were as follows:

Director	Number of Shares		Total	Approximate percentage of shareholding
	Personal interest	Corporate interest		
Mr. Pong Wai San, Wilson ("Mr. Pong")	310,104,000	936,794,000 (Note)	1,246,898,000	42.58%

Note: These shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 31 December 2007, none of the directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2007, other than the interests of certain directors as disclosed under the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, the interest or short positions of person in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity in which shares are held	Number of issued shares	Percentage of the issued share capital
Ms. Tung Ching Yee, Helena (Note 1)	Family interest	1,246,898,000	42.58%
Virtue Partner Group Limited (Note 2)	Beneficial owner	936,794,000	31.99%
Richfield (Holdings) Limited (Note 3)	Beneficial owner	760,000,000	25.95%
Mr. Au Wing Wah ("Mr. Au") (Note 3)	Interest in controlled corporation	760,000,000	25.95%
Ms. Kong Pik Fan (Note 4)	Family interest	760,000,000	25.95%
Integrated Asset Management (Asia) Limited (Note 5)	Beneficial owner	195,420,000	6.67%
Mr. Yam Tak Cheung ("Mr. Yam") (Note 5)	Interest in controlled corporation	195,420,000	6.67%

### Notes:

- Ms. Tung Ching Yee, Helena is the wife of Mr. Pong and accordingly deemed to be interested in the shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under SFO.
- These shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong.
- These shares are beneficially owned by Richfield (Holdings) Limited, a company wholly owned by Mr. Au, and therefore Mr. Au deemed to be interested in the shares owned by Richfield (Holdings) Limited, under SFO.
- Ms. Kong Pik Fan is the wife of Mr. Au and accordingly deemed to be interested in the shares beneficially owned by Mr. Au in his own capacity and through his controlled corporation, Richfield (Holdings) Limited, under SFO.

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5. These shares are beneficially owned by Integrated Asset Management (Asia) Limited, a company wholly owned by Mr. Yam, and therefore Mr. Yam deemed to be interested in the shares owned by Integrated Asset Management (Asia) Limited, under SFO.

All the interests disclosed above represent long position in shares of the Company.

Save as disclosed above, as at 31 December 2007, the directors of the Company were not aware of any other person (other than the directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **DIRECTOR'S RIGHTS TO ACQUIRE SHARE OR DEBENTURES**

Apart from as disclosed under the heading "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

## **PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during the nine months ended 31 December 2007.

## **DIRECTOR'S INTERESTS IN COMPETING INTERESTS**

As at the date of this report, none of the directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions throughout the nine months ended 31 December 2007.

## CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules throughout the nine months ended 31 December 2007, except with deviations from code provisions A.2.1 regarding the separate role of chairman and chief executive officer of the Company. The reasons for such deviation had been stated in the Company’s 2007 Annual Report.

As at the date of this report, Mr. Pong Wai San, Wilson resigned as the Chairman of the Company on 5 February 2008 for the reason of improving the corporate governance of the Group. No replacement for the post of the chairman has been fixed yet. The Board will review the current structure from time to time. If candidate with suitable leadership, knowledge, skills and experience is identified within or outside the Group, the Company will make necessary arrangement for the new appointment at the appropriate time.

Under recommended best practices A.4.4 of the CG Code, the listed issuers should establish a nomination committee. On 12 November 2007, the Company set up a nomination committee with written terms of reference in compliance with the GEM Listing Rules for the purpose of making recommendations to the Board so as to ensure that all nominations are fair and transparent. The nomination committee comprises Mr. Pong Wai San, Wilson, the executive director of the Company, and the three independent non-executive directors of the Company, namely, Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## AUDIT COMMITTEE

The Company set up an audit committee (the “Committee”) on 2 May 2002, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors of the Company, namely Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk. The unaudited consolidated results of the Group for the nine months ended 31 December 2007 have been reviewed by the Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board  
**Mr. Pong Wai San, Wilson**  
*Executive Director*

Hong Kong, 5 February 2008

*As at the date of this report, the Company’s executive director is Mr. Pong Wai San, Wilson, the Company’s non-executive director is Mr. Li Chi Chung and the Company’s independent non-executive directors are Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk respectively.*