



GoLife Concepts
Holdings Limited

Stock code : 8172

2007 Third Quarterly Report



www.golife.com.hk

*Incorporated in the Cayman Islands with limited liability
Listed on the Stock Exchange of Hong Kong*

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“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 investor should be aware of the potential risk 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 Stock 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 howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Golife Concepts Holdings Limited (the “Directors”) collectively and individually accept 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 Golife Concepts Holdings Limited. The directors, having made all reasonable enquires, 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.



Corporate Profile

Golife Concepts Holdings Limited (“the Company”) is a brand development and distribution company involved in luxury lifestyle products directed toward the Greater China region.

The Company’s experienced management team identifies unique brands that possess character, individuality and longevity, and position such products in suitable market segments to capture maximum business opportunities. Through equity interests, licensing rights or franchised distribution rights, the Company and its associates (the “Group”) currently operates four international brands, with products spanning from apparel, accessories to jewelry and gifts.

The Company, listed on the GEM-Board of The Stock Exchange of Hong Kong Limited in 2002, is incorporated in the Cayman Islands and headquartered in Hong Kong. The Group has offices in mainland China, Hong Kong and Taiwan with approximately 100 employees.

Corporate Information

Executive Directors

LO Mun Lam, Raymond
GOUW San Bo, Elizabeth
Richard YEN

Non-Executive Directors

Duncan CHIU
YU Wai Yin, Vicky

Independent Non-Executive Directors

LUM Pak Sum
SUM Chun Ho
WAN Kwok Pan

Company Secretary

MA Chi Ming, FCCA

Qualified Accountant

MA Chi Ming, FCCA

Compliance Officer

GOUW San Bo, Elizabeth

Auditors

Cheung & Siu
Certified Public Accountants (Practising)

Authorized Representatives

LO Mun Lam, Raymond
MA Chi Ming

Legal Advisors

Coudert Brothers
Or, Ng & Chan

Audit Committee

LUM Pak Sum
(Chairman of the Audit Committee)
SUM Chun Ho
Wan Kwok Pan

Remuneration Committee

LO Mun Lam, Raymond
(Chairman of the Remuneration Committee)
LUM Pak Sum
SUM Chun Ho
WAN Kwok Pan

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Industrial and Commercial Bank Of China (Asia) Limited
Dah Sing Bank Limited
Shanghai Commercial Bank Limited

Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
46th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
Grand Cayman
KY1-1111 Cayman Islands
British West Indies

Head Office and Principal Place of Business

Suite A, 15/F.
Wyndham Place
40-44 Wyndham Street
Central, Hong Kong

Corporate Website

<http://www.golife.com.hk>

The Board of directors (the “Board”) of Golife Concepts Holdings Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2007.

- 1) Turnover: HK\$39,454,000
- 2) EBITDA: HK\$1,445,000
- 3) Loss attributable to shareholders: HK\$1,979,000
- 4) Startup loss of HK\$1,463,000 in relation to new brand Life of Circle
- 5) 14 points-of-sale (POS) in total as at 30 September 2007, including 4 new ones added between 1 July 2007 and 30 September 2007
- 6) Increased administrative expenses including pre-operation expenses of new POS
- 7) Negotiations to be completed with regards to a potential buyout of a French women’s wear brand, which may constitute a Very Substantial Acquisition

Managements Discussion and analysis

Overview

The Group achieved steady financial results in the nine months ended 30 September 2007 thanks to its thriving lifestyle-products business. Turnover of the Group was approximately HK\$39,454,000 for the period, representing an increase of 109% compared with the corresponding period last year. Gross profit was HK\$25,609,000, accounting for approximately 65% of the Group’s total turnover. EBITDA was HK\$1,445,000; EBITDA margin was approximately 4%. Loss attributable to shareholders after tax was HK\$1,979,000.

During the three months ended 30 September 2007, the Group expanded rapidly with four new points-of-sale opened. However, as such, certain one-off pre-opening and administrative expenses were incurred and impacted the Group’s financial performance for the period under review.

Brands Business

Life of Circle (“LOC”) Limited, which is 50%-owned by the Group, was formed in February 2007. It is in the business of designing, sourcing, merchandise planning and wholesaling of conceptual jewellery and accessories under the ‘Life of Circle’ trademark.

