



MAXITECH INTERNATIONAL HOLDINGS LIMITED

全美國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8136)

THIRD QUARTER RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2006

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This announcement, for which the directors of Maxitech International 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

THIRD QUARTER RESULTS (UNAUDITED)

The board of directors (the "Board") of Maxitech International Holdings Limited (the "Company") (Formerly: FX Creations International Holdings Limited) 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 2006 together with the comparative unaudited figures for the corresponding periods in 2005 as follows:

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2006

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000	2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000
TURNOVER	3	45,679	54,154	20,486	18,374
Cost of sales		(26,982)	(28,968)	(13,773)	(10,568)
Gross profit		18,697	25,186	6,713	7,806
Other revenue		2,147	1,432	1,156	245
Selling and distribution costs		(14,928)	(17,754)	(6,077)	(5,527)
Administrative expenses		(7,834)	(8,710)	(2,201)	(2,604)
PROFIT/(LOSS) FROM OPERATIONS		(1,918)	154	(409)	(80)
Finance costs		(62)	(435)	(24)	(144)
LOSS BEFORE INCOME TAX		(1,980)	(281)	(433)	(224)
Income tax	4	-	(4)	-	(4)
LOSS FOR THE PERIOD		(1,980)	(285)	(433)	(228)
Attributable to:					
Equity holders of the Company		(1,900)	(285)	(433)	(228)
Minority interests		(80)	-	-	-
		(1,980)	(285)	(433)	(228)
DIVIDEND	6	-	-	-	-
LOSS PER SHARE					
Basic	5	HK(0.29) cent	HK(0.07) cent	HK(0.06) cent	HK(0.06) cent
Diluted		N/A	N/A	N/A	N/A

Notes:

1. GENERAL INFORMATION

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 KY 1-1111, Cayman Islands.

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the retail and wholesale of bags and accessories and trading of used computers. 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 used computers by the Group includes PCs, laptops and computer parts (such as RAM modules, LCD panels, hard disks, DVDROMs, plastic covers, and keyboards etc.).

2. BASIS OF PREPARATION

The unaudited consolidated income statement has been prepared under the historical cost convention and in accordance with the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants, the accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. The accounting policies adopted in preparation of the unaudited results are consistent with those used in the annual financial statements of the Group for the year ended 31 March 2006.

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

3. TURNOVER

Turnover represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts.

	Nine months ended 31 December		Three months ended 31 December	
	2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000	2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000
Turnover				
Retail of bags and accessories	24,322	29,638	8,974	8,148
Wholesale of bags and accessories	14,591	24,516	4,746	10,226
Trading of used computers	6,766	–	6,766	–
	45,679	54,154	20,486	18,374

4. INCOME TAX

No provision for income tax has been made (three and nine months ended 31 December 2005: 17.5%) as the Group has an estimated loss for Hong Kong income tax purposes in the current periods. 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 legislations, interpretations 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 2005: Nil).

5. LOSS PER SHARE

The calculations of basic loss per share for the three months and nine months ended 31 December 2006 are based on the unaudited consolidated net loss attributable to equity holders of the Company for the three months and nine months ended 31 December 2006 of approximately HK\$433,000 and HK\$1,900,000 respectively (three months and nine months ended 31 December 2005: net loss of approximately HK\$228,000 and HK\$285,000 respectively) and the weighted average of 757,551,652 and 650,278,879 shares respectively in issue during the three months and nine months ended 31 December 2006 (three months and nine months ended 31 December 2005: 401,265,084 and 405,060,335 shares in issue respectively).

Diluted loss per share for the three months and nine months ended 31 December 2005 and 2006 have not been disclosed as no diluting events existed during those periods.

6. DIVIDEND

The Board does not recommend the payment of a dividend for the three months and nine months ended 31 December 2006 (three months and nine months ended 31 December 2005: Nil).

