



PIONEER GLOBAL GROUP LIMITED  
建生國際集團有限公司

Stock Code : 00224

Interim Report 2007

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### *Executive Directors*

Rossana WANG GAW, *Chairman*

Goodwin GAW, *Vice Chairman*

Kenneth GAW, *Managing Director*

Jane Kwai Ying TSUI

#### *Independent Non-executive Directors*

Dr. Charles Wai Bun CHEUNG, JP

Arnold Tin Chee IP

Stephen TAN

### AUDIT COMMITTEE

Dr. Charles Wai Bun CHEUNG, JP

Arnold Tin Chee IP

Stephen TAN

### COMPANY SECRETARY

Jane Kwai Ying TSUI

### BANKERS

Bangkok Bank Public Company Limited

Chiyu Banking Corporation Limited

Citigroup

Public Bank (Hong Kong) Limited

Standard Chartered Bank (Hong Kong)

Limited

The Hongkong & Shanghai Banking

Corporation Limited

### SOLICITORS

K.C. Yung & Co.

Morrison & Foerster

### AUDITORS

Wong Brothers & Co

### REGISTERED OFFICE

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

### PRINCIPAL OFFICE IN HONG KONG

Suites 08-11

18th Floor, Great Eagle Centre

23 Harbour Road

Wanchai, Hong Kong

### SHARE REGISTRAR & TRANSFER OFFICE IN BERMUDA

Butterfield Fund Services (Bermuda)  
Limited

Rosebank Centre, 11 Bermudiana Road

Pembroke, Bermuda

### SHARE REGISTRARS & TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor  
Services Limited

46th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

### INFORMATION

<http://www.pioneerglobalgroup.com>

[http://www.irasia.com/listco/hk/pioneer/  
index.htm](http://www.irasia.com/listco/hk/pioneer/index.htm)

Bloomberg: 224:HK

Reuters: 0224.hk

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2007, together with the comparative figures for the corresponding period in 2006 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	For the six months ended 30 September	
		2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Turnover			
Company and subsidiaries		<b>25,192</b>	24,051
Share of associates		<b>13,817</b>	11,665
		<b>39,009</b>	35,716
Turnover of Company and subsidiaries	2	<b>25,192</b>	24,051
Properties operating expenses		<b>(4,878)</b>	(6,162)
Staff costs		<b>(4,725)</b>	(4,780)
Depreciation and amortisation		<b>(1,515)</b>	(1,645)
Other expenses		<b>(1,482)</b>	(2,299)
		<b>(12,600)</b>	(14,886)
Operating profit	2	<b>12,592</b>	9,165
Share of profits of associates		<b>24,384</b>	44,603
Change in fair value of investment properties		<b>29,726</b>	25,633
Other gains and losses	3	<b>10,641</b>	9,700
Finance costs		<b>(3,396)</b>	(4,776)
Profit before taxation		<b>73,947</b>	84,325
Taxation – current	4	<b>(2,806)</b>	(264)
– deferred	4	<b>(5,373)</b>	(4,846)
Profit for the period		<b>65,768</b>	79,215
Attributable to:			
Minority interests		<b>665</b>	707
Shareholders of the Company		<b>65,103</b>	78,508
		<b>65,768</b>	79,215
Interim dividend	5	<b>6,155</b>	3,847
		<b>HK cents</b>	HK cents
Earnings per share	6	<b>8.46</b>	10.20

## CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
<b>ASSETS</b>			
Non-current assets			
Investment properties		465,600	489,600
Associates		560,200	481,815
Available for sale investments		402,500	358,853
Property, plant and equipment		21,090	22,509
Leasehold land		11,002	11,121
Other assets		1,447	1,447
		<b>1,461,839</b>	1,365,345
Current assets			
Investment properties to be disposed	7	66,000	–
Debtors, advances and prepayments		10,881	8,312
Financial assets at fair value		7,280	5,392
Cash and bank balances		20,109	15,568
		<b>104,270</b>	29,272
<b>Total assets</b>		<b>1,566,109</b>	1,394,617
<b>EQUITY</b>			
Share capital	8	76,935	76,935
Reserves		1,273,189	1,087,513
Shareholders' funds		<b>1,350,124</b>	1,164,448
Minority interests		15,748	15,332
<b>Total equity</b>		<b>1,365,872</b>	1,179,780
<b>LIABILITIES</b>			
Non-current liabilities			
Secured bank loans		17,000	39,100
Deferred tax liabilities		57,875	52,502
		<b>74,875</b>	91,602
Current liabilities			
Creditors and accruals		17,204	13,257
Secured bank loans		104,700	109,356
Tax liabilities		3,458	622
		<b>125,362</b>	123,235
<b>Total liabilities</b>		<b>200,237</b>	214,837
<b>Total equity and liabilities</b>		<b>1,566,109</b>	1,394,617