The setting up of LOC Limited has transformed the Group from a pure distribution business to also a brand development enterprise with indirect ownership of the trademark and IP rights of a lifestyle-product brand. Having to deploy resources in strengthening its product development capabilities and developing new product lines, LOC Limited registered startup losses. For the nine months ended 30 September 2007, the share of loss of LOC Limited was HK\$233,000.

In September 2007, the Group formed a joint-venture CR Hong Kong Limited held 50% by Austen Limited and 50% by the Group. CR Hong Kong Limited was granted the licensing rights to design, manufacture and distribute products including women’s apparels and accessories carrying the Cynthia Rowley trademark in Hong Kong and mainland China.

The Group has no intension for the time being to make its Brands Business, currently the joint ventures in relation to the Cynthia Rowley and Life of Circle brands, an independent profit centre, but a pillar of its Distribution Business instead supporting product wholesale arrangements. Direct involvement in Life of Circle and Cynthia Rowley product development has given the Group more flexible control over the product range and pricing in distributing the different products.

Distribution Business

The Group's Distribution Business, which covers three world famous brands now, namely Anya Hindmarch, Life of Circle and Paule Ka, kept growing in steady strides. During the three months ended 30 September 2007, four new POS were added in Hong Kong (Anya Hindmarch at IFC Mall; Life of Circle at IFC Mall; Paule Ka at Harvey Nichols and Elements Mall), resulting in increased administrative expenses preparing for the opening of the stores.

British accessory brand Anya Hindmarch remained the main revenue contributor of the Group accounting for 75% of the total turnover for the review period. The business made HK\$29,696,000 in turnover, of which 71% was from Hong Kong and the remaining from Taiwan.

In March 2007, the Group "re-launched" the Life of Circle brand in Hong Kong with a dedicated POS at Harbour City, Kowloon and added a second one in September 2007. In the nine months under review, the Distribution Business for Life of Circle reported a loss of HK\$1,230,000. The Group believes the brand has huge growth potential but needed time to rally support of a critical mass. With a new POS scheduled to open in Causeway Bay in early 2008 and new product lines to be launched, the Group is confident that performance for the brand will gradually improve.

In September 2007, the Group signed an exclusive distribution agreement with its associate, CR Hong Kong Limited, for the distribution of products under the New York designer-brand Cynthia Rowley in Hong Kong. With a forth brand being added to its portfolio, the Group believes that it will maintain a more even distribution of revenues spread across different brands in the coming future.

New Opportunities Ahead

On 28 May 2007 and 19 July 2007, the Group made relevant announcements in relation to a possible acquisition of a French company, which owns the trademark and business of a women's wear brand. Related negotiations to finalise the binding terms of the transaction are expected to be finalised soon. If agreement is reached and the transaction is completed, the Group shall effectively own an established French brand supporting by a distribution network in Europe. The Group believes that there are abundant opportunities for introducing the products of this brand to the Greater China region, particularly mainland China.

Future Plans and Prospects

To tap opportunities in China, the most attractive economic region in Asia where there will be abundant opportunities for the Group's luxury lifestyle products, the Group will seek to set up a sizable POS network in mainland China in 2008.

The Group will continue to identify unique accessory and apparel brands with character, market potential and longevity and form distribution, product development or equity partnership with their owners so as to boost its brand portfolio. The Group has strengthened its management team to support business growth. It had 66 (including general staff and executive directors) as at 30 September 2007, as compared to 38 as at 1 January 2007.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

Competing interest

None of the Directors, initial management shareholders and their respective associates of the Company has interest in a business which competes or may compete with the business of the Group.

Corporate Governance

Throughout the period ended 30 September 2007, the Company has been in compliance with the Code on Corporate Governance Practices as set out in Appendix 16 to the Listing Rules.

Remuneration Committee

The Company set up a Remuneration Committee on 22 August 2006 with the following members appointed on the same date:

Mr. Lo Mun Lam, Raymond (<i>Chairman</i>)	Executive Director
Mr. Lum Pak Sum	Independent Non-executive Director
Mr. Sum Chun Ho	Independent Non-executive Director
Mr. Wan Kwok Pan	Independent Non-executive Director

Audit Committee

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management the internal controls and financial reporting matters including a review of the unaudited interim financial information for the nine months ended 30 September 2007.

Model Code

The Company has adopted a code of conduct regarding securities transactions by Directors with standards not lower than those prescribed by the Stock Exchange under the Model Code. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors throughout the nine months ended 30 September 2007.

