GLOBAL GREEN TECH GROUP LIMITED
高寶綠色科技集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 274)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

ANNUAL RESULTS

The Directors of Global Green Tech Group Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2006 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2006

	Note	2006 *HK$'000*	2005 *HK$'000*
Turnover	(3)	**846,916**	902,024
Cost of sales		**(475,154)**	(509,174)
Gross profit		**371,762**	392,850
Other revenue and net income	(3)	**83,669**	45,175
Selling and distribution expenses		**(50,890)**	(61,575)
General and administrative expenses		**(89,411)**	(98,766)
Profit from operations	(4)	**315,130**	277,684
Finance costs	(5)	**(13,770)**	(7,538)
Profit before taxation		**301,360**	270,146
Income tax	(6)	**(30,219)**	(20,794)
Profit for the year		**271,141**	249,352
Attributable to:			
Equity shareholders of the Company		**197,039**	223,305
Minority interests		**74,102**	26,047
Profit for the year		**271,141**	249,352
Dividends	(7)	**31,397**	19,257
Earnings per share			
Basic	(8)	**HK$0.1972**	HK$0.2414
Diluted	(8)	**HK$0.1962**	HK$0.2406

CONSOLIDATED BALANCE SHEET
At 31 December 2006

	2006 *HK$'000*	2005 *HK$'000*
Non-current assets		
Property, plant and equipment		
– Investment property	**19,240**	18,500
– Other property, plant and equipment	**940,350**	408,859
– Interests in leasehold land held for own use under operating leases	**131,206**	128,842
	1,090,796	556,201
Intangible assets	**32,791**	40,725
Deposits for acquisition of other property, plant and equipment	**207,110**	342,961
Deposits for acquisition of interest in leasehold land held for own use under operating leases	**39,015**	–
Deposits for acquisition of intangible assets	**13,272**	12,762
Other deposits and club debenture	**170**	530
Investments in securities	**–**	31,500
Deferred tax assets	**6,925**	5,109
	1,390,079	989,788
Current assets		
Trading securities	**176,276**	10,773
Inventories	**33,200**	33,987
Trade and other receivables	**152,369**	207,443
Cash and cash equivalents	**405,181**	514,066
	767,026	766,269
Current liabilities		
Trade and other payables	**(183,989)**	(82,715)
Short-term bank loans, unsecured	**–**	(2,815)
Current portion of long-term bank loans	**(60,000)**	(117,500)
Current portion of obligations under finance leases	**(39)**	(18)
Tax payable	**(31,143)**	(20,897)
	(275,171)	(223,945)
Net current assets	**491,855**	542,324
Total assets less current liabilities	**1,881,934**	1,532,112
Non-current liabilities		
Long-term bank loans	**(140,000)**	(58,750)
Obligations under finance leases	**(73)**	(58)
	(140,073)	(58,808)
NET ASSETS	**1,741,861**	1,473,304
CAPITAL AND RESERVES		
Share capital	**104,658**	93,519
Reserves	**1,629,249**	1,345,933
Total equity attributable to equity shareholders of the Company	**1,733,907**	1,439,452
Minority interests	**7,954**	33,852
TOTAL EQUITY	**1,741,861**	1,473,304

Notes:

(1) Basis of preparation

The financial statements have been prepared in accordance with the same accounting policies adopted in the 2005 annual financial statements, except for the changes in accounting policies set out in note 2. The financial statements have been reviewed by the Company's audit committee. The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2006, but is derived from those financial statements.

(2) Change in accounting policies

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

The significant accounting policies of the Group after the adoption of these developments to the extent that they are relevant to the Group. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period except for HK(IFRIC) 10, Interim financial reporting and impairment, which is effective for annual periods beginning on or after 1 November 2006.

The directors of the Company anticipate that the application of these HKFRSs will have no material impact on the financial statements of the Group.