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2006

	Issued share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Minority interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2005	4,000	13,703	(5,896)	11,807	-	11,807
Placing of new shares	605	1,215	-	1,820	-	1,820
Net loss for the period	-	-	(285)	(285)	-	(285)
At 31 December 2005	4,605	14,918	(6,181)	(13,342)	-	(13,342)
	Issued share capital (Unaudited) HK\$'000	Share premium (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 for the open offer	2,493	12,465	-	14,958	-	14,958
Issuing costs	-	(1,153)	-	(1,153)	-	(1,153)
Issue of new shares for the acquisition of Maxitech System Company Limited	153	2,601	-	2,754	-	2,754
Issuing costs	-	(162)	-	(162)	-	(162)
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	7,632	34,498	(13,155)	(28,975)	-	(28,975)

FINANCIAL REVIEW

During the nine months ended 31 December 2006, the Group recorded a turnover of approximately HK\$45.7 million (nine months ended 31 December 2005: approximately HK\$54.2 million), a decrease of approximately 15.7% as compared to the corresponding period in previous year. The turnover for the nine months ended 31 December 2006 comprised retail sales, wholesale sales of bags and trading of used computers which accounted for approximately 53%, 32% and 15% (nine months ended 31 December 2005: approximately 55%, 45% and 0%) of the total turnover respectively.

Gross profit for the nine months ended 31 December 2006 decreased by approximately 25.8% as compared to the corresponding period in previous year due to decrease in turnover and gross profit margin. The gross profit margin decreased to approximately 40.9% from approximately 46.5% in the corresponding period in previous year. The decrease was mainly attributable to lower pricing of the goods provided owing to increase of competitive and challenging business environment.

The net loss attributable to equity holders of the Company for the nine months ended 31 December 2006 amounted to approximately HK\$1,900,000 (nine months ended 31 December 2005: approximately HK\$285,000). The decrease was mainly attributable to the decrease in gross profit and gross profit margin. Administrative expenses decreased by approximately 10% from the corresponding period in previous year. Moreover, the Group's salaries and related expenses reduced during the current period compared to the corresponding period in previous year due to cost control measures. During the nine months ended 31 December 2006, selling and distribution costs decreased by approximately 15.9% from the corresponding period in previous year due mainly to the decrease in number of retail shops and thus decrease in sales staff's salaries and commissions and rental expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

General

The Group is principally engaged in retail and wholesale of bags and accessories and trading of used computers. 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 used computers includes PCs, laptops and computer parts (such as RAM modules, LCD panels, hard disks, DVDROMs, plastic covers, and keyboards etc.).

Business review

During the nine months ended 31 December 2006, the Group has two new retail outlets in Hong Kong. During the period, the Group appointed an agent in Taiwan to streamline its operations and resources. As a result of this, the Group closed down all its retail outlets in Taiwan.

The Group continued to identify potential new agents in new areas but none was identified in the nine months ended 31 December 2006.

In addition, on 3 November 2006, the Group acquired 100% interest of Maxitech System Company Limited (“Maxitech System”) which provides a stable income stream from trading of used computers.

Prospects

During the nine months ended 31 December 2006, the Group recorded a decrease in turnover of approximately 15.7% as compared to the corresponding period in previous year. The decrease of income was mainly attributable to the lower pricing of the goods provided as a result of increase of competitive and challenging business environment. By acquiring Maxitech System, the Group diversifies the Group’s business to include distribution and trading of recycled computer parts, which has contributed 15% in income for the period.

The Group views the prospects of the bag’s business as challenging as the Group is experiencing rental and costs increases in Hong Kong while sales have not increased at the same percentage due to a more competitive business environment in the bag’s industry. Nevertheless, the Group is continuing to introduce new designs and products while maintaining cost control measures to remain competitive.

Material acquisitions or disposals of subsidiaries and affiliated companies

During the nine months ended 31 December 2006, Trigreat Investments Limited, a directly wholly owned subsidiary of the Company entered into an Acquisition Agreement in respect of the acquisition of the entire capital of the Maxitech System for a total consideration of HK\$8,500,000. Maxitech System is principally engaged in the trading and distribution of recycled computers and related accessories and the provision of information technology consultancy and related maintenance services in Hong Kong and the PRC. Maxitech System was established and commenced its business in July 2002.

Following the completion of the acquisition on 3 November, 2006. Maxitech System became an indirectly wholly own subsidiary of the Company.

For further details, please refer to the Company’s circular dated 10 November 2006.

