



Honbridge Holdings Limited
洪橋集團有限公司

Formerly known as "Jessica Publications Limited"

(Stock Code: 8137)

07

Third Quarterly Report

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

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

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The principal means of information dissemination on GEM is publication on the internet website operated by the Stock 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 Stock Exchange takes no responsibility for the contents of this report (this “Report”), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Report.

This Report, for which the directors (the “Directors”) of Honbridge Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this Report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this Report misleading; and (iii) 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.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS

The board of directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 30 September 2007, together with the comparative unaudited figures for the corresponding periods in 2006, as follows:

CONSOLIDATED INCOME STATEMENT – UNAUDITED

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Revenue	2	20,275	20,267	60,880	63,384
Direct operating expenses		(12,574)	(18,782)	(39,176)	(53,454)
Other operating income		96	71	155	204
Selling and distribution costs		(6,179)	(4,606)	(15,398)	(15,063)
Administrative expenses		(2,312)	(2,269)	(5,312)	(6,550)
Other operating expenses		(362)	(3,558)	(479)	(4,050)
Gain on deconsolidation of subsidiary		–	5,435	–	5,435
(Loss) Profit before income tax	3	(1,056)	(3,442)	670	(10,094)
Income tax expense	5	–	–	–	–
(Loss) Profit for the period		(1,056)	(3,442)	670	(10,094)
Attributable to:					
Equity holders of the Company		(1,056)	(4,841)	670	(10,551)
Minority interests		–	1,399	–	457
		(1,056)	(3,442)	670	(10,094)
(Loss) earnings per share for (loss) profit attributable to the equity holders of the Company during the period					
– Basic	7	<u>HK(0.21) cents</u>	<u>HK(0.96) cents</u>	<u>HK0.13 cents</u>	<u>HK(2.08) cents</u>
– Diluted	7	<u>N/A</u>	<u>N/A</u>	<u>HK0.13 cents</u>	<u>N/A</u>

Notes:

1 BASIS OF PRESENTATION

The unaudited consolidated financial statements for the three months and nine months ended 30 September 2007 have not been audited by the Company's auditors but has been reviewed by the Company's audit committee.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

These financial statements should be read, where relevant, in conjunction with the 2006 annual report.

The accounting policies and methods of computation used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2006.

2 REVENUE

Revenue, which is also the Group's turnover, represents the income generated from the publication of magazines.

3 (LOSS) PROFIT BEFORE INCOME TAX

During the three months and nine months ended 30 September 2007, (loss) profit before income tax is arrived at after charging depreciation of approximately HK\$67,000 and HK\$225,000 respectively (three months and nine months ended 30 September 2006: HK\$136,000 and HK\$412,000 respectively) in respect of the Group's property, plant and equipment.

4 GEOGRAPHICAL SEGMENTS

An analysis of the Group's revenue by geographical location* is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)
The People's Republic of China Hong Kong Special Administrative Region ("Hong Kong")	17,730	15,595	54,161	47,030
Other regions of the People's Republic of China (the "PRC")	2,545	4,672	6,719	16,354
	<u>20,275</u>	<u>20,267</u>	<u>60,880</u>	<u>63,384</u>

An analysis of the Group's (loss) profit by geographical location* is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)
Hong Kong	665	(545)	5,235	(1,195)
PRC	(1,721)	(2,897)	(4,565)	(8,899)
	<u>(1,056)</u>	<u>(3,442)</u>	<u>670</u>	<u>(10,094)</u>

* Revenue and (loss) profit contribution by geographical location is determined on the basis of the destination of delivery of magazines and publication of advertisements.

5 INCOME TAX EXPENSE

No Hong Kong Profits tax has been provided as the Group had no estimated assessable profit arising in or derived from Hong Kong during the three months and nine months ended 30 September 2007 (three months and nine months ended 30 September 2006: Nil). The PRC enterprise income tax is calculated at the rates prevailing in the relevant region.

6 DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the nine months ended 30 September 2007 (nine months ended 30 September 2006: Nil).

7 (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share for the three months and nine months ended 30 September 2007 are based on the loss and profit attributable to the equity holders of the Company of HK\$1,056,000 and HK\$670,000 (three months and nine months ended 30 September 2006: loss of HK\$4,841,000 and HK\$10,551,000) and on the weighted average number of 509,422,325 and 507,697,005 shares in issue respectively (three months and nine months ended 30 September 2006: 506,639,716 shares in issue).

The diluted earnings per share for the nine months ended 30 September 2007 is based on the profit attributable to equity holders of the Company of HK\$670,000 and the weighted average number of 508,271,573 shares in issue during the period after adjusting for the effect of all dilutive potential shares.

For the three months ended 30 September 2007 and the three months and nine months ended 30 September 2006, no diluted loss per share has been presented because the outstanding share options had an anti-dilutive effect.

8 MOVEMENT OF RESERVES

Movement in reserves:-

	Three months ended 30 September		Nine months ended 30 September	
	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)
Profit (loss) attributable to the equity holders of the Company during the period	(1,056)	(4,841)	670	(10,551)
Effect on exercise of share options	<u>2,585</u>	<u>-</u>	<u>3,277</u>	<u>-</u>
	<u>1,529</u>	<u>(4,841)</u>	<u>3,947</u>	<u>(10,551)</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the period under review, the Group's publication business recorded turnover of HK\$60.9 million, comprised HK\$54.2 million from Hong Kong operations and HK\$6.7 million from PRC operations. Profit for the period amounted to HK\$0.7 million compared to a loss of HK\$10.1 million in the same period last year.

The Hong Kong operations improved with an increase in overall advertising income with additional marketing effort and stringent cost control measures implemented.

The PRC operations remained stable. The reduction in loss during the period was mainly attributable to the disposal of a subsidiary (which incurred significant loss) in late 2006.

LIQUIDITY AND FINANCIAL RESOURCES

During the nine months ended 30 September 2007, the Group's operation was financed by the internal financial resources of the Group.

As at 30 September 2007, the Group had net current liabilities of approximately HK\$3.6 million (31 December 2006: HK\$7.6 million). The current assets comprised bank balances and cash of approximately HK\$5.8 million and trade and other receivables of approximately HK\$19.2 million. The current liabilities comprised trade payables, accruals and other payable of approximately HK\$27.4 million and amount due to related company of HK\$1.2 million.

As at 30 September 2007, the Group had aggregate banking facilities granted under corporate guarantee by the Company in respect of an unsecured revolving term loan of HK\$1 million, none of which had been utilized. Therefore, the gearing ratio of the Group, which is measured by bank borrowings to total equity, remained zero as at 30 September 2007.

The Board is of the opinion that, taking into account the internal financial resources of the Group, the Group has sufficient working capital for its present requirements.

SUBSEQUENT EVENTS

On 16 August 2007, the Company entered into a subscription agreement ("Subscription") with Hong Bridge Capital Limited ("Hong Bridge") to subscribe in cash for (i) 2,900 million new shares of the Company at a subscription price of HK\$0.007 per share; and (ii) convertible notes of the Company in the principal amount of HK\$14.7 million with an initial conversion price of HK\$0.007 per share. Subsequent to the subscription, Hong Bridge became the controlling shareholders of the Company. Hong Bridge is wholly owned by Mr. He Xuechu, the Chairman of the Company.

On 16 August 2007, Great Ready Assets Limited, a wholly-owned subsidiary of the Company entered into a disposal agreement (“Disposal”) with Win Gain Investments Limited, a company wholly-owned by Mr. Ng Hung Sang, a former executive director of the Company to dispose of the entire issued share capital of Jessica Publications (BVI) Limited at a consideration of HK\$1 million.

Details of the above transactions were set out in the Company’s circular dated 14 September 2007 and the special resolution of shareholders had been passed on 12 October 2007. Subscription and Disposal had been completed on 16 October 2007.

On 12 October 2007, the Company changed its name from Jessica Publications Limited to Honbridge Holdings Limited.

On 16 October 2007, Hong Bridge entered into a placing agreement with an independent placing agent to place out 345,000,000 shares of the Company to independent placees at the placing price of HK\$0.7 per share. Upon the completion of the placement, the Company continued to maintain the 25% minimum public float requirement under Rule 11.23 of the GEM Listing Rules.

PROSPECTS

In the opinion of the Board, the magazine publication business of the Company remains stable, and that will bring steady income to the Group. However, we expect the publication business is difficult to expand in a large scale. As such, as mentioned in recent public announcement and circular of the Group, apart from continuing our exertions on improving the existing magazine publication business, the Group is trying to seek for appropriate investment opportunities in the areas of energy and resources or automobile parts in order to develop and expand the scope of the business of the Group. The Group is determined to enhance and strengthen its income bases so as to maximise our shareholders’ wealth.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2007, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“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, pursuant to Section 352 of the SFO, to be

entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, relating to the required standards of dealing by directors of listed issuers, to be notified to the Company and the Stock Exchange were as follows:

(1) LONG POSITIONS IN THE ORDINARY SHARES OF HK\$0.001 EACH OF THE COMPANY

Name of Director	Number of Ordinary Shares			Approximate Percentage of Shareholding
	Beneficial Owner	Interests of Controlled Corporation(s)	Total	
Ng Hung Sang <i>(Note b)</i>	18,102,800	318,132,403 <i>(Note a)</i>	336,235,203	65.58%
Ng Yuk Mui, Jessica <i>(Note b)</i>	1,834,000	–	1,834,000	0.36%

Notes:

- (a) The 318,132,403 shares referred to above include 92,966,000 shares held by Parkfield Holdings Limited (“Parkfield”), 99,012,563 shares held by Fung Shing Group Limited (“Fung Shing”), 4,166,400 shares held by Ronastar Investments Limited (“Ronastar”) and 121,987,440 shares held by Eartrade Investments Limited (“Eartrade”), which is owned as to 60%, 20% and 20% by Mr. Ng Hung Sang, Ms. Cheung Choi Ngor and Mr. Richard Howard Gorges, directors of South China Holdings Limited (“South China Holdings”), respectively. The 121,987,440 shares referred to above include the 59,325,840 shares held by Bannock Investment Limited (“Bannock”), which is a wholly owned subsidiary of Eartrade. Each of Parkfield, Fung Shing and Ronastar is wholly owned by Mr. Ng Hung Sang.
- (b) Mr. Ng Hung Sang and Ms. Ng Yuk Mui, Jessica resigned as Directors of the Company with effect from 16 October 2007.

(2) LONG POSITIONS IN THE UNDERLYING SHARES OF THE COMPANY

Share Option Scheme

The Company's existing share option scheme (the "Scheme") was adopted on 20 December 2001 and became effective on 8 January 2002. Particulars and movements of the outstanding share options granted under the Scheme during period for the nine months ended 30 September 2007 (the "Period") were as follows:-

Name or category of participant	Number of share options					Outstanding as at 30/09/2007	Date of grant of share options <i>(Note a)</i>	Exercise period of share options	Price per share		
	Outstanding as at 01/01/2007	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				Subscription price per share	Price per share immediately preceding the grant date of share options <i>(Note b)</i>	Price per share immediately preceding the exercise date of share options <i>(Note c)</i>
									HKS	HKS	HKS
Directors											
Foo Kit Tak <i>(Note e)</i>	1,600,000	-	-	(1,600,000)	-	-	15/04/2002	15/04/2003-07/01/2012	0.69	0.68	N/A
	1,600,000	-	-	(1,600,000)	-	-	02/09/2002	02/09/2003-07/01/2012	0.31	0.30	N/A
Cheung Mei Yu <i>(Note e)</i>	1,600,000	-	-	(1,600,000)	-	-	15/04/2002	15/04/2003-07/01/2012	0.69	0.68	N/A
	1,600,000	-	-	(1,600,000)	-	-	02/09/2002	02/09/2003-07/01/2012	0.31	0.30	N/A
Sub-total	6,400,000	-	-	(6,400,000)	-	-					
Employees											
In aggregate	1,600,000	-	(1,600,000)	-	-	-	15/04/2002	15/04/2003-07/01/2012	0.69	0.68	0.690
	1,760,000	-	(1,760,000)	-	-	-	02/09/2002	02/09/2003-07/01/2012	0.31	0.30	0.460
Sub-total	3,360,000	-	(3,360,000)	-	-	-					
Others											
In aggregate	2,800,000	-	(2,080,000)	(480,000)	-	240,000	15/04/2002	15/04/2003-07/01/2012	0.69	0.68	0.702
	853,440	-	(640,000)	(213,440)	-	-	02/09/2002	02/09/2003-07/01/2012	0.31	0.30	0.534
Sub-total	3,653,440	-	(2,720,000)	(693,440)	-	240,000					
Total	13,413,440	-	(6,080,000)	(7,093,440)	-	240,000					

Notes:

- (a) All share options granted are subject to a vesting period and becoming exercisable in whole or in part in the following manner:

From the date of grant of share options	Exercisable percentage
Within 12 months	Nil
13th – 24th months	33 ¹ / ₃ %
25th – 36th months	33 ¹ / ₃ %
37th – 48th months	33 ¹ / ₃ %

- (b) The price of the Shares disclosed as immediately preceding the grant date of share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options.
- (c) Under the Scheme, the weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised during the Period in respect of the category of "Employees" was HK\$0.690 and HK\$0.460 and in respect of the category of "Others" was HK\$0.702 and HK\$0.534.
- (d) As no share options were granted during the nine months ended 30 September 2007, no consideration in respect of share options was received and the disclosure of value of options granted during the Period is also not applicable.
- (e) Ms. Cheung Mei Yu and Ms. Foo Kit Tak resigned as Directors of the Company with effect from 2 April 2007 and 28 May 2007 respectively.

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30 September 2007, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as 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 the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as is known to any Director or chief executive of the Company, as at 30 September 2007, shareholders (other than Directors or chief executives of the Company) who had interests or short positions 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, which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

LONG POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE ORDINARY SHARES OF HK\$0.001 EACH OF THE COMPANY

<u>Name of shareholder</u>	<u>Capacity</u>	<u>Number of ordinary shares held</u>	<u>Approximate percentage of shareholding</u>
Parkfield	Beneficial owner	92,966,000 (<i>Note a</i>)	18.13%
Fung Shing	Beneficial owner	99,012,563 (<i>Note a</i>)	19.31%
Eartrade	Beneficial owner	62,661,600 (<i>Note b</i>)	12.22%
	Interest of a controlled corporation	59,325,840 (<i>Note b</i>)	11.57%
Bannock	Beneficial owner	59,325,840 (<i>Note b</i>)	11.57%

Notes:

- (a) Each of Parkfield and Fung Shing is wholly owned by Mr. Ng Hung Sang, the former Chairman of the Company.
- (b) Eartrade, which is owned as to 60%, 20% and 20% by Mr. Ng Hung Sang, Ms. Cheung Choi Ngor and Mr. Richard Howard Gorges, directors of South China Holdings, respectively, is the holding company of Bannock. Thus, Eartrade is deemed to be interested in the 59,325,840 shares of the Company held by Bannock.

Save as disclosed above, as at 30 September 2007, the Company had not been notified by any other persons (other than the Directors or chief executives of the Company) who had interests or short positions 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND MANAGEMENT SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Mr. Ng Hung Sang, the former Chairman and management shareholder of the Company, is also the Chairman of South China Holdings and the Chairman of South China Land Limited (“SCL”). Mr. Ng Hung Sang, personally and through Parkfield, Fung Shing and Ronastar, has interest in South China Holdings and SCL. Mr. Ng Hung Sang together with Ms. Cheung Choi Ngor and Mr. Richard Howard Gorges, former management shareholders of the Company and the executive directors of South China Holdings, have beneficial interests in Eartrade which directly and indirectly through Bannock holds shares in South China Holdings and SCL. Since SCL and certain members of South China Media Limited, a subsidiary of South China Holdings, are principally engaged in magazine publication, Mr. Ng Hung Sang is regarded as interested in such competing business of the Group. Mr. Ng Yuk Fung, Peter, a former Executive Director and Chief Executive Officer of the Company, is also an Executive Director of South China Holdings and SCL, is regarded as interested in such competing business of the Group.

Ms. Ng Yuk Mui, Jessica, a former non-executive Director of the Company, is also a non-executive Director of South China Holdings and SCL. She is not regarded to have any competing business with the Group since she is not involved in the day-to-day running of the business of South China Holdings and SCL.

Mr. Cheng Yuk Wo, a former independent non-executive director of the Company, is also an independent non-executive director of SCL. He is not regarded to have interest in any competing businesses with the Group since he is not involved in the day-to-day running of the business of SCL.

Save as disclosed above, none of the Directors or the management shareholders (as defined under the GEM Listing Rules) of the Company or their respective associates had any interest in a business which competes or may compete or had any conflicts of interest with the business of the Group for the nine months ended 30 September 2007.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company complied with the Code on Corporate Governance Practices (the “CG Code”) of the GEM Listing Rules throughout the nine months ended 30 September 2007 with exception to code provision A.4.1 that non-executive directors of the Company were not appointed for a specific term and to code provision A.4.2 that the Articles of Association of the Company did not provide that (a) every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years; and (b) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting of the Company after their appointment.

In order to comply with the code provision A.4.2 of the CG Code, a special resolution was passed at the annual general meeting of the Company on 27 March 2007 to amend the Articles of Association of the Company, inter alia, to the effect that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years and all newly appointed directors should be subject to re-election by shareholders at the first general meeting of the Company after their appointment.

As all non-executive directors of the Company are subject to the retirement and rotation requirements in accordance with the Company's Articles of Association, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than code provision A.4.1 of the CG Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules for Directors.

All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standards of dealings and its code of conduct regarding the directors' securities transaction throughout the nine months ended 30 September 2007.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting and internal control procedures of the Group. The audit committee for the nine months ended 30 September 2007 comprised three members, Mr. So Siu Ming, George (Committee Chairman), Ms. Pong Oi Lan, Scarlett and Mr. Cheng Yuk Wo, who are former independent non-executive directors of the Company.

With effect from 16 October 2007, the audit committee comprises, Mr. Chan Chun Wai (Committee Chairman), Mr. Fok Hon and Mr. Ma Gang, who are independent non-executive directors of the Company. With effect from 16 October 2007, the audit committee has a term of 2 years.

The Group's unaudited results for the three months and nine months ended 30 September 2007 were reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

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

During the nine months ended 30 September 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

As at the date of this report, the Board comprises (1) Mr. He Xuechu, Mr. Liu Wei and Mr. Shi Lixin as executive directors; and (2) Mr. Chan Chun Wai, Mr. Fok Hon and Mr. Ma Gang as independent non-executive directors.

On behalf of the Board
He Xuechu
Chairman

Hong Kong, 7 November 2007