



T E M U J I N

TEMUJIN INTERNATIONAL INVESTMENTS LIMITED

(formerly known as Everest International Investments Limited)
(Incorporated in the Cayman Islands with limited liability)

Stock code : 204



INTERIM REPORT 2007

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Executive Director

Mr. Chuan Wei Chen

Non-executive Directors

Ms. Tsuen Tai Chi Andy (*Chairman*)

Ms. Yeh Fang Ching

Independent Non-executive Directors

Mr. Li Man Nang

Mr. Jeffrey John Ervine

Ms. Fang Tsz Ying

AUDIT COMMITTEE

Mr. Li Man Nang (*Chairman*)

Mr. Jeffrey John Ervine

Ms. Fang Tsz Ying

REMUNERATION COMMITTEE

Ms. Tsuen Tai Chi Andy (*Chairman*)

Mr. Li Man Nang

Mr. Jeffrey John Ervine

COMPANY SECRETARY

Ms. Lee Pui Shan

INVESTMENT MANAGER

Simplex Capital Asia Limited

**DIRECTORS OF INVESTMENT
MANAGER**

Dr. Zhao Bing

Dr. Xia Ying

PRINCIPAL BANKER

The Hongkong and Shanghai Banking
Corporation Limited

AUDITORS

HLM & Co.

Certified Public Accountants

LEGAL ADVISERS

Hong Kong Law

Michael Li & Co.

Cayman Islands Law

Maples and Calder

PRINCIPAL REGISTRAR

Butterfield Fund Services (Cayman) Limited

Butterfield House

68 Fort Street

P.O. Box 705

Grand Cayman

KY1-1107

Cayman Islands

BRANCH REGISTRAR

Tricor Standard Limited

26/F, Tesbury Centre

28 Queen's Road East

Hong Kong

REGISTERED OFFICE

P. O. Box 309

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South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

PRINCIPAL PLACE OF BUSINESS

Unit 703, 7/F,

100 Queen's Road Central,

Hong Kong

Website

<http://www.irasia.com/listco/hk/temujin/index.htm>

INTERIM RESULTS

The board of directors (the “Board”) of Temujin International Investments Limited (formerly known as “Everest International Investments Limited”) (the “Company”) hereby announced that the unaudited interim results of the Company for the six months ended 30 September 2007 (the “Period”) together with the comparative figures for the corresponding period in 2006. The unaudited results have been reviewed by the Company’s Audit Committee are as follows:

CONDENSED INCOME STATEMENT

	Notes	Six months ended	
		30.9.2007 HK\$'000 (unaudited)	30.9.2006 HK\$'000 (unaudited consolidated)
Turnover	2	1,433	25
Costs of financial assets at fair value through profit or loss		(1,890)	–
Unrealised holding (loss)/ gain on financial assets at fair value through profit or loss		(1,033)	6
Operating (loss)/ income		(1,490)	31
Gain on disposal of investment in available-for-sale financial assets		–	312
Other income		–	516
Administrative expenses		(3,224)	(1,979)
Loss from operation		(4,714)	(1,120)
LOSS BEFORE TAXATION	3	(4,714)	(1,120)
Taxation	4	–	–
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS		(4,714)	(1,120)
			(Restated)
LOSS PER SHARE – BASIC	6	HK\$0.224	HK\$0.056

CONDENSED BALANCE SHEET

As at 30 September 2007

	Notes	30.9.2007 HK\$'000 (unaudited)	31.3.2007 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		293	214
Available-for-sale financial assets	7	3,577	2,841
Long term receivable		123	108
		<u>3,993</u>	<u>3,163</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss	8	4,405	–
Other receivables		6,630	16,233
Bank balances and cash		188	1,209
		<u>11,223</u>	<u>17,442</u>
CURRENT LIABILITIES			
Other payables and accrued charges		411	1,431
		<u>411</u>	<u>1,431</u>
NET CURRENT ASSETS		<u>10,812</u>	<u>16,011</u>
NET ASSETS		<u>14,805</u>	<u>19,174</u>
CAPITAL AND RESERVES			
Share capital	9	4,209	4,209
Reserves		10,596	14,965
SHAREHOLDERS' FUNDS		<u>14,805</u>	<u>19,174</u>
NET ASSETS PER SHARE	10	<u>HK\$0.70</u>	<u>HK\$0.91</u>