In addition, the following developments may result in new or amended disclosures in the financial statement:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK (IFRIC) – INT 7	Applying the Restatement Approach under HKAS29 Financial Reporting in Hyperinflationary Economics[3]
HK (IFRIC) – INT 8	Scope of HKFRS2[4]
HK (IFRIC) – INT 9	Reassessment of Embedded Derivative[5]
HK (IFRIC) – INT 10	Interim Financial Reporting and Impairment[6]
HK (IFRIC) – INT 11	HKFRS2 – Group and Treasury Share Transactions[7]
HK (IFRIC) – INT 12	Service Concession Arrangements[8]

1 Effective for annual periods beginning on or after 1 January 2007.
2 Effective for annual periods beginning on or after 1 January 2009.
3 Effective for annual periods beginning on or after 1 March 2006.
4 Effective for annual periods beginning on or after 1 May 2006.
5 Effective for annual periods beginning on or after 1 June 2006.
6 Effective for annual periods beginning on or after 1 November 2006.
7 Effective for annual periods beginning on or after 1 May 2007.
8 Effective for annual periods beginning on or after 1 January 2008.

(3) Turnover, revenues and Segment information

(a) Turnover represents the invoiced value of goods sold, net of value added tax, sales returns and discounts. Revenues and other net income recognised during the year are as follows:

	Group 2006 *HK$'000*	2005 *HK$'000*
Turnover – sales of goods	**846,916**	902,024
Royalty income	**446**	1,784
Government grants	**–**	240
Bank interest income	**8,022**	6,147
Other interest income	**261**	942
Rentals income from operating leases	**4,421**	2,289
Gain on disposal of property, plant and equipment	**491**	55
Write-back of provision for inventories	**–**	2,204
Gain on fair value changes on investment property	**–**	2,038
Net unrealised gain on trading securities	**32,545**	35
Net exchange gain	**35,365**	28,948
Others	**2,118**	493
	83,669	45,175
Total revenues and net income	**930,585**	947,199

(b) Primary reporting format – business segments
The Group is organised into the following business segments:

	Home and personal care products		Industrial products		Cosmetics and skin care products		Bio-technology products		Investment		Others		Consolidated	
	2006 *HK$'000*	2005 *HK$'000*	**2006** *HK$'000*	2005 *HK$'000*	**2006** *HK$'000*	2005 *HK$'000*	**2006** *HK$'000*	2005 *HK$'000*	**2006** *HK$'000*	2005 *HK$'000*	**2006** *HK$'000*	2005 *HK$'000*	**2006** *HK$'000*	2005 *HK$'000*
Revenue from external customers	**166,176**	167,052	**258,032**	224,206	**409,479**	351,965	**7,128**	18,150	**6,101**	132,150	**-**	8,501	**846,916**	902,024
Segment results	**32,382**	21,410	**24,483**	(2,977)	**210,400**	139,448	**(5,063)**	(2,045)	**35,129**	92,440	**-**	226	**297,331**	248,502
Unallocated operating income and expenses													**17,799**	29,182
Profit from operations													**315,130**	277,684
Finance costs													**(13,770)**	(7,538)
Profit before taxation													**301,360**	270,146
Income tax													**(30,219)**	(20,794)
Profit for the year													**271,141**	249,352
Segment assets	**256,464**	235,146	**415,253**	315,489	**604,083**	494,771	**67,215**	71,883	**191,906**	64,610	**-**	9,866	**1,534,921**	1,191,765
Investment properties													**19,240**	18,500
Bank balances and cash													**405,181**	514,066
Other unallocated assets													**197,763**	31,726
Total assets													**2,157,105**	1,756,057
Segment liabilities	**25,187**	18,835	**39,105**	25,279	**141,491**	39,685	**1,079**	1,807	**1,004**	558	**-**	-	**207,866**	86,164
Unallocated liabilities													**207,378**	196,589
Total liabilities													**415,244**	282,753
Depreciation	**15,736**	8,490	**24,430**	11,396	**9,975**	17,889	**738**	922	**-**	-	**-**	432	**50,879**	39,129
Amortisation	**3,446**	582	**5,350**	781	**3,358**	1,227	**95**	11,854	**-**	-	**-**	30	**12,249**	14,474
Capital expenditure	**151,535**	105,399	**235,267**	141,439	**172,175**	222,067	**6,489**	11,463	**-**	-	**-**	-	**565,466**	480,368
Unallocated capital expenditure													**190**	5,343
													565,656	485,711

(c) Secondary reporting format – geographical segments
The Group operates in two main geographical areas:

