

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group was mainly financed by cash from operations, and cash from the ultimate holding company of the Group, Velocity International Limited.

As at 31st December, 2006, the Group's cash and bank balances amounted to approximately HK\$2.1 million while the total assets and the net assets were approximately HK\$75.1 million and HK\$61.5 million respectively. Most of the Company's bank deposits were deposited with banks as short-term deposits and denominated in either Hong Kong dollars or Renminbi, which are directly related to the Group's business in the areas of currencies concerned.

As at 31st December, 2006, there was no borrowings, either short or long term, in the Group.

The Group did not enter into any material foreign exchange contracts, interest or currency swaps or other financial activities. As at 31st December, 2006, the Group did not have any committed borrowing facilities.

Borrowing requirement are not seasonal as they tend to follow the pattern of capital expenditure and investment.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

At the end of 2006, the Group employed a total of approximately 161 staff in Hong Kong and the PRC.

The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective individuals concerned.