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	For the six months ended 30 September	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Net cash inflow from operating activities	<b>7,881</b>	8,834
Net cash generated from/(used in) investing activities	<b>27,131</b>	(21,409)
Net cash (used in)/generated from financing activities	<b>(30,791)</b>	10,161
Increase/(decrease) in cash and cash equivalents	<b>4,221</b>	(2,414)
Cash and cash equivalents at 1 April	<b>15,568</b>	25,559
Reclassification of a subsidiary to other assets	–	(1,380)
Effect of foreign exchange rate changes	<b>320</b>	(1)
Cash and cash equivalents at 30 September	<b>20,109</b>	21,764
Analysis of the balances of cash and cash equivalents		
Bank balances, cash and deposits placed with banks up to three months' maturity	<b>20,109</b>	21,764

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Attributable to shareholders of the Company

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve & contributed surplus HK\$'000	Exchange reserve HK\$'000	Investment revaluation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 April 2007	76,935	307,687	41,242	16,165	227,658	494,761	1,164,448	15,332	1,179,780
Fair value change of available for sale investments									
- subsidiaries	-	-	-	-	43,293	-	43,293	-	43,293
- minority interests	-	-	-	-	-	-	-	455	455
- associates	-	-	-	-	79,366	-	79,366	-	79,366
Exchange on translation of									
- subsidiaries	-	-	-	320	-	-	320	-	320
- associates	-	-	-	(2,406)	-	-	(2,406)	-	(2,406)
Net income recognised directly in equity	-	-	-	(2,086)	122,659	-	120,573	455	121,028
Profit attributable to equity holders	-	-	-	-	-	65,103	65,103	665	65,768
Total recognised income and expense for the period	-	-	-	(2,086)	122,659	65,103	185,676	1,120	186,796
Distribution to minority interests	-	-	-	-	-	-	-	(704)	(704)
<b>As at 30 September 2007</b>	<b>76,935</b>	<b>307,687</b>	<b>41,242</b>	<b>14,079</b>	<b>350,317</b>	<b>559,864</b>	<b>1,350,124</b>	<b>15,748</b>	<b>1,365,872</b>
At 1 April 2006	76,935	307,687	41,242	6,781	164,030	318,379	915,054	16,409	931,463
Fair value change of available for sale investments									
- subsidiaries	-	-	-	-	35,453	-	35,453	-	35,453
- minority interests	-	-	-	-	-	-	-	937	937
- associates	-	-	-	-	15,263	-	15,263	-	15,263
Exchange on translation of									
- subsidiaries	-	-	-	468	-	-	468	-	468
- associates	-	-	-	1,699	-	-	1,699	-	1,699
Net income recognised directly in equity	-	-	-	2,167	50,716	-	52,883	937	53,820
Reclassification of a subsidiary to other assets	-	-	-	-	-	-	-	(346)	(346)
Profit attributable to equity holders	-	-	-	-	-	78,508	78,508	707	79,215
Total recognised income and expense for the period	-	-	-	2,167	50,716	78,508	131,391	1,298	132,689
Distribution to minority interests	-	-	-	-	-	-	-	(696)	(696)
As at 30 September 2006	76,935	307,687	41,242	8,948	214,746	396,887	1,046,445	17,011	1,063,456

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2007

### 1. Basis of Presentation and Accounting Policies

These unaudited consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard No. 34 – Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants. The accounting policies used in the preparation of interim financial statements are consistent with those set out in the annual financial statements for the year ended 31 March 2007, except for the adoption of the new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, which are effective for periods beginning on or after 1 January 2007. Such adoption did not result in material changes to the Group's accounting policies.

### 2. Segment Information

Segment information is presented in respect of the Group primary business segment.