	Hong Kong 2006 HK$'000	Hong Kong 2005 HK$'000	The PRC 2006 HK$'000	The PRC 2005 HK$'000
Revenue from external customers	**81,543**	163,873	**765,373**	738,151
Segment results	**79,290**	80,039	**218,041**	168,463
Segment assets	**414,731**	319,209	**1,120,190**	1,392,451
Capital expenditure incurred during the year	**3,791**	165,989	**561,865**	319,772

4. Operating profit
Operating profit is arrived at after crediting/(charging) the following:

	Group 2006 HK$'000	Group 2005 HK$'000
Amortisation of interest in leasehold land held for own use	**2,790**	2,683
Amortisation of intangible assets	**9,459**	11,791
Depreciation		
– assets held under finance leases	**18**	215
– other assets	**50,861**	38,914
Impairment losses		
– trade and other receivables	**–**	14,305
– club debenture	**–**	130
Bad debts written off	**115**	1,061
(Write back)/Provision for slow-moving inventories	**(399)**	3,097
Write off of inventories	**35,543**	–
Auditors' remuneration	**2,305**	2,000
Research and development costs	**4,979**	714
Operating lease charges: minimum lease payments – property rentals	**5,715**	6,636
Cost of inventories	**434,105**	410,082

5. Finance costs

	Group 2006 HK$'000	Group 2005 HK$'000
Interest expense on bank advances and other borrowings wholly repayable within five years	**10,160**	7,507
Finance charges on obligations under finance leases	**4**	31
Other borrowing costs	**3,606**	–
Total borrowing costs	**13,770**	7,538

6. Taxation
Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profit for the year.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the members of the Group operate.

The amount of taxation charged to the consolidated profit and loss account represents:

	2006 HK$'000	2005 HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	**511**	156
Current tax – Overseas Income Tax		
Under-provision in prior year	**888**	–
Provision for the year	**30,636**	20,947
	32,035	21,103
Deferred tax		
Origination and reversal of temporary differences	**(1,816)**	(309)
	30,219	20,794

Notes:

(a) The applicable taxation rates represent the rates of taxation prevailing in the countries in which the Group companies operate.

(b) Overseas tax provision is required to be made in respect of Dongguan Proamine Chemical Co., Limited ("Dongguan Proamine"), Dongguan Gao Bao Chemicals Co., Limited ("Gao Bao Chemical"), Global Cosmetics (China) Co., Limited ("Global Cosmetics"), and Dongguan Polygene Biotech Co., Limited, all of them are subsidiaries of the Company established in the People's Republic of China (the "PRC"). In accordance with the relevant income tax rules and regulations, the enacted income tax rate is 33%.

On 30 May 2003, Dongguan Proamine was accredited by the Department of Science and Technology of Guangdong Province as a Hi-and-New Tech Enterprise of Guangdong Province. On 16 January 2004, Dongguan Proamine received a written confirmation from Dongguan Local Tax Bureau that it is entitled to a reduced income tax rate of 15% for the period from 1 January 2003 to 31 December 2005. Also, on 1 June 2005, Dongguan Proamine continued to be accredited as a Hi-and-New Tech Enterprise of Guangdong Province and the income tax rate remained as 18% for 2005 and 2006.

Pursuant to a letter of approval issued by the local tax authority on 8 April 2005, Global Cosmetics was exempted from enterprise income tax ("EIT") for the first two profitable years of its operations after offsetting prior years' losses and are entitled to a 50% reduction on the EIT for the following three years. Global Cosmetics began its first two profitable year in the year ended 31 December 2004 and 2005, and was subject to PRC EIT at a rate of 12% for three years ended 2006, 2007 and 2008.

Pursuant to a letter of approval issued by the local tax authority on 1 July 2005, Gao Bao Chemical was exempted from EIT for the first two profitable years of its operations after offsetting prior years' losses and are entitled to a 50% reduction on the EIT for the following three years. Gao Bao Chemical began its first profitable year in the year ended 31 December 2005 and obtained tax exemption for 2005 and 2006, and was entitled to a reduced income tax rate for 2007, 2008 and 2009.