CONDENSED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 September 2007*

	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2006	3,551	78,099	(14,361)	(46,216)	21,073
Unrealised loss arising on revaluation of available-for-sale financial assets, representing net loss not recognised in the income statement	–	–	(295)	–	(295)
Gain realised on disposals of available-for-sale financial assets	–	–	(312)	–	(312)
Issue of new shares	658	1,843	–	–	2,501
Expenses incurred in connection with issue of new shares	–	(97)	–	–	(97)
Loss for the period	–	–	–	(1,120)	(1,120)
At 30 September 2006	<u>4,209</u>	<u>79,845</u>	<u>(14,968)</u>	<u>(47,336)</u>	<u>21,750</u>
At 31 March 2007 (audited)	4,209	79,845	(9,168)	(55,712)	19,174
Unrealised gain arising on revaluation of available-for-sale financial assets	–	–	345	–	345
Loss for the Period	–	–	–	(4,714)	(4,714)
At 30 September 2007 (unaudited)	<u>4,209</u>	<u>79,845</u>	<u>(8,823)</u>	<u>(60,426)</u>	<u>14,805</u>

CONDENSED CASH FLOW STATEMENTS*For the six months ended 30 September 2007*

	Six months ended	
	30.9.2007 <i>HK\$'000</i> (unaudited)	30.9.2006 <i>HK\$'000</i> (unaudited consolidated)
Net cash used in operating activities	(531)	(1,084)
Net cash used in investing activities	(490)	(263)
Net cash generated from financing activities	—	2,403
Net (decrease)/increase in cash and cash equivalents	(1,021)	1,056
Cash and cash equivalents at 1 April	1,209	445
Cash and cash equivalents at 30 September representing bank balances	188	1,501

INVESTMENT PORTFOLIO

As at 30 September 2007

	Place of incorporation	Holdings	(Unaudited) Market/ Fair value HK\$	% of Net assets
LISTED EQUITIES				
Hong Kong				
Garron International Limited	Cayman Islands	750,000 shares	465,000	3.14
Geely Automobile Holdings Limited	Cayman Islands	3,200,000 shares	2,976,000	20.10
China Life Insurance Company Limited	PRC	32,000 shares	1,428,800	9.65
			<u>4,869,800</u>	<u>32.89</u>
UNLISTED EQUITIES				
China				
Shanghai Health Bio-Pharmaceutical Company Limited	PRC	HK\$1,572,030	1,572,030	10.62
BONDS				
Hong Kong				
Amplus International Investments Limited 1% due on 30.09.2008	Hong Kong	HK\$3,080,000	1,540,000	10.40
Total investments			<u>7,981,830</u>	<u>53.91</u>
Net other assets			<u>6,823,172</u>	<u>46.09</u>
Net assets as at 30 September 2007			<u><u>14,805,002</u></u>	<u><u>100.00</u></u>

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules) and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and basis of preparation used in the preparation of condensed interim financial statements are consistent with those used in the Company's annual financial statements for the year ended 31 March 2007.

The condensed financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values or revalued amounts, as appropriate.

2. TURNOVER

An analysis of turnover is as follows:

	Six months ended	
	30.9.2007	30.9.2006
	HK\$'000	HK\$'000
Proceeds from sales of financial assets at fair value through profit or loss	1,396	—
Interest income	37	25
	<u>1,433</u>	<u>25</u>

No segment information is presented as all of the turnover, contribution to operating results of the Company are attributable to investment activities which are carried out or originated principally in Hong Kong.