	For the period ended 30 September					
	Property and Hotel		Investments and Others		Consolidated	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
<b>Segment turnover</b>						
Company and subsidiaries	<b>16,824</b>	16,734	<b>8,368</b>	7,317	<b>25,192</b>	24,051
<b>Segment result</b>	<b>4,698</b>	2,748	<b>8,011</b>	6,886	<b>12,709</b>	9,634
Unallocated corporate expenses					<b>(117)</b>	(469)
Operating profit					<b>12,592</b>	9,165
Share of profits of associates	<b>24,384</b>	44,603	-	-	<b>24,384</b>	44,603
Change in fair value of investment properties	<b>29,726</b>	25,633	-	-	<b>29,726</b>	25,633
Other gains and losses	-	9,079	<b>10,641</b>	621	<b>10,641</b>	9,700
Finance costs					<b>(3,396)</b>	(4,776)
Taxation					<b>(8,179)</b>	(5,110)
Minority interests					<b>(665)</b>	(707)
					<b>65,103</b>	78,508

### 3. Other Gains and Losses

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
Change in fair value of financial assets	<b>1,728</b>	661
Gain on disposal of available for sale investments	<b>9,792</b>	–
Impairment loss on available for sale investments and other assets	<b>(833)</b>	–
Negative goodwill recognised	–	9,079
Others	<b>(46)</b>	(40)
	<b>10,641</b>	9,700

### 4. Taxation

	<b>2007</b>			2006		
	<b>Current taxation</b>	<b>Deferred taxation</b>	<b>Total</b>	Current taxation	Deferred taxation	Total
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	HK\$'000	HK\$'000	HK\$'000
The Company and its subsidiaries						
Hong Kong	<b>2,790</b>	<b>5,373</b>	<b>8,163</b>	209	4,846	5,055
Overseas	<b>16</b>	–	<b>16</b>	55	–	55
	<b>2,806</b>	<b>5,373</b>	<b>8,179</b>	264	4,846	5,110

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated Hong Kong source assessable profits for the period. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

## 5. Interim Dividend

The Board of Directors declares an interim dividend of HK0.80 cent per share (2006: HK0.50 cent), totaling HK\$6,155,000 for the six months ended 30 September 2007 (2006: HK\$3,847,000) to shareholders whose names appear on the register of members of the Company at the close of business on 31 January 2008. This amount is not included as a liability in these interim financial statements.

## 6. Earnings Per Share

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$65,103,000 (2006: HK\$78,508,000) and on 769,359,104 shares in issue during both periods of 2006 and 2007.

No diluted earnings per share have been presented for the periods ended 30 September 2007 and 30 September 2006 as the Company had no dilutive potential ordinary shares during both periods.

## 7. Investment Properties to be Disposed

In September 2007, the Group entered into a provisional sale and purchase agreement to dispose of the whole of 22nd, 25th, 27th, 29th, 31st and 35th floors and 9 car parking spaces of Morrison Plaza, Wanchai, Hong Kong for HK\$78,600,000. Details were provided in the announcement on 21 September 2007.

## 8. Share Capital

	No. of Shares of HK\$0.10 each	HK\$'000
Authorised		
At 30 September 2007 and 31 March 2007	2,000,000,000	200,000
Issued and fully paid		
At 30 September 2007 and 31 March 2007	769,359,104	76,935

## 9. Contingent Liabilities and Commitments

	<b>30 September 2007 HK\$'000</b>	31 March 2007 HK\$'000
Guarantees		
– on utility deposits	<b>160</b>	402
Commitments		
– for total future minimum lease payments		
– not later than one year	<b>1,440</b>	2,050
– later than one year and not later than five years	<b>1,440</b>	755
– for purchase of investment properties		
– not later than one year	–	1,729
– later than one year and not later than five years	<b>12,548</b>	12,548

## 10. Event After Balance Sheet Date

In November 2007, the Group participated in a joint venture with 30% ownership. The joint venture shall purchase an investment holding company which owns a commercial and office building on 68 Yee Wo Street in Causeway Bay, Hong Kong. The capital commitment by the Group is HK\$180 million. Details were provided in the announcement on 26 November 2007.

## BUSINESS REVIEW

I am pleased to report that the Group's total turnover including share of associates for the six months period ended 30 September 2007 was HK\$39.0 million, a 9.2% increase compared to HK\$35.7 million in 2006. The increase in turnover was due mainly to higher revenues from the Group's Aisawan Resort & Spa in Thailand.