7. Dividends

	Group 2006 HK$'000	Group 2006 HK$'000
Final, proposed, of HK$0.03 (2005: HK$0.02) per ordinary share	**31,397**	19,257

At a meeting held on 27 April 2007, the Directors recommend payment of final dividend of HK$0.03 per ordinary share for the year ended 31 December 2006.

8. Earnings per share
The calculation of earnings per share of the Group for the year is as follows:

(a) Basic earnings per share

	Group 2006 HK$'000	Group 2005 HK$'000
Profit attributable to shareholders	**197,039**	223,305
Number of shares		
Weighted average number of ordinary shares in issue during the year	**999,418,000**	924,931,000
Basic earnings per share	**HK$0.1972**	HK$0.2414

(b) Diluted earnings per share

	HK$'000	HK$'000
Profit attributable to shareholders	**197,039**	223,305
Number of shares		
Weighted average number of ordinary shares in issue during the year	**999,418,000**	94,931,000
Add: Number of ordinary shares deemed to be issued at no consideration on exercise of all outstanding share options	**5,017,000**	3,094,000
	1,004,435,000	928,025,000
Diluted earnings per share	**HK$0.1962**	HK$0.2406

BUSINESS REVIEW

Turnover for the year ended 31 December 2006 was HK$846.92 million, representing a decrease of 6.11% from that of HK$902.02 million in the preceding year. As compared the turnover for the year ended 31 December 2006 with that of preceding year, the disposal of marketable securities in year 2005 contributed HK$132.15 million to the turnover, however, it had only contributed HK$6.1 million to turnover in year 2006. Profit for the year increased from HK$249.35 million in 2005, which included the profit on disposal of marketable securities amounting to HK$92.44 million, to HK$271.14 million in 2006.

OPERATIONAL REVIEW

I. Industrial Surfactants

For the year ended 31 December 2006, turnover of industrial surfactants increased by 15.08% reaching HK$258.03 million, accounted for 30.47% of the Group's total turnover.

With a long operational history and a solid customer base, industrial surfactants has been the Group's primary business. With transferring some cost to customers, adopting stringent cost control measures and slightly decrease in materials costs in the second half of the year, we were able to boost the profit margin of the segment. The Group also benefited from the Chinese government's policy to phase out phosphorus surfactants, as it has been continuous developing environmental-friendly industrial surfactants. The Group believes the segment will maintain stable growth.

II. Home and Personal Care Products

For the year ended 31 December 2006, turnover of home and personal care products decreased slightly to HK$166.18 million, accounted for 19.62% of the Group's total turnover.

With long-standing customers relationship and strong customers database, we believed that home and personal care products continued to generate recurring and stable income and operating profit for the Group even though with continuing keen market competition. The Group is committed to developing new products to meet the ever-changing needs of customers. To enhance our competitiveness and expand market share, we regularly reviewed to improve our existing products and developed new products to cater for the customers' needs of the market.

III. Cosmetics and Skin Care Products

For the year ended 31 December 2006, turnover of cosmetics and skincare products increased by 16.34% reaching HK$409.48 million, accounted for 48.41% of the Group's total turnover. Its operating profit rose 50.88% to HK$210.4 million. The segment became one of the key growth revenue driver of the Group.

The rapid economic development in Mainland China has boosted people's consumption power. The demand for high quality cosmetics and skin care products in the country continued to surge. With a state-of-the-art GMP compliant manufacturing base, we are capable of developing the finest cosmetics and skin care products which enables us to penetrate into the sophisticated cosmetics market such as European and North America.

Having launched salon and professional skincare products' series in the PRC market, we successfully explore a new market, sales network and new customers' base for our products. Through this network, it enables the products further penetrate into the second tier's and third tier's market and hence contribute much revenues and gross margin to the segment in year 2006.

Relying on the Group's excellent in-house design team, research and development technique, GMP compliant manufacturing base and knowledge in the area of cosmetics and skincare products, the Group successfully opened and extended its arm to the market of cosmetics and skincare's ODM products in Europe and North America which were categorised as gift and premium last year. This fast growing business causes the Group to record a geometrically growth in revenue in year 2006 as compared with last year.

The Group's effective multi-sales channels' strategy contributed to the encouraging results of cosmetics and skin care products. With series of successful promotional campaign during the year, the Group had been able to achieve market reach far and wide. Currently, the retail network comprises a total of 178 outlets in Mainland China and 20 counters in Hong Kong and Macau.