Save as disclosed above, there were no other material acquisition or disposal of subsidiaries and affiliated companies in the course of the nine months ended 31 December 2006.

Capital structure

The shares of the Company were listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 21 May 2002.

On 26 May 2006, 38,100,000 share options were exercised and 38,100,000 ordinary shares were issued and allotted on 12 June 2006. As at 30 June 2006, the total issued share capital has been increased to 498,604,000 shares.

On 26 May 2006, the Company announced and proposed to raise approximately HK\$14.96 million before expenses, by way of an open offer of the new shares of not less than 232,552,000 and not more than 249,302,000 offer shares at a price of HK\$0.06 per offer share on the basis of one offer share for every two existing shares. Following the completion of the open offer on 12 July 2006, the total issued share capital was increased to 747,906,000 shares.

On 3 November 2006, the Company allotted and issued 15,300,000 shares to Ms. Leung Sui Ping, Heidi, Mr. Yip Yung Kan and Mr. Yip Yuk Tong, all being the former shareholders of the Maxitech System at a price of HK\$0.18 to satisfy in part of the consideration for the acquisition of the entire share capital of Maxitech System.

Following the completion of the acquisition, the total issued share capital was increased to 763,206,000 shares.

Change of company name

The Company (formerly known as FX Creations International Holdings Limited) was renamed as Maxitech International Holdings Limited following the passing of a special resolution at the Company's extraordinary general meeting held on 17 January 2007 and registration at the Registrar of Companies in the Cayman Islands. The certificate of the change of the Company's name was issued by the Registrar of Companies in the Cayman Islands and received by the Company on 22 January 2007. The registration of the change of the Company's name at the Companies Registry in Hong Kong is under process.

The Company will make further announcements as and when appropriate for the change of the Company name, stock short name, trading arrangement and exchange of share certificates as soon as practicable.

Proposed acquisition

On 2 June 2006, the Company announced that the Company entered into the memorandum of understanding ("MOU") with Richport Assets Limited ("Richport Assets") and Mr. Lui Shu Kwan ("Mr. Lui"), the ultimate beneficial owner of the Richport Assets in relation to the Proposed Acquisition ("Proposed Acquisition") of the whole or part of the equity interests held by Mr. Lui and Richport Assets by the Company.

Richport Assets has secured an exclusive distribution rights in relation to the sale and distribution of funeral products and services on a world-wide basis.

An amount of HK\$6,000,000 was paid by the Company to Richport Assets as an earnest money. If no legally binding formal agreement has been entered into on or before 30 June 2007, the sum will be refundable to the Company in full without interest within three business days.

Details of the MOU have been set out in the announcements of the Company dated 2 June 2006, 29 September 2006 and 2 January 2007.

SIGNIFICANT SUBSEQUENT EVENTS

On 12 January 2007, Virtue Partner Group Limited (“Virtue”) and Flyrich Resources Limited (“Flyrich”) entered into the Sale and Purchase Agreement pursuant to which Virtue agreed to purchase and Flyrich agreed to sell 306,000,000 Shares, representing approximately 40.09% of the entire issued share capital of the Company, for a total consideration of HK\$15,000,000.

On the same day, the Company and Virtue entered into the Subscription Agreement whereby Virtue has agreed to subscribe for, and the Company has agreed to allot and issue, 1,036,794,000 Subscription Shares at an issue price of HK\$0.01 per Subscription Share.

Immediately after the completion of the Share Purchase and the Subscription, Virtue and other parties acting in concert with it will be interested in an aggregate of 1,342,794,000 Shares, representing about 74.60% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Accordingly, Virtue will be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by Virtue and parties acting in concert with it) immediately after completion of the Share Purchase and the Subscription.

Details of this proposal have been set out in the announcement and the circular dated 22 January 2007 and 5 February 2007 respectively.

