TECHPACIFIC CAPITAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8088

1ST QUARTERLY REPORT

For the three months ended 31 March

2007

Characteristics of The Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Techpacific Capital Limited collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange for the purpose of giving information with regard to Techpacific Capital Limited. The directors, 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.

ABOUT TECHPACIFIC CAPITAL LIMITED

Techpacific Capital Limited ("Techpacific" or the "Company" and, together with its subsidiaries, the "Group") is an independent merchant banking and asset management group listed on the Hong Kong Stock Exchange's GEM board (HK GEM 8088), with offices in China, Singapore, the United Kingdom and representation in other parts of Asia.

The Group is engaged in the businesses of merchant banking, asset management, venture capital fund management and direct investment. Its subsidiary, Crosby Capital Partners Inc. ("Crosby"), which carries out the Group's merchant banking and asset management business, is quoted on the AIM Market of the London Stock Exchange (CSB LN).

MANAGEMENT DISCUSSION AND ANALYSIS

The management of the Group is disappointed to report a loss for the first quarter of 2007 of US$34.4 million when compared to a profit of US$20.6 million for the same quarter last year.

The loss for the first quarter of 2007 is mainly attributable to two factors: (i) US$18.5 million of unrealised mark to market book losses within the Group's 81.04% subsidiary, Crosby, due to the decrease over the quarter of the share price of its investment in JASDAQ listed IB Daiwa Corporation ("IB Daiwa", 3587 JP) from ¥76 at 31 December 2006 to ¥54 at 31 March 2007; and (ii) a provision for impairment of US$15 million against the proportion of the Group's funding related to the exploration costs of the Big Mouth Bayou well.

The decline in the share price of IB Daiwa follows delays in production and disappointing drilling results at Lodore US Holdings Inc. ("Lodore"), IB Daiwa's subsidiary engaged in high risk/high impact oil and gas exploration. Lodore has now made various non-cash provisions against oil and gas exploration assets and IB Daiwa has written down the corresponding goodwill related to Lodore. Accordingly, IB Daiwa will be on a more stable and realistic financial base going forward that should enable Lodore to focus on fully exploiting the upside potential of its remaining asset portfolio. Additionally, management does not believe that the decline in share price of IB Daiwa is reflective of the continuous and steady build up of the production and reserve base of oil and gas at its other subsidiary, Darcy Energy LLC ("Darcy"), which owns working interests in producing wells and development prospects in the Gulf of Mexico. Crosby continues to own 24.02% of IB Daiwa as at 31 March 2007.

The Group invested US$42.5 million of the proceeds of the convertible bond in a 35% working interest in a portfolio three high-impact/high-risk deep oil and gas prospects in Louisiana, USA - Big Mouth Bayou, Endeavor and North West Kaplan. The Big Mouth Bayou well has been drilled to a target depth of 19,490 feet. Gas was encountered in several zones and for several months the operator of the well, Pel-Tex Petroleum, has been examining ways in which to commence commercial production. This has taken more time than originally expected due to technical constraints and, although it is still intended to commercialise the CR sands it is currently expected that Lodore will require further time and capital to do so. As such, the Group has decided to take a prudent approach and provide for impairment in full in the amount of US$15 million against the proportion of its funding related to the exploration costs of this well. At the Endeavor prospect, drilling is in progress, having reached a depth of 16,248 feet, and is expected to be completed by mid-2007. Planning and preparation for drilling at North West Kaplan will only begin after the drilling operations at Endeavor have been completed.

In February 2007, Dragon Fund Inc., a fund managed by Crosby Asset Management and owned by the Group, subscribed for a placement of new shares issued by Fermiscan Holdings Limited ("Fermiscan", FER AU), a healthcare company whose shares are quoted on the Australian Securities Exchange ("ASX"). In April 2007 (after the period under review), Crosby announced that it had signed a memorandum of understanding covering the commercialisation of Fermiscan's test for the detection of breast cancer in the Japanese market.