IV. Biotechnology Products and New Production Facilities for Raw Materials

The biotechnology products business consists mainly of production of patented biotech raw materials for medical and cosmetic companies. Its products include a range of biotechnology products, such as "hEGF", which is effective in revitalizing human skin and heal surface wounds. During the year under review, the business recorded turnover of HK$7.13 million, representing 0.84% of the Group's total turnover. "hEGF" is one of the key ingredients for MB's products, as such, it is mainly produced for internally consumption during the year.

The new factory for producing replacement materials such as industrial enzymes and L-Lactic acid was completed about in the third quarter of 2006 and machinery and equipments were fully installed in the first quarter of 2007. Trial run is scheduled in about the second quarter of 2007. The production of replacement materials will help to minimise the Group's exposure to risks from increase or fluctuation of production cost.

V. Investments

Due to the economic boom in the past two years, the Group had successfully realised tremendous profits from the trading in listed marketable equity securities, foreign currencies, bonds, various funds and fixed income assets in the secondary market. The Group, with the advice of professional investment expertise, will search for a combination of potential investment portfolios and continue to benefit from this additional sources of income to the Group. During the year ended 31 December 2006, total amount of operating profit generated in this segment amounted to HK$35.13 as compared with HK$92.44 in the last year. As at 31 December 2006, total market value of marketable securities held by the Group amounted to HK$167.73.

PROSPECTS

The Group has devised a two-pronged strategy to expand its businesses. It will seek to maintain a reasonable profit margin for its traditional industrial surfactants and home and personal care products businesses, as they generate stable income for the Group, giving it the resources required to fund new business developments with promising potential; and at the same time, it will capture the tremendous opportunities in the cosmetics and skin care products market and the green recycling energy business.

The cosmetics and skin care products business will remain as the Group's growth driver in the coming year. The Group's effective branding strategy has been MB established a premier image in Hong Kong, which is expected to help it bring in strong recurring income to the Group. We also expect to see the demand for MB in the Mainland China to grow continuously. The Group will focus on the Mainland China market and target to capture more market share for MB by expanding its sales network.

NEW BUSINESS WITH ENORMOUS POTENTIAL – GREEN RECYCLE ENERGY

In view of the volatile crude oil price and unstable international oil supply, the Group has stepped up development of environmental friendly power technology. We have been successful in developing technology for recycling waste plastic materials and are partnering with a petroleum refinement company to recycle waste plastics, tyres, PVC foam and used oil into highly efficient gasoline, diesel and natural gas. Patented in the PRC, the technology applies the integrative pyrolysis procedure in treating waste materials.

The technology has been patented in the PRC (Patent Number: 03284657-6) and licensed by the National Quality and Techniques Investigation Bureau (Reference Number: 2101-38-335-2001, Inspection Number: 01W8904). Global Green is in the process to patent the new technology in 102 countries including the US, Europe and South East Asia.

The Hong Kong Science and Technology Parks Corporation of HKSAR Government, having assessed and satisfied with our sophisticated recycle energy technology, approved the Group's application for a site at the Yuen Long Industrial Estate for setting up its recycle energy business. Due to formalities and bureaucracy of the application procedures, the Group was finally granted that piece of land of approximately 24,000 square metre at low price in Yuen Long

Industrial Estate in late December 2006 and the transfer of ownership was subject to fulfillment of certain conditions under the lease agreement. The construction of the plant will start at about the second quarter of 2007 and is scheduled for completion by the first quarter of 2008 with production to commence in the mid of 2008.

With the HKSAR Government's recognition and support, we plan to develop this business in the Hong Kong market, mainly through wholesaling the high quality petroleum products to different public transportation corporations, such as bus, taxi and ferry companies. The Group is currently discussing with the authority about tax exemption arrangement and other entitlements. When the new plant is fully functional, we will consider expanding this business overseas to markets facing high oil price pressure, such as Singapore, Taiwan and Japan. The Group aims to become a major provider of green recycled energy to the community in the years to come.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK$0.03 per ordinary share for the year ended 31 December 2006. Subject to the approval of the Company's shareholders as the forthcoming annual general meeting, the final dividend will be payable on or about 30 June 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members will close from Thursday, 24 May 2007 to Monday, 28 May 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Registrar, Tengis Limited at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 23 May 2007 for registration.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained cash or cash equivalent of approximately HK$405.18 million as at the balance sheet date. The Group adopts conservative treasury policies in cash and financial management. Most of the retained cash was placed as Renminbi and Hong Kong Dollar short term deposits and therefore exposure to exchange fluctuations was minimal. The Group also invested in a combination of portfolio investments such as marketable securities, bonds, funds, foreign currencies and fixed income assets in order to increase the financial returns. Shareholders' fund as at 31 December 2006 was HK$1,733.91 million compared with that of HK$1,439.45 million as at 31 December 2005, representing an increase of HK$294.46 million or 20.46%.

The Group's capital expenditure for the year ended 31 December 2006 amounted to HK$565.66 million were funded from cash generated from operations and bank loans.

The indebtedness of the Group mainly comprises of trust receipt loans, bank loans and finance leases which are largely denominated in Hong Kong dollars and Renminbi. The Group's borrowings are closely monitored to ensure a smooth repayment schedule to maturity.

The banking facilities mainly comprised of trust receipt loans and invoice financing loan of tenor up to 120 days from the invoice date. The bank interest rates are mainly fixed by reference to either the Hong Kong Prime rate or the Hong Kong Interbank Offer Rate.

As at 31 December 2006, the Group's banking facilities had been utilized to the extent of approximately HK$207.33 million, of which HK$200 million representing syndicated loan.

The Group's inventory turnover period was reduced to 26 days from that of 29 days for the same period of last year. Debtor's and creditor's turnover periods were 80 days and 101 days respectively.

Debt to equity ratio (total interest bearing debts over shareholders' funds) and gearing ratio (total interest bearing debts over total assets) were 11.47% and 9.23% respectively as compared with that of 12.44% and 10.2% for the previous year, reflecting the effect of raising the syndication loan. Current ratio and Quick ratio were improved to 2.84 and 1.48 respectively whilst interest cover was 23.06 times.

AUDIT COMMITTEE

The Company's Audit Committee comprises three Independent Non-executive Directors, namely Mr. Ou Ying Ji, Mr. Lin Jian and Mr. Lee Pak Chung.

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

The Audit Committee met twice during the year of 2006 in conjunction with the auditors to review the internal controls, interim results and final accounts of the Group prior to recommending them to the Board for approval.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and there are no restrictions against such rights under the laws in the Cayman Islands.

CONTINGENT LIABILITY AND CHARGE ON GROUP ASSETS

The Group did not have any significant contingent liabilities as at 31 December 2006.

As at 31 December 2006, all banking facilities of the Group were secured by corporate guarantees executed by the Company and certain subsidiaries of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company did not repurchase its own shares.

COMPLIANCE OF CODE OF CORPORATE GOVERNANCE PRACTICE OF LISTING RULES

Information on the Company's compliance of the Code of Corporate Governance Practice ("CG Code") as set out in Appendix 14 of the Listing Rules and deviations from certain code previous of the CG Code for the year is set out in the Corporate Governance Report in the Company's annual report for the year 2006.

LABOUR RELATIONS

The Group's clear and effective management policies have enabled it to maintain good staff relations. It has not encountered any difficulties in recruiting experienced personnel and there has not been any interruption to its operations as a result of labour disputes. The Group provides social security benefits encompassing the mandatory provident fund and health insurance scheme to all its employees. It does not shoulder any material liability arising from the relevant statutory retirement scheme.

As at 31 December 2006, the Group had 948 salaried employees of which 886 and 62 were stationed respectively in the PRC and in Hong Kong. Total staff costs paid during the year was approximately HK$36.84 million.

As at the date of this announcement, the board of directors of the Company comprises the following members:

Executive Directors:	*Independent non-executive Directors:*
Mr. Lau Jin Wei, Jim	Mr. Ou Ying Ji
Mr. Wong Ying Yin	Mr. Lin Jian
Mr. Bang Young Bae	Mr. Lee Pak Chung

On behalf of the Board
Lau Jin Wei, Jim
Chairman

Hong Kong, 27 April 2007