3. LOSS BEFORE TAXATION

	Six months ended	
	30.9.2007 HK\$'000	30.9.2006 HK\$'000
Loss before taxation has been arrived at after charging / (crediting):		
Write back of over provision on debt in pervious year	–	(100)
Assignment of debt	–	(412)
Directors' remuneration		
– fees	30	60
– other emoluments	–	300
Retirement benefits scheme contributions	11	19
Other staff costs	419	294
	<hr/>	<hr/>
Total staff costs	460	673
Depreciation	57	89
Investment management fee	100	100
	<hr/> <hr/>	<hr/> <hr/>

4. TAXATION

No provision for Hong Kong Profits tax is required since the Company has no assessable profits for the both periods.

5. INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the Period (2006:Nil).

6. LOSS PER SHARE – BASIC

The calculation of the loss per share is based on the net loss attributable to shareholders for the six months ended 30 September 2007 of approximately HK\$4,714,000 (2006: approximately HK\$1,120,000) and on the weight average number of 21,042,300 (2006 (restated): the weighted average number of 19,981,751) shares in issue during the Period.

Diluted loss per share is not presented as there are no diluting events during the Period.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30.9.2007 HK\$'000	31.3.2007 HK\$'000
Listed securities		
– Equity securities listed in Hong Kong	465	120
Unlisted securities		
– Equity securities in overseas	1,572	1,181
Unlisted convertible bond	1,540	1,540
	3,577	2,841

8. FINANCIAL ASSETS AT FAIRVALUE THROUGH PROFIT OR LOSS

	30.9.2007 HK\$'000	31.3.2007 HK\$'000
Listed securities		
– Equity securities listed in Hong Kong	4,405	–
	4,405	–

9. SHARE CAPITAL

	Number of Ordinary shares	Nominal Value HK\$'000
Authorised:		
At beginning of Period and at balance sheet date	50,000,000	10,000
Issued and fully paid:		
At beginning of Period (audited) and at the balance sheet date (unaudited)	21,042,300	4,209

10. NET ASSETS PER SHARE

The calculation of the net assets per share is based on the net assets of the Company as at 30 September 2007 of approximately HK\$14,805,000 (31 March 2007: approximately HK\$19,174,000) and 21,042,300 (31 March 2007: 21,042,300) ordinary shares in issue as at that dates.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

At an annual general meeting of the Company held on 14 September 2007, the shareholders, by special resolution, approved the change of company name from “Everest International Investments Limited” to “Temujin International Investments Limited 泰潤國際投資有限公司” in order to reflect the majority of the Board have changed and the new era of the Company under the new management of the present Board.

For the six months ended 30 September 2007, the Company recorded a turnover of approximately HK\$1,433,000, represented an increase of approximately HK\$1,408,000 when compared with those in the same period last year. The unaudited net loss attributable to shareholders of the Company for the Period was approximately HK\$4,714,000 representing an increase of 321% as compared to that of approximately HK\$1,120,000 in the corresponding period of last year. The loss per share of the Company was approximately HK\$0.224 (2006 (restated): HK\$0.056).

The loss incurred by the Company for the Period was primarily due to the increase in unrealized holding loss on financial assets at fair value through profit or loss, consultancy fee, and legal and professional fee.

As at 30 September 2007, the total assets of the Company were approximately HK\$15,216,000, of which the non-current portion and the current portion were approximately HK\$3,993,000 and approximately HK\$11,223,000 respectively, the current liabilities was about approximately HK\$411,000; the net assets of the Company amounted to approximately HK\$14,805,000 (31 March 2007: HK\$19,174,000). In terms of liquidity, the current ratio, calculated on the basis of the total current assets over total current liabilities at the Period ended date was approximately 27.3 (31 March 2007: 12.2) and the gearing ratio, calculated on the basis of the total liabilities over total shareholders' fund as at 30 September 2007, was approximately 0.028 (31 March 2007: 0.075).

The Company had no material contingent liabilities as of 30 September 2007 (2006: Nil).

The source of funding of the Company was mainly from its internal resources.

OUTLOOK

In recent months, the Hong Kong equity markets have been extremely volatile due to the credit liquidity problems arising from the sub-prime market in the United States. However, the Board is optimistic about the overall outlook of the Asian economy.

The PRC equity market continues to enjoy robust and exponential growth in the latter half of 2007. We believe the PRC government will step up its austerity measures in the latter half of 2007 and into 2008 to stem economic overheating. The Board believes that the PRC economy will continue to grow in a steady pace.