In March 2007, the Group's Merchant Banking business, through Eskdale Petroleum Pty Limited ("Eskdale"), successfully completed the US$130 million take-over of Orchard Petroleum Ltd. ("Orchard"), an oil and gas exploration and production company with assets in the US whose shares were quoted on ASX. Additionally, during this quarter the Group's Merchant Banking business, through Buttermere Australia Pty Limited, increased its bid for Marathon Resources Ltd. ("Marathon", MTN AU), an ASX-listed uranium mining company with assets in Australia.

During this quarter, the Group's Asset Management business increased its assets under management ("AUM") to approximately US$1.4 billion. Crosby Wealth Management ("CWM") continued to grow its AUM during this quarter and revenue and profits were ahead of budget. Crosby Active Opportunities Fund ("CAOF"), launched in December 2006, recorded a net return of approximately 16% for the first four months of the year and succeeded in attracting further subscriptions. On 1 May 2007 (after the period under review), Crosby invested US$5 million into CAOF.

There was also solid progress made during this quarter towards monetising the value within the Group's investment portfolio as AIM quoted Indago Petroleum Limited ("Indago", IPL LN) announced the sale of a portfolio of oil and gas assets. Following the sale, which completed in April 2007, Indago issued a special dividend resulting in a net cash inflow to Crosby of approximately US$17.4 million.

Total operating expenses (excluding loss on financial assets, provision for impairment against exploration prospects and finance costs) for the quarter ended 31 March 2007 were US$16.7 million compared with US$18.5 million for the same period last year. This decrease has mainly arisen from a decrease in administrative expenses to US$13.5 million from US$16.5 million for the same period last year. Approximately US$2.9 million of the decrease in administrative expenses, compared to the comparative quarter last year, relates to staff costs as decreases in accruals for performance related compensation were partially offset by increased commission directly related to the increase in the level of CWM's business and non-cash charges related to the employee share option scheme. Additionally, the decrease in administrative expenses is also attributable to the banking, legal and professional fees associated with the issuance of the convertible bond in March 2006 and the subsequent acquisition of the interest in oil and gas exploration prospects.

The credit to the consolidated income statement for minority interests for this quarter of US$0.6 million is mainly made up, within the Crosby Group, of the minority shareholders of Silk Route Petroleum Limited, 43.4% interest in the revaluation gain of Indago of US$3.6 million and the minority shareholders of CWM interest in its profits of US$1.8 million partially offset by the 18.96% minority shareholders share of the losses of Crosby of US$3.9 million and, within the Crosby Group, US$0.8 million related to the minority shareholders of Eskdale interest in Orchard.

DIVISIONAL REVIEW

Technology Venture Capital Management

The Group manages the Hong Kong SAR Government's Applied Research Fund ("ARF") through the Softech Investment Management Company Limited ("Softech"). Softech is a 50:50 joint venture with Softbank China Venture Investments Limited. The ARF is a HK$750 million fund with the objective of providing funding support to Hong Kong based technology ventures and research and development projects that have commercial potential. The long-term objective of the fund is to increase Kong Kong's technological capability and enhance the competitiveness of local industries with the aim of promoting higher value-added economic development in Hong Kong. Softtech was allocated HK$250 million of the fund for management.

Direct Investments – Oil and Gas Investments

In April 2006, shareholders approved the commitment of US$42.5 million to acquire a 35% working interest in three high impact/high risk deep gas exploration prospects, Big Mouth Bayou, Endeavor and North West Kaplan, on-shore in Louisiana USA. These are discussed above in the Management Discussion and Analysis section.

Direct Investments – Other

On 16 February 2007, the Group's 100% owned subsidiary Dragon Fund Inc. (a fund managed by Crosby Asset Management) entered into an agreement to subscribe for 8.5 million new shares of Fermiscan ("Fermiscan", FER AU), whose shares are quoted on the ASX, at A$1.50 per share for a total consideration of A$12.75 million. Fermiscan is a healthcare company developing a non-invasive diagnostic test for the detection of breast cancer. Among the 8.5 million shares, 2.7 million of these shares had been placed to a number of independent third parties on substantially the same terms and conditions leaving the Group with a direct interest of 5.8 million shares of Fermiscan at that date. On 20 March 2007, Fermiscan announced that it had signed a licensing agreement with an Asian partner to commercialise its non-invasive test for the early detection of breast cancer in Singapore, Hong Kong, Indonesia, Malaysia, Thailand and Vietnam. On 26 April 2007, Fermiscan and Crosby announced that they had signed a Memorandum of Understanding to commence a feasibility study to commercialise Fermiscan's technology for the detection of breast cancer in Japan. Fermiscan's 2000 patient validation trial of its breast cancer test in Australia is expected to complete in the first half of 2007 and assuming a positive outcome, Fermiscan will begin the commercialisation of their non-invasive screening for breast cancer towards the end of 2007.