By the order of the Board
LO Mun Lam Raymond
Executive Director

Hong Kong, 8 November 2007

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended		Nine months ended	
		30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (audited)
Turnover	3	17,427	11,082	39,454	18,885
Cost of sales		(5,998)	(5,165)	(13,845)	(7,385)
Gross profit		11,429	5,917	25,609	11,500
Other revenue	3	2,702	4,042	6,071	5,357
Selling and distribution costs		(1,558)	(478)	(2,085)	(994)
Administrative expenses		(14,032)	(7,252)	(29,353)	(12,240)
Finance costs	4	(346)	(1,720)	(1,254)	(1,799)
Share of loss from JV		(180)	–	(233)	–
Profit/(loss) before tax	5	(1,985)	509	(1,245)	1,824
Taxation	6	(213)	(407)	(734)	(676)
Profit/(loss) attributable to shareholders		<u>(2,198)</u>	<u>102</u>	<u>(1,979)</u>	<u>1,148</u>
EBITDA		(1,010)	2,977	1,445	4,635
Interim dividend	7	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Earnings/(loss) per share	8				
– basic (cents)		(0.18)	0.02	(0.20)	0.32
– diluted (cents)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

I. General information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 11 June 2001 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") since 26 March 2002.

The registered office and principal place of business of the Company are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands and Suite A, 15/F., Wyndham Place, 40 – 44 Wyndham Street, Central, Hong Kong respectively.

The Company's principal activity has not changed during the period; in investment holding. The principal activities of its subsidiaries are the distribution of high-end apparel and accessories.

2. Basic of preparation and accounting policies

The unaudited condensed consolidated financial statements ("the Statements") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), including the Hong Kong Accounting Standard ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"); accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the Statements comply with the applicable disclosure provisions of the Rules governing the Listing of Securities on the GEM of the Stock Exchange. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value.

The accounting policies and basis of preparation adopted in the preparation of Statements are consistent with those adopted in annual financial statements for the year ended 31 December 2006.

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

The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

3. Segment information

(i) Business segments

The Company was previously organized into two operating divisions – design, development and sales of location-based technology devices and applications; sales and distribution of high-end apparel and accessories. Commencing the last quarter, the Company has focused on the latter activities. The following tabulation is for comparison only.

		Nine months ended 30 September 2007 and 31 December 2006					
		Design, development and sales of location-based technology devices and applications		Distribution of high-end apparel and accessories		Consolidated	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
TURNOVER							
External customers		<u>62</u>	<u>543</u>	<u>39,392</u>	<u>18,342</u>	<u>39,454</u>	<u>18,885</u>
RESULTS							
Segment results		<u>62</u>	<u>(360)</u>	<u>(1,405)</u>	<u>363</u>	<u>(1,343)</u>	<u>3</u>
Unallocated revenue						<u>6,071</u>	<u>5,110</u>
Unallocated expenses						<u>(4,719)</u>	<u>(1,490)</u>
Finance costs						<u>(1,254)</u>	<u>(1,799)</u>
Profit/(Loss) before tax						<u>(1,245)</u>	<u>1,824</u>
Tax						<u>(734)</u>	<u>(676)</u>
Profit/(Loss) for the period						<u>(1,979)</u>	<u>1,148</u>

(ii) Geographical segments

During the period, the Group's turnover was derived from operations carried out in Hong Kong and Taiwan. Over 90% of the Group's turnover was derived from Hong Kong as follows:–

		Nine months ended 30 September 2007 and 31 December 2006					
		Hong Kong		Taiwan		Consolidated	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
TURNOVER							
External customers		<u>30,941</u>	<u>13,798</u>	<u>8,513</u>	<u>5,087</u>	<u>39,454</u>	<u>18,885</u>
RESULTS							
Segment results		<u>(3,336)</u>	<u>1,391</u>	<u>2,091</u>	<u>433</u>	<u>(1,245)</u>	<u>1,824</u>

Revenue

	Three months ended		Nine months ended	
	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)
TURNOVER				
Design, development and sales of location-based technology devices and applications	–	55	62	543
Distribution of high-end apparel and accessories	17,427	11,027	39,392	18,342
	<u>17,427</u>	<u>11,082</u>	<u>39,454</u>	<u>18,885</u>
OTHER REVENUE				
Bank interest income	11	–	13	9
Consultancy fee income	–	–	–	72
Fair value gain on financial assets at fair value through profit or loss	346	1,827	346	2,014
Fair value gain on derivative financial instruments	–	–	–	92
Gain on disposal of financial assets at fair value through profit or loss	1,603	390	5,040	398
Gain on disposal of subsidiaries	392	–	392	1,698
Reversal of provision for doubtful debts	–	–	–	3
Waiver of other loan	–	–	–	1,000
Sundry income	117	1,825	280	71
	<u>2,469</u>	<u>4,042</u>	<u>6,071</u>	<u>5,357</u>
	<u>19,896</u>	<u>15,124</u>	<u>45,525</u>	<u>24,242</u>

4. Finance costs

	Three months ended		Nine months ended	
	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)
Interest on convertible notes	–	1,484	498	1,484
Interest on bank loans and overdrafts repayable within five years	346	236	756	315
	<u>346</u>	<u>1,720</u>	<u>1,254</u>	<u>1,799</u>

5. Profit/(loss) before tax

	Three months ended		Nine months ended	
	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)
Depreciation	460	580	931	732
Amortisation of intangible assets	169	168	505	280
Operating lease rentals in respect of land and buildings	3,774	2,180	9,357	3,962
Employee benefit expense:				
Salaries and allowances	2,405	1,868	6,876	3,119
Retirement scheme contribution	68	(31)	310	128
	<u>2,473</u>	<u>1,837</u>	<u>7,186</u>	<u>3,247</u>

6. Taxation

	Three months ended		Nine months ended	
	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)	30 Sep 2007 HK\$'000 (unaudited)	31 Dec 2006 HK\$'000 (unaudited)
Charge for the period				
Hong Kong	131	340	637	575
Overseas	82	67	97	101
	<u>213</u>	<u>407</u>	<u>734</u>	<u>676</u>

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the period.

Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the countries in which the Company operates, based on existing legislation, interpretations and practices in respect thereof.

7. Interim dividend

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2007 (nine months ended 31 December 2006: Nil).

8. Earnings/(Loss) per share

The calculation of basic loss per share for the nine months ended 30 September 2007 is based on the Company's loss attributable to shareholders of approximately HK\$1,979,000 (2006: profit of HK\$1,148,000) and weighted average number of 997,015,042 ordinary shares (2006: 361,577,386 ordinary shares) in issue during the period.

9. Movements of reserves

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Convertible		Total HK\$'000
				notes reserve HK\$'000	Accumulated losses HK\$'000	
As at 1 January 2007	5,268	55,642	–	11,316	(40,678)	31,548
Conversion of Conversion Notes	5,702	53,300	–	(11,316)	–	47,686
Issue of shares on placing	1,500	23,250	–	–	–	24,750
Cost of placing	–	(335)	–	–	–	(335)
Loss for the year	–	–	–	–	(1,979)	(1,979)
As at 30 September 2007	<u>12,470</u>	<u>131,857</u>	<u>–</u>	<u>–</u>	<u>(42,657)</u>	<u>101,670</u>

10. Disclosure of Interests

Directors' and Chief Executive's Interests and Short Positions in Shares and Debentures

As at 30 September 2007, the interests, deemed interests, long positions, short positions of the directors and 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 Securities and Futures Ordinance (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 of Hong Kong Limited (the "Stock Exchange") pursuant to in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") pursuant to rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

- Mr. Richard Yen, a non-executive director of the company, is taken to be interested in 60,990,000 shares in the Company (representing approximately 4.89% of the issued share capital of the Company) within the meaning of Part XV of the SFO. 60,000,000 shares were through the conversion of the convertible notes of the Company in the principal amount of HK\$6,000,000 (under which the conversion price for each share is HK\$0.1) on 30 March 2007 by one Neowin Ltd, a company incorporated in British Virgin Islands and is wholly owned by Mr. Richard Yen; 990,000 numbers were due to the Share Option Scheme mentioned (i) below.
- Ms. Ho Hsin Yi, the spouse of Mr. Richard Yen, is deemed to be interested in the 60,990,000 shares in the Company for the purpose of Part XV of the SFO.

(i) Share Options

The Company adopted a Share Option Scheme (the "Scheme") on 6 March 2002 for the purpose of providing incentives or rewards to eligible participants for their contributions to the Group. Under the terms of the Scheme, the board of directors of the Company (the "Board") may, at the discretion, invite any employees, directors of the Company and/or any of its subsidiaries, any advisers or consultants, distributors, suppliers, agents, customers, partners, joint venture partners, promoters and service providers to the Group to subscribe for any ordinary shares of HK\$0.01 each in the Company. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed 10% of the issued share capital of the Company. Upon acceptance of the option, the grantee must pay HK\$1.00 to the Company by way of consideration for the grant. During the period the Board of Directors, on the recommendation of the Share Option Scheme Committee of the Company, has granted offers to a number of grantees under the Scheme.

The share option carries 990,000 shares with exercise price at HK\$0.219; option period will expire on 5 March 2012. On 3 July 2007, three grantees including Mr. Richard YEN, accepted the offers. The other two were Mr. GOUW Hiap Kian and Mr. Duncan CHIU; latter is the non-executive director of the Company.

(ii) Service Contract

Mr. Richard YEN entered into a service contract with the Company for an initial term of one year commencing 17 September 2007 and shall continue thereafter unless terminated by either party serving on the other not less than three months' notice. Mr. Richard YEN will be subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company. The annual remuneration of Mr. Richard YEN as an executive director is HK\$351,000 subject to Shareholders' approval in the annual general meetings and determined by reference to the remuneration policy of the Company and the market benchmark. Mr. Richard YEN is not entitled to any bonus payment from the Company.

Saved as disclosed above, as at 30 September 2007 none of the Directors has entered into any existing or proposed service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of any compensation other than statutory compensation).

(iii) Common Directorship

Ms. GOUW San Bo Elizabeth, an executive Director, is also a director of Chung Chiu Limited and Goldig Properties Limited.

Mr. Duncan CHIU, a non-executive Director, is also the managing director and the chief executive officer of Far East Holdings International Limited.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2007, the register of substantial shareholders maintained pursuant to Section 336 of the SFO showed that other than interests disclosed in "Directors' and Chief Executive's Interests and Short Positions in Shares", the following shareholders had notified the Company of their relevant interests or deemed interests in the issued share capital of the Company:

Long Position in the Shares of the Company

Name of Shareholders	Number of New Shares interested or deemed to be interested	Approximate percentage of the shareholding held in the Company
Gouw Hiap Kian (<i>notes 1 & 2</i>)	282,170,000 (L)	22.63 (L)
Ng Choy Yue Mary (<i>note 2</i>)	282,170,000 (L)	22.63 (L)
Chung Chiu Limited (<i>note 1</i>)	246,920,000 (L)	19.80 (L)
HSBC International Trustee Limited (<i>note 1</i>)	246,920,000 (L)	19.80 (L)
Goldig Properties Limited (<i>note 1</i>)	151,000,000 (L)	12.11 (L)
Far East Holdings International Limited (Formerly known as Far East Technology International Limited)	144,393,600 (L)	11.58 (L)
First Vantage Limited (<i>note 1</i>)	95,920,000 (L)	7.69 (L)
Deutsche Bank Aktiengesellschaft	71,090,000 (L)	5.70 (L)
Galaxy China Opportunities Fund	62,300,000 (L)	5.00 (L)

Notes:

1. First Vantage Limited and Goldig Properties Limited are wholly owned subsidiaries of Chung Chiu Limited, which in turn are wholly owned by a discretionary trust. The founder of the discretionary trust is GOUW Hiap Kian, and the trustee of the discretionary trust is HSBC International Trustee Limited. In these circumstances, under the Securities and Futures Ordinance (Cap 571) ("SFO"), Chung Chiu Limited, GOUW Hiap Kian and HSBC International Trustee Limited are deemed to be interested in the 246,920,000 shares of the Company held by First Vantage Limited and Goldig Properties Limited respectively.
2. GOUW Hiap Kian is the beneficial owner of another 35,250,000 shares of the Company. Adding the 246,920,000 shares he is deemed to be interested in through First Vantage Limited and Goldig Properties Limited, he is interested in a total of 282,170,000 shares of the Company. Being the spouse of GOUW Hiap Kian, NG Choy Yue Mary is deemed to be interested in the 282,170,000 shares of the Company pursuant to the SFO.

By Order of the board of directors

LO Mun Lam Raymond

Executive Director

Hong Kong, 8 November 2007

As at the date of this report, the Board comprises three executive directors, namely Mr. LO Mun Lam, Raymond, Ms. GOUW San Bo Elizabeth and Mr. Richard YEN; two non-executive directors, namely Mr. Duncan CHIU and Ms. YU Wai Yin Vicky; and three independent non-executive directors, namely Mr. LUM Pak Sum, Mr. SUM Chun Ho and Mr. WAN Kwok Pan.