Galileo Holdings Limited
嘉利福控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8029)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2008

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.

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 of the Stock Exchange 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 Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. 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.

This announcement, for which the directors (the "Directors") of Galileo Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on 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: (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

RESULTS

The board of Directors (the "Board") of the Company hereby announces the audited consolidated results of the Company and its subsidiaries (collectively refer to as the "Group") for the year ended 31 March 2008 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	2008 HK$	2007 HK$
Turnover	3	**44,335,788**	1,643,189
Direct costs		**(9,201,795)**	(524,339)
Gross profit		**35,133,993**	1,118,850
Other operating income	5	**420,630**	4,854,451
Administrative expenses		**(28,366,598)**	(12,376,094)
Fair value changes of investment properties		**30,000**	–
Finance costs	6	**(275,380)**	(67,584)
Profit/(loss) before tax	7	**6,942,645**	(6,470,377)
Income tax expense	8	**(4,352,156)**	(41,258)
Profit/(loss) for the year		**2,590,489**	(6,511,635)
Attributable to:			
Equity holders of the Company		**2,386,359**	(6,511,635)
Minority interests		**204,130**	–
Profit/(loss) for the year		**2,590,489**	(6,511,635)
Earnings/(loss) per share			
Basic *(HK cents per share)*	10	**0.23**	(0.73)
Diluted *(HK cents per share)*		**0.22**	(0.73)

CONSOLIDATED