The Group continues to hold some legacy technology direct investments, the investment cost of which was fully written off at the end of 2002. In particular, the Group owns 523,528 shares of White Energy Company Limited ("White Energy", WEC AU) arising from a legacy investment in Spike Network. The Group also has an additional shareholding in White Energy arising from the recent involvement of the Group's Merchant Banking team. Further details on this investment are provided below. The Group also owns 20,276,384 shares of Upstream Marketing and Communications Inc. ("Upstream", UPS LN) arising from a legacy investment in Upstream Asia Limited. Upstream is a leading Asia Pacific-focused corporate and marketing communications services network firm. Upstream is well positioned to meet Asia's growing demand for branding and communication services with offices in Bejing, Shanghai, Hong Kong, Singapore, Sydney and Taipei. In March 2007, Upstream announced the acquisition of Macro Consulting renamed Upstream Australia whose focus is the Australian market.

Merchant Banking

During the first quarter, there were significant developments on two of Crosby's merchant banking transactions: Orchard Petroleum Limited ("Orchard", OPL AU) and Marathon Resources Limited ("Marathon", MTN AU).

Orchard

In October 2006, Crosby initiated a cash take-over bid for ASX quoted Orchard at A$0.68 per share through Eskdale. In November 2006, the offer was increased to A$0.81 per share and Orchard's management recommended that shareholders accept the offer. In March 2007, the remaining bid conditions were waived, the offer became unconditional and the acquisition was completed. At the offer price, Orchard has a market capitalisation of approximately US$130 million. In addition to the US$50 million bank financing provided to Eskdale by Commonwealth Bank of Australia, Eskdale has funded its acquisition through the issue of preference shares to parties including CAOF. Following the repayment of acquisition financing, Crosby's stake in Eskdale will be 23.75%. Orchard owns a portfolio of 11 oil and gas production and development assets located onshore in the prolific San Joaquin and Sacramento petroleum basin.

Marathon

In July 2006, Crosby led a cash offer for ASX listed uranium miner Marathon at A$0.68 per share, a premium of 23.6% to the previous day's close. By the end of 2006, the Marathon stock price had risen by 236% to A$1.85 per share. On 9 March 2007, the offer was increased to A$3.52 per share, a 6.7% premium to the previous day's closing price. At A$3.52, Marathon has a market capitalisation of approximately US$161 million. This revised offer is currently due to expire on 4 July 2007. Marathon has prospects in South Australia of which the most advanced project is the Mt. Gee uranium deposit, which based on current resource estimates is one of the 25 largest known uranium deposits in the world.

Asset Management

Crosby's Asset Management business increased its Assets Under Management ("AUM") to approximately US$1.4 billion. The continued progress of the Group's asset management businesses are important components in the Group's strategy of building a portfolio of mutually supportive businesses that balance cashflow generation with the potential for significant capital gains. The business is divided into two main operating areas: fund management and wealth management.

Fund Management

In addition to the Asian funds managed by Crosby, December 2006 saw the launch of Crosby's first hedge fund, CAOF – an Asian and Australasian event-driven hedge fund. CAOF aims to produce absolute unleveraged returns in excess of 25% per annum. Although CAOF utilises a similar approach to identifying and extracting value as the Crosby Merchant Banking team, its business is both complementary and additional to that of the Merchant Banking team as CAOF commits its own capital to initiate a deal. CAOF also benefits from having the first right of refusal (but no obligation) to commit capital to support a Crosby Merchant Banking team led deal. Having successfully raised the seed funding, the focus of CAOF is now on investing the capital to enable CAOF to develop a track record and market presence in preparation for CAOF to embark on a broader capital-raising in the second half of the year. CAOF has recorded a return for the first four months to the end of April 2007 of approximately 16% and has succeeded in attracting new subscriptions. On 1 May 2007 (after the period under review), Crosby invested US$5 million into CAOF.