DIRECTORS’ INTERESTS IN SHARES

As at 31 December 2006, the interests and short positions of the directors 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 standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

	Type of interest	Number of shares held	Percentage of shareholding in the Company (%)
Mr. Wong Wing Cheung, Peter	Corporate (Note 1)	306,000,000	40.09
Mr. Chan Man Yin	Personal	6,900,000	0.90
Mr. Chan Francis Ping Kuen	Personal	6,900,000	0.90

Note:

1. These shares are beneficially owned by Flyrich, a company wholly owned by Mr. Wong Wing Cheung, Peter.

Save as disclosed above, as at 31 December 2006, none of the directors 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 Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2006, other than the interests of certain directors as disclosed under the section headed "Directors' interests in shares" above, the interests and short positions of persons in the shares and 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 10% 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 substantial shareholders as recorded in the register of substantial shareholder required to be kept by the Company under Section 336 of the SFO were as follow:

Name		Number of shares held	Percentage of shareholding in the Company (%)
Flyrich	(Note 1)	306,000,000	40.09
Mr. Wong Wing Cheung, Peter	(Note 1)	306,000,000	40.09
Sunny Wonders Limited	(Note 2)	204,000,000	26.73
Mr. Chan Poon Yau, Adrian	(Note 2)	204,000,000	26.73

Notes:

1. These shares are beneficially owned by Flyrich, a company wholly owned by Mr. Wong Wing Cheung, Peter.
2. Sunny Wonders Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Chan Poon Yau, Adrian, had a security interest in shares of the Company. Under the SFO, Mr. Chan Poon Yau, Adrian is deemed to be interested in such security shares.

Save as disclosed above, as at 31 December 2006, the directors of the Company were not aware of any other person (other than the directors 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 10% 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.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 21 May 2002 pursuant to a written resolution of the Company. On 20 April 2006, options to subscribe for an aggregate of 38,100,000 shares at HK\$0.163 per share had been granted by the Company under the Scheme. On 26 May 2006, all the outstanding 38,100,000 share options were exercised. As at 31 December 2006, no share options granted under the Scheme were outstanding. Particulars and movements of the share options granted under the Scheme were as follows:

Categories of grantees	Date of grant	Exercisable Period	Exercise price per share HK\$	Close price at the date of grant HK\$	Outstanding as at 01/04/2006	Granted during the period	Exercised during the period	Outstanding as at 31/12/2006
Directors								
Mr. Wong Wing Cheung, Peter	20/4/2006	20/04/2006-21/04/2016	0.163	0.26	-	4,600,000	(4,600,000)	-
Mr. Chan Man Yin	20/4/2006	20/04/2006-21/04/2016	0.163	0.26	-	4,600,000	(4,600,000)	-
Mr. Chan Francis Ping Kuen	20/4/2006	20/04/2006-21/04/2016	0.163	0.26	-	4,600,000	(4,600,000)	-
Employees	20/4/2006	20/04/2006-21/04/2016	0.163	0.26	-	8,100,000	(8,100,000)	-
Consultants	20/4/2006	20/04/2006-21/04/2016	0.163	0.26	-	16,200,000	(16,200,000)	-

The directors consider that it is inappropriate to state the value of the options granted under the Scheme on the ground that certain crucial factors for such valuation are variables such as the expected volatility and interest rate, which cannot be reasonably determined at this stage. Any valuation of the share options based on speculation assumptions in respect of these variables would not be meaningful and would be misleading to the shareholders of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR SECURITIES

Apart from as disclosed under the heading "Directors' interests in shares" above, at no time since the incorporation of the Company 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 SALES 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 2006.

COMPETING INTERESTS

As at 31 December 2006, 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 the code of conduct for 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 "Code"). Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the Code.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the period ended 31 December 2006 except that: (i) the roles of chairman and chief executive officer are not segregated and are performed by the same individual, and (ii) no nomination committee of the Board is established.

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. Lee Kun Hung, Mr. Wong Hou Yan, Norman and Mr. Cheung Chi Hwa, Justin. The unaudited consolidated results of the Group for the nine months ended 31 December 2006 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.

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.

By Order of the Board
Mr. Wong Wing Cheung, Peter
Chairman

Hong Kong, 14 February 2007

As at the date of this announcement, the Company’s executive directors are Mr. Wong Wing Cheung, Peter, Mr. Chan Francis Ping Kuen and Mr. Chan Man Yin, and the Company’s independent non-executive directors are Mr. Lee Kun Hung, Mr. Wong Hou Yan, Norman and Mr. Cheung Chi Hwa, Justin.

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