In August 2007, the State Administration of Foreign Exchange of PRC announced a pilot program allowing mainland investors to invest directly in Hong Kong stocks through the Tianjin branch of the Bank of China. Using foreign currency they had already deposited or bought from the lender, the money will then be placed in an account in Hong Kong managed by BOC International Limited. This pilot program is expected to be implemented in early next year and will have positive spillover effects from the booming PRC economy into Hong Kong.

The Board has been actively seeking fund raising opportunities to ensure the Company's finances remain healthy and to take advantage of opportunities regionally in the Greater China and Asia Pacific Region.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Company did not have significant capital commitment nor contingent liabilities as at 30 September 2007.

EMPLOYEES

As at 30 September 2007, the Company has employed 5 employees (2006: 3 employees) and the total remuneration paid to staff was approximately HK\$460,000 (2006: HK\$673,000) during the Period. The employees were remunerated based on their responsibilities and performance.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2007, the interests and short positions of the directors, the chief executives and their associates of the Company in the shares, underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “SEHK”) pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executives and their associates of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed issuers (the “Model Code”) in the Listing Rules as follows:

Long positions

Ordinary shares of HK\$0.20 each of the Company

Name of director	Capacity	Number of issued ordinary shares held/ interested	Percentage of the issued share capital of the Company assuming completion of Open Offer
Ms. Tsuen Tai Chi Andy	Held by controlled corporation (<i>Note</i>)	45,460,000	72.01

Note: Ms. Tsuen Tai Chi Andy beneficially owns the entire issued share capital of EC Capital Limited (“EC Capital”). EC Capital owns 3,375,400 ordinary shares in the Company and is also deemed to be interested in 42,084,600 Offer Shares, being an aggregate of 35,333,800 underwritten shares for which EC Capital has agreed to subscribe pursuant to the Underwriting Agreement and 6,750,800 Offer Shares to which EC Capital is entitled as a shareholder. Ms. Tsuen Tai Chi Andy is, therefore, deemed to be interested in those shares to which EC Capital is entitled by virtue of her being its ultimate beneficial owner under the SFO.

Pursuant to the underwriting agreement dated 24 September 2007 (the “Underwriting Agreement”) entered into between the Company and, EC Capital and Ms. Tuse Tai Chi Andy in relation to the proposed issue of 42,084,600 offer shares (the “Offer Shares”) at the subscription price of HK\$1.00 per Offer Share by way of an open offer (the “Open Offer”) on the basis of two Open Shares for every one share held. EC Capital, being the largest shareholder, has undertaken to take up all of its entitlement of 6,750,800 Offer Shares under the Open Offer. The Open Offer was fully underwritten by EC Capital in the capacity of the underwriter. However, the Open Offer was not approved by the shareholders at an extraordinary general meeting held on 12 November 2007.

Save as disclosed above, at no time during the six months ended 30 September 2007 was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the directors or chief executives and their associates of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

Save as disclosed above, none of the directors or the chief executives and their associates of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (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 SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed issuers contained in the Listing Rules as at 30 September 2007.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Period was the Company or its subsidiary a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2007 so far as is known to the directors, the persons/companies (not being a director or chief executive and their associates 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 were as follows:

Long positions

Ordinary shares of HK\$0.20 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held / interested	Percentage of the issued share capital of the Company
EC Capital	Beneficial owner	45,460,000	72.01 (Note 1)
Key Mark Investments Limited ("Key Mark")	Beneficial owner (Note 2)	2,958,800	14.06
Ms. Kwok Kit Ping	Held by controlled corporation (Note 2)	2,958,800	14.06
Ms. Yang GouHua	Beneficial owner (Note 3)	2,465,600	11.72
Ms. Ou XiaoMei	Beneficial owner (Note 4)	3,289,500	15.63

Notes:

- Ms. Tsuen Tai Chi Andy beneficially owns the entire issued share capital of EC Capital. The 45,456,000 shares in which EC Capital is interested comprise 3,375,400 ordinary shares in the Company and 42,084,600 Offer Shares, being an aggregate of 35,333,800 underwritten shares for which EC Capital has agreed to subscribe pursuant to the Underwriting Agreement and 6,750,800 Offer Shares to which EC Capital is entitled and undertaken to subscribe as a shareholder, deemed to be interested by it under the SFO. The calculation of the percentage of shareholding has taken into account of the effect of completion of the Open Offer.
- Ms. Kwok Kit Ping beneficially owns the entire issued share capital of Key Mark. Key Mark in turn owns 2,958,800 ordinary shares of the Company. Ms. Kwok Kit Ping does not hold any position within the Company, each of Ms. Kwok Kit Ping and Key Mark is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of their being a substantial shareholder of the Company.
- Ms. Yang GouHua does not hold any position within the Company and is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of their being a substantial shareholder of the Company.
- Ms. Ou XiaoMei does not hold any position within the Company and is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of their being a substantial shareholder of the Company.

Save for the interests disclosed above, the directors were not aware of any other person being interested in 5% or more or short position 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 as at 30 September 2007.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the Period, neither the Company nor its subsidiary purchased, redeemed or sold any of the Company's shares during the six months period ended 30 September 2007.

AUDIT COMMITTEE

The Audit Committee is comprised of three independent non-executive directors of the Company, namely Mr. Li Man Nang (Chairman), Mr. Jeffrey John Ervine and Ms. Fang Tsz Ying. The Audit Committee meets with the Company's management regularly to review the accounting principles and practices adopted by the Company, the effectiveness of the internal control systems and the interim and annual reports of the Company. The Audit Committee has reviewed the Company's unaudited interim results for the Period.

REMUNERATION COMMITTEE

The Remuneration Committee consists of one non-executive director, Ms Tsuen Tai Chi Andy (Chairman), and two independent non-executive directors, Mr. Li Man Nang and Mr. Jeffrey John Ervine.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy for directors, senior management, and investment manager and overseeing the remuneration packages of the executive directors, senior management, and investment manager.

DIRECTORS' EMOLUMENTS

Mr. Chuan Wei Chen and Ms. Yeh Fang Ching have been appointed as the executive director and non-executive director of the Company with effect from 1 June 2007. Ms. Tsuen Tai Chi Andy has been re-designated from executive director to non-executive director of the Company with effect from 1 June 2007. Mr. Jeffrey John Ervine has been appointed as the independent non-executive director of the Company with effect from 12 January 2007.

Mr. Chuan Wei Chen is entitled to a director's fee of HK\$5,000 per month. Ms. Yeh Fang Ching is entitled to a director's fee of HK\$5,000 per month. Ms. Tsuen Tai Chi Andy is entitled to a director's fee of HK\$5,000 per month. Mr. Jeffrey John Ervine is entitled to a director's fee of HK\$5,000 per month.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 September 2007, the Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Model Code in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by directors throughout the Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules throughout the Period with the following deviation:

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from the code provision A.4.1. However, all directors of the Company are subject to retirement by rotation at each annual general meeting under the amended Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the percentage of the Company’s shares which are in the hands of the public is not less than 25% of the Company’s total number of issued shares.

BOARD OF DIRECTORS

As at the date of this report, the Board is comprised of Mr. Chuan Wei Chen as executive director; Ms. Tsuen Tai Chi Andy and Ms. Yeh Fang Ching as non-executive directors and Mr. Li Man Nang, Mr. Jeffrey John Ervine and Ms. Fang Tsz Ying as independent non-executive directors.

By Order of the Board
Temujin International Investments Limited
Chuan Wei Chen
Executive Director

Hong Kong, 14 December 2007

INDEPENDENT REVIEW REPORT

恒健會計師行

HLM & Co.**Certified Public Accountants**

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To the Board of Directors of Temujin International Investments Limited

Introduction

We have reviewed the interim financial information set out on pages 2 to 9, which comprises the condensed balance sheet of Temujin International Investments Limited as of 30 September 2007 and the related condensed income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

HLM & Co.*Certified Public Accountants*

Hong Kong, 14 December 2007