Wealth Management

During this quarter under review, AUM continued growing at Crosby Wealth Management with revenues and profits ahead of budget.

Investment Portfolio

The Group's investment portfolio largely consists of its equity interests and stakes derived from Merchant Banking deals held through its 81.04% subsidiary Crosby. Its two largest positions are a 24.02% equity holding in Jasdaq listed IB Daiwa Corporation ("IB Daiwa", 3587 JP) and an approximately 7% effective equity interest, held through Crosby's 56.6% owned subsidiary, Silk Route Petroleum Limited, in AIM quoted Indago Petroleum Inc. ("Indago", IPL LN).

Indago

In March 2007, Indago announced that it had agreed, subject to shareholder approval, to dispose of 100% of its production and development assets and approximately 50% of its exploration assets. Following the completion of the sale, Indago also announced that, subject to shareholder approval, it would declare a special dividend of 60 pence per share and consolidate its shares on a 5 for 1 basis. The net effect of this is that, net of minority interests in Silk Route Petroleum Limited, Crosby received approximately US$17.4 million of cash in April 2007, whilst still retaining further upside through owning the still listed shares of Indago (post share consolidation). Indago still holds the remaining exploration assets plus sufficient cash to undertake its exploration programme. At 31 March 2007, the quoted market price of Indago was £0.695 per share.

IB Daiwa

The Group, through its 81.04% subsidiary Crosby, holds 102,425,000 shares of IB Daiwa representing 24.02% of its issued share capital. IB Daiwa is a Jasdaq listed oil and gas exploration, development and production company with assets onshore and offshore in Texas and Louisiana, USA. IB Daiwa's two operating subsidiaries Lodore US Holdings Inc. ("Lodore") and Darcy Energy LLC ("Darcy") balance high impact/high risk deep gas exploration (Lodore) and low risk exploration and development (Darcy). At 31 March 2007, the quoted market price of IB Daiwa was ¥54 per share.

Darcy

In February 2007, Darcy raised US$18 million by issuing news shares that represent 13.4% of the enlarged share capital, valuing Darcy at an enterprise value of US$215 million. This fundraising will provide the capital to develop the Grand Isle acquisition and to pursue further growth opportunities. Also in February 2007, the B4 well at East Cameron Block 318 commenced production having discovered commercial quantities of gas. On 15 April 2007 (after the period under review), IB Daiwa announced that Darcy had acquired a 100% interest in certain Sorrento Dome leases in onshore Louisiana USA (a total area of 1,757 acres).

Lodore

Details of the status of Big Mouth Bayou, Endeavor and NW Kaplan are provided above in the context of Techpacific's own direct investment. In late February 2007, the repair work on the Kami well was completed and it recommenced production. Drilling and testing of the three deepest zones at Plum Deep, the first well at Padre Island, were completed during the quarter and it was determined that the zones were non-commercial. The testing of the shallowest zone of Plum Deep has not yet been completed. Given the delays in certain exploration projects and cost-over-runs, and constraints faced by Lodore raising financing, Lodore has found it necessary to seek to farm out certain high priority prospects whilst opting out of certain lower priority projects. Accordingly, under these circumstances, Lodore decided to take a prudent approach and provide against the exploration costs for certain projects, and consistent with this approach IB Daiwa decided to write down Lodore related goodwill. This resulted in IB Daiwa issuing a further revision to its financial forecast for the year ended 31 March 2007.

Corporate Governance and the Kanri Post

IB Daiwa continued to make substantial progress in enhancing its corporate governance, risk management and regulatory reporting regime, and continued to work closely with it's appointed "Shukanji", Japan Asia Securities, towards securing its return to JASDAQ's "main" list from the restrictions of the Kanri Post.

White Energy

As a result of arranging share placements in 2006, the Group's merchant banking team earned an interest in warrants with a five year life exerciseable into 2,036,296 shares of ASX quoted White Energy Company Limited ("White Energy", WEC AU) at an exercise price of A$0.01 each. The Group also subscribed for 100,000 shares in one of the aforementioned placements at A$0.90 per share. It owns the worldwide license to a coal briquetting process that increases the energy efficiency of low quality coal. On 10 May 2007, White Energy announced that BHP Billiton, the world's largest diversified resources company, plans to use its coal upgrade process for its vast sub-bituminous reserves. Additionally, BHP agreed to provide US$35 million in convertible loan financing that will enable White Energy to accelerate the roll out of its patented coal technology and to act as White Energy's exclusive global marketing agent for upgraded export coal produced at its coal technology plants. At 31 March 2007, the quoted market price of White Energy was A$1.92 per share.

SBI Crosby

SBI Crosby (Holdings) Limited ("SBI Crosby") is a corporate finance boutique that acts as originator of small-to-mid cap listing opportunities in China. SBI Crosby is a joint venture with Softbank E2 Capital in which Crosby has a stake of 26.72%. The joint venture is a source of Merchant Banking and Asset Management opportunities for Crosby.

FIRST QUARTERLY RESULTS

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Group for the three months ended 31 March 2007 (the "Review Period"), together with the comparative unaudited figures of the corresponding period in 2006, as follows:

		(Unaudited) Three Months Ended 31 March	
		2007	**2006**
	Notes	*US$'000*	*US$'000*
Turnover/Revenue	2	5,396	1,804
(Loss)/Gain on financial assets at fair value through profit or loss		(7,829)	40,578
Gain on financial liabilities at fair value through profit or loss		32	–
Provision for impairment of interest in oil and gas exploration prospects		(15,000)	–
Other income	2	612	1,891
Administrative expenses		(13,478)	(16,504)
Distribution expenses		(5)	(29)
Other operating expenses		(3,174)	(2,012)
(Loss)/Profit from operations		(33,446)	25,728
Finance costs		(295)	(385)
Share of profit of a jointly controlled entity		15	14
Share of losses of associates		(54)	(56)
(Loss)/Profit before taxation		(33,780)	25,301
Taxation	3	(38)	(26)
(Loss)/Profit for the period		(33,818)	25,275
Attributable to:			
Equity holders of the Company		(34,392)	20,606
Minority interests		574	4,669
(Loss)/Profit for the period		(33,818)	25,275
(Loss)/Earnings per share attributable to equity holders of the Company during the period	5	*US cents*	*US cents*
– Basic		(1.02)	0.73
– Diluted		N/A	0.63

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

1. Basis of presentation

The unaudited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The unaudited consolidated financial statements comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The unaudited consolidated financial statements are prepared under historical cost basis except for certain financial instruments.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

The accounting policies adopted in preparing these first quarterly results are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 December 2006. The first quarterly results are unaudited but have been reviewed by the Company's audit committee.

2. Turnover/Revenue and other income

Turnover/Revenue comprises fees for corporate finance and other advisory services, fund management fee and wealth management services fee.

Other income mainly comprises interest income, profits on disposal of investments and bad debt recoveries.

3. Taxation

Hong Kong and overseas income tax for the three months ended 31 March 2007 have been calculated at the rates prevailing in the relevant jurisdictions.

No recognition of potential deferred tax assets of the Group has been made as the recoverability of the potential tax assets is uncertain.

4. *Movements in reserves (unaudited)*

	Share premium *US$'000*	Capital reserve *US$'000*	Capital redemption reserve *US$'000*	Employee share-based compensation reserve *US$'000*	Investment revaluation reserve *US$'000*	Foreign exchange reserve *US$'000*	Convertible bond reserve *US$'000*	Retained profits/ (Accumulated losses) *US$'000*
At 1 January 2007	106,875	4,872	20	5,075	173	30	–	1,420
Effect on exercising share options of a subsidiary	–	–	–	(62)	–	–	–	–
Employee share-based compensation	–	–	–	1,444	–	–	–	–
Surplus on revaluation	–	–	–	–	28	–	–	–
Exchange difference on consolidation	–	–	–	–	–	60	–	–
Loss for the period	–	–	–	–	–	–	–	(34,392)
At 31 March 2007	106,875	4,872	20	6,457	201	90	–	(32,972)
At 1 January 2006	52,853	9,241	11	779	36	(188)	–	62,129
Issue of new shares upon exercise of share options	16	–	–	(4)	–	–	–	–
Employee share-based compensation	–	–	–	(127)	–	–	–	–
Issue of convertible bond	–	–	–	–	–	–	23,173	–
Conversion on convertible bond	4,949	–	–	–	–	–	(885)	–
Surplus on revaluation	–	–	–	–	195	–	–	–
Exchange difference on consolidation	–	–	–	–	–	41	–	–
Profit for the period	–	–	–	–	–	–	–	20,606
At 31 March 2006	57,818	9,241	11	648	231	(147)	22,288	82,735

5. *(Loss)/Earnings per share*

(a) *Basic (loss)/earnings per share*

The calculation of the basic (loss)/earnings per share for the three months ended 31 March 2007 is based on the loss attributable to equity holders of the Company of US$34,391,865 (2006: profit attributable to equity holders of the Company of US$20,605,739) and the weighted average number of ordinary shares of 3,358,881,256 (2006: 2,810,219,156) in issue during the three months ended 31 March 2007.

(b) *Diluted (loss)/earnings per share*

No diluted loss per share for the three months ended 31 March 2007 is shown, as the outstanding share options were anti-dilutive.

The calculation of diluted earnings per share for the three months ended 31 March 2006 is based on the profit attributable to equity holders of the Company of US$20,605,739 and the weighted average number of ordinary shares in issue during the three months ended 31 March 2006 after adjusting the number of dilutive potential ordinary shares granted under the Company's share option scheme and converted on the convertible bond of 3,327,458,939. Interest expense of US$215,191 related to dilutive shares is recognised in the unaudited consolidated income statement for the three months ended 31 March 2006.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2007 (2006: Nil).

DISCLOSURE OF INTERESTS

(a) Directors

As at 31 March 2007, the interests or short positions of the Directors or chief executive 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 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 are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

(i) Interests in the ordinary shares of the Company

Name of Directors	Personal interest	Family interest	Corporate interest	Aggregate long position in ordinary shares of the Company	Percentage which the aggregate long position in ordinary shares represents to the total ordinary shares of the Company in issue
					%
Ilyas Tariq Khan *(Notes 1 & 2)*	82,494,076	–	413,091,794	495,585,870	16.16
Johnny Chan Kok Chung *(Note 3)*	175,712,205	16,097,387	–	191,809,592	6.26
Joseph Tong Tze Kay	3,000,000	–	–	3,000,000	0.10
Daniel Yen Tzu Chen	2,000,000	–	–	2,000,000	0.07
Peter McIntyre Koenig	1,500,000	–	–	1,500,000	0.05

Note 1: TW Indus Limited held 188,208,147 ordinary shares. TW Indus Limited was beneficially wholly-owned by Ilyas Tariq Khan.

Note 2: ECK & Partners Limited held 224,883,647 ordinary shares. ECK & Partners Limited was beneficially owned as 88.86% by Ilyas Tariq Khan. Since Ilyas Tariq Khan is entitled to exercise more than one third of the voting power at general meetings of ECK & Partners Limited, he is deemed to be interested in 224,883,647 ordinary shares owned by ECK & Partners Limited.

Note 3: Yuda Udomritthiruj held 16,097,387 ordinary shares. Yuda Udomritthiruj, an employee of a subsidiary of the Company, is the wife of Johnny Chan Kok Chung and, accordingly, he is deemed to have interests in her shares.

(ii) Interests in the underlying shares of the Company

The interests in the underlying shares of the Company arise from unlisted share options (physically settled equity derivatives) granted to the Directors of the Company under the Company's Share Option Scheme, details of which are provided below:

Name of Directors	Date of grant	Subscription price	Aggregate long position in underlying shares of the Company	Percentage which the aggregate long position in underlying shares of the Company represents to the total ordinary share capital of the Company in issue
				%
Ilyas Tariq Khan	26 April 2006	HK$0.770	60,000,000	1.96
Johnny Chan Kok Chung	26 April 2006	HK$0.770	60,000,000	1.96
Ahmad S. Al-Khaled	24 March 2006	HK$0.770	5,000,000	
	29 January 2007	HK$0.365	2,500,000	
			7,500,000	0.24
Daniel Yen Tzu Chen	24 March 2006	HK$0.770	5,000,000	
	29 January 2007	HK$0.365	2,500,000	
			7,500,000	0.24
Peter McIntyre Koenig	20 August 2004	HK$0.035	2,000,000	
	24 March 2006	HK$0.770	5,000,000	
	29 January 2007	HK$0.365	2,500,000	
			9,500,000	0.31
Joseph Tong Tze Kay	20 August 2004	HK$0.035	2,000,000	
	24 March 2006	HK$0.770	5,000,000	
	29 January 2007	HK$0.365	2,500,000	
			9,500,000	0.31

(iii) Short Positions

None of the Directors held short positions in the shares and underlying shares of the Company or any Associated Corporation.

(iv) Interests in the shares of an Associated Corporation

Name of Directors	Associated corporation	Personal interest	Corporate interest	Aggregate long position in shares of the Associate	Percentage which the aggregate long position in shares of the Associate represents to the issued share capital of the Associate %
Ilyas Tariq Khan *(Note 1)*	Crosby Capital Partners (Hong Kong) Limited	1	110,001	110,002	0.04
Johnny Chan Kok Chung	Crosby Capital Partners (Hong Kong) Limited (Hong Kong) Limited	30,000	–	30,000	0.01

Note 1: TW Indus Limited held 110,001 shares in Crosby Capital Partners (Hong Kong) Limited. TW Indus Limited was beneficially wholly-owned by Ilyas Tariq Khan.

Save as disclosed above, as at 31 March 2007, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (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 are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

(b) Disclosure of Interests of Substantial Shareholders and Other Persons

So far as is known to any Director or the chief executive of the Company, as at 31 March 2007, the following persons, other than the Directors of the Company, had interests and short positions 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 is expected, directly or indirectly, to be 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 member of the Group:

(i) Interests in the ordinary shares and underlying shares of the Company

Name	Number or approximate attributable number of ordinary shares	Aggregate long position in underlying shares of the Company	Approximate percentage or approximate attributable percentage holding of ordinary shares currently in issue and/or percentage which the aggregate long position in underlying shares of the Company represents to the total ordinary share capital of the Company in issue
Deutsche Bank Aktiengesellschaft	1,278,000	412,422,007	13.49%
PMA Capital Management Limited *(Note 1)*	372,948,005	–	12.16%
TBV Holdings Limited *(Note 2)*	302,055,000	–	9.85%
PMA Prospect Fund *(Note 1)*	281,295,520	–	9.17%
ECK & Partners Limited *(Note 3)*	224,883,647	–	7.33%
TW Indus Limited *(Note 4)*	188,208,147	–	6.14%

Note 1: PMA Capital Management Limited is the investment advisor of PMA Prospect Fund, both of which are Independent Third Parties. The interest of PMA Prospect Fund in 281,295,520 ordinary shares is included in the interest of PMA Capital Management Limited in 372,948,005 ordinary shares.

Note 2: TBV Holdings Limited is a company wholly-owned by the Kuwait Fund for Arab Economic Development, a development finance agency owned by the government of Kuwait.

Note 3: Since Ilyas Tariq Khan is entitled to exercise more than one third of the voting power at general meetings of ECK & Partners Limited, ECK & Partners Limited interest in 224,883,647 ordinary shares is duplicated in the 495,585,870 ordinary shares in which Ilyas Tariq Khan is interested as a Director.

Note 4: TW Indus Limited held a direct interest in 188,208,147 ordinary shares. Ilyas Tariq Khan was beneficially interested in 100% of the share capital of TW Indus Limited and, therefore, Ilyas Tariq Khan was also interested in these 188,208,147 ordinary shares which are duplicated within the 495,585,870 ordinary shares in which Ilyas Tariq Khan was interested as a Director.

(ii) Interests in the non-voting convertible deferred shares of the Company

Name	Number or approximate attributable number of non-voting convertible deferred shares	Percentage which the aggregate long position in non-voting convertible deferred shares represents to the total non-voting convertible deferred shares currently in issue
Simon Jeremy Fry *(Note 1)*	292,500,000	100%

Note 1: Simon Jeremy Fry is the Chief Executive Officer of Crosby Capital Partners Inc., which is a 81.04% subsidiary of the Company as at 31 March 2007. Further to the Company's report dated 31 March 2004, 292,500,000 non-voting convertible deferred shares were allotted to Simon Jeremy Fry. Simon Jeremy Fry has also held a direct interest in 110,186,587 ordinary shares. Simon Jeremy Fry was also granted 60 million options to subscribe for ordinary shares in the Company at an exercise price of HK$0.77 per share on 26 April 2006.

(iii) Short Positions

No person held short positions in the Shares and Underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 31 March 2007, the Directors of the Company were not aware of any other person who had an interest or short position 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 is expected, directly or indirectly, to be 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 member of the Group.

Save as disclosed above, as at 31 March 2007, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

(c) Share Options

Pursuant to the Company's Share Option Scheme, a duly authorised committee of the board of Directors of the Company may, at its discretion, grant options to eligible employees, including executive directors, of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than the higher of (i) the closing price of the Shares of the Company on the Exchange on the date of grant of the particular option or (ii) the average of the closing prices of the Shares of the Company for the five trading days immediately preceding the date of the grant of the options or (iii) the nominal value of the shares.

Share options granted under the Share Option Scheme are exercisable as follows:

(a) the first thirty percent of the options between the first and tenth anniversary of the date of grant;

(b) the next thirty percent of the options between the second and tenth anniversary of the date of grant; and

(c) the remaining options between the third and tenth anniversary of the date of grant.

The following table sets out information relating to the Share Option Scheme:

Date of options grant	Options granted	Options exercise price	Options lapsed since grant	Options outstanding	Options exercisable as at 30 September 2006
27 March 2002	248,244,700	HK$0.0704	247,944,700	300,000	300,000
18 March 2003	54,000,000	HK$0.0350	54,000,000	–	–
14 May 2003	15,000,000	HK$0.0350	10,000,000	–	–
18 June 2003	26,064,000	HK$0.0350	26,064,000	–	–
11 July 2003	312,000,000	HK$0.0350	312,000,000	–	–
1 December 2003	21,000,000	HK$0.0350	21,000,000	–	–
20 August 2004	15,000,000	HK$0.0350	–	4,000,000	–
24 March 2006	40,000,000	HK$0.7700	–	40,000,000	12,000,000
26 April 2006	180,000,000	HK$0.7700	–	180,000,000	–
29 January 2007	10,000,000	HK$0.3650	–	10,000,000	–
	921,308,700		671,008,700 (1)	234,300,000	12,300,000

Note 1: Includes 518,564,000 of share options that have lapsed and are not available for re-use.

No options granted under the Share Option Scheme had been exercised during the three months ended 31 March 2007.

(d) Competing Interests

So far as the Directors are aware, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates have any interests in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee on 31 March 2000 with the written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises three independent non-executive directors, Messrs. Joseph Tong Tze Kay, Daniel Yen Tzu Chen and Peter McIntyre Koenig. The primary duties of the audit committee are to review and supervise the Company's financial reporting process and internal control systems.

The audit committee meets at least quarterly with the most recent meeting held on 10 May 2007. The unaudited quarterly results of the Company for the three months ended 31 March 2007 have been reviewed by the audit committee.

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

The Company has not redeemed any of its shares during the three months ended 31 March 2007 (2006: Nil). Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the three months ended 31 March 2007 (2006: Nil).

By Order of the Board
Ilyas Tariq Khan
Chairman

Hong Kong, 11 May 2007

As at the date of this report, the Directors of the Company are

Executive Director: Johnny Chan Kok Chung

Non-Executive Directors: Ilyas Tariq Khan, Ahmad S. Al-Khaled

Independent Non-Executive Directors: Daniel Yen Tzu Chen, Peter McIntyre Koenig and Joseph Tong Tze Kay