Net profit for the Group during the six months period ended 30 September 2007 was HK\$65.8 million, a 17.0% decline from the same period in 2006. This decline in profit was due mainly to smaller fair value increase from properties held by associates.

### Property Investments

The Pioneer Building at Kwun Tong, Kowloon continued to enjoy a high occupancy rate of 92% and contributed rental revenues of HK\$9.3 million (2006: HK\$9.4 million). In addition, the property contributed HK\$22.0 million in fair value increase from revaluation (2006: HK\$24.0 million).

The Group owns a total of 63,840 sq.ft. in Maximall, City Garden, North Point. Revenues from this asset were HK\$3.5 million for the period.

In September 2007, a provisional sale and purchase agreement was signed to dispose of the Group's holdings in Morrison Plaza for HK\$78.6 million. The transaction will be completed on or before 30 April 2008 and will generate a gain of HK\$14.1 million for the Group.

The Group's joint venture with Morgan Stanley Real Estate Funds and PamFleet Investments Limited owns the 229,200 sq.ft. 68 Yee Wo Street in Causeway Bay and the 640,000 sq.ft. KCP in Kowloon City. Since the completion of renovation at KCP in November 2006, the property has continued to lease up. As at the end of the reporting period, occupancy rate at KCP has reached approximately 80%. And with the leasing of the retail podium of 68 Yee Wo Street to G.O.D. (a leading furniture and lifestyle retailer), occupancy rate of the 68 Yee Wo Street building was 99% by the end of the reporting period.

The AIA Tower Macau is owned by the Group's joint venture with Morgan Stanley Real Estate Funds and Wachovia Development Corporation. Since the completion of the major renovation program and the re-launch of the property under its current name, the 22-storey, 437,000 sq.ft. commercial building has become one of the leading class-A office towers in Macau both in terms of tenant mix and rental rates. As at the end of the reporting period, 66% of the building has been leased. Since the re-launch of the building in the leasing market in the second quarter of 2006, we have seen continued increase in demand for high quality office space in Macau as the territory witnesses strong economic growth.

Through an associated company, the Shanghai K. Wah Centre contributed HK\$21.5 million in profits to the Group (mainly from fair value increase in property value). The property has also performed well by maintaining full occupancy.

In September 2007, the Group participated in a 50:50 new joint venture with a strategic investor. The joint venture was formed to acquire a commercial and office building (GFA 11,500 sq.m.) for RMB80.0 million in Guangzhou, China. The building occupancy is over 90% with monthly revenue of about RMB0.5 million. The capital contribution to the joint venture by the Group was HK\$20.7 million.

### **Investments in Hotel Industry**

For the six months period ended 30 September 2007, the Aisawan Resort & Spa in Pattaya, Thailand generated revenues of Baht 111.1 million, compared to Baht 101.1 million during the same period in 2006. Gross operating profit for the period was Baht 48.1 million, compared to Baht 39.4 million in 2006. We expect the upcoming high season winter will continue the growth trend. Through an associated company, Aisawan Resort & Spa contributed HK\$1.6 million to the Group during the period (2006: HK\$1.4 million).

The Group's associated company Pioneer iNetwork Limited owns 10.3% of Dusit Thani Public Company Limited ("Dusit Thani"), the leading owner and operator of hotels in Thailand. During the nine months ended 30 September 2007, Dusit Thani had revenues of Baht 2.3 billion (2006 restated: Baht 2.4 billion) and net income of Baht 39.4 million (2006 restated: Baht 138.5 million). The decrease in net income was attributed to an exceptional gain of Baht 113.3 million received in the period of 2006.

## PROSPECTS

The Group is optimistic about the commercial property market in Hong Kong. On 23 November 2007, the Group formed a new joint venture to acquire the entire ownership of the 68 Yee Wo Street property in Causeway Bay. The other joint venture partners consist of two US private equity funds and a local investor. The capital commitment by the Group will be up to HK\$180 million. As a result of this investment, the Group shall increase its beneficial holding in the 68 Yee Wo Street property from 5% to 30%. Moreover, the Group shall provide asset management services to the joint venture. Details were provided in the announcement dated 26 November 2007.

We shall continue to look for attractive real estates and hotels investments in the region.

## LIQUIDITY AND FINANCIAL RESOURCES

As of 30 September 2007, the Group continued to enjoy a strong financial position, maintaining substantial unutilized bank facilities. At the balance sheet date, the Group's total debt to shareholders' fund ratio was 9% (March 2007: 13%) and net debt (net of cash and cash equivalents) to shareholders' fund ratio was 8% (March 2007: 11%).

## EMPLOYEES

As at 30 September 2007, the number of salaried staff not including associates was 18. The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

## DISCLOSURE OF DIRECTORS' INTERESTS

As at 30 September 2007, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors (the "Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

## Long Position in Shares of the Company

	Personal interests	Interests held by controlled corporation	Interests held by family trust	Total	%
Rossana Wang Gaw	–	15,934,364 <sup>1</sup>	123,148,701 <sup>3</sup>	139,083,065	18.08
Kenneth Gaw	1,805,527	8,453,375 <sup>2</sup>	27,537,243 <sup>4</sup>	37,796,145	4.91
Jane Kwai Ying Tsui	600,750	–	–	600,750	0.08

- 1 Mrs. Rossana Wang Gaw owns the entire issued share capital of Vitality Holdings Limited, which was beneficially interested in 15,934,364 shares.
- 2 Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 8,453,375 shares.
- 3 Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares.
- 4 Family trust of which Mr. Kenneth Gaw is a beneficiary held an aggregate of 27,537,243 shares.

## Long Position in Shares of Associated Corporations

Name of company	Name of director	Number of shares held by controlled corporation	%
Grandsworth Pte. Ltd.	Rossana Wang Gaw	1*	50.0
Grandsworth Pte. Ltd.	Kenneth Gaw	1*	50.0
Pioneer Hospitality Siam (GBR) Ltd.	Rossana Wang Gaw	475,000*	47.5
Pioneer Hospitality Siam (GBR) Ltd.	Kenneth Gaw	475,000*	47.5
Keencity Properties Ltd.	Rossana Wang Gaw	4,721,034*	47.5
Keencity Properties Ltd.	Kenneth Gaw	4,721,034*	47.5
Pioneer iNetwork Ltd.	Rossana Wang Gaw	1*	50.0
Pioneer iNetwork Ltd.	Kenneth Gaw	1*	50.0

- \* Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

Save as disclosed above, as at 30 September 2007, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

## DISCLOSURE OF SHAREHOLDERS' INTERESTS

As at 30 September 2007, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had interests or long or short positions in the shares, underlying shares or 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 which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### Long Positions of Shareholders in Shares of the Company

Name of shareholder	Number of shares	%
Asset-Plus Investments Ltd.	68,076,076	8.85
Forward Investments Inc.	181,388,105	23.58
Intercontinental Enterprises Corporation	123,148,701 <sup>1</sup>	16.01
Prosperous Island Limited	65,939,293	8.57

- 1 Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares, which duplicated to those disclosed in "long position in shares of the Company".

## Interests in Other Members of the Group

<b>Name of subsidiary</b>	<b>Name of shareholder</b>	<b>%</b>
Forerunner Investments Limited	Farnham Group Limited	30
Pioneer iConcepts Limited	Ng Poon Wing Man Agnes	40

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at 30 September 2007, had interests or long or short positions in the shares, underlying shares or 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 which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## DIRECTORS' RIGHT TO ACQUIRE SHARES

As at 30 September 2007, all the outstanding options granted under the share option scheme of the Company was lapsed. During the six months period ended 30 September 2007, none of the directors had exercised any rights to subscribe for shares of the Company or any other body corporate.

## INTERIM DIVIDEND

The Board of Directors recommends the payment of an interim dividend for the six months ended 30 September 2007 at the rate of HK0.80 cent per share (2006: HK0.50 cent), payable on 5 February 2008 to all persons registered as shareholders on 31 January 2008. The transfer books and register of members of the Company will be closed from 28 January 2008 to 31 January 2008, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 25 January 2008.

## REVIEW OF INTERIM REPORT

The Audit Committee comprises three Independent Non-executive Directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Arnold Tin Chee Ip and Mr. Stephen Tan. The Committee has reviewed the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2007 and discussed with management the accounting principles and practices adopted by the Group as well as financial reporting matters.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the six months ended 30 September 2007, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

## CORPORATE GOVERNANCE

During the six months ended 30 September 2007, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

## COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the period ended 30 September 2007.

By Order of the Board

**Kenneth Gaw**

*Managing Director*

Hong Kong, 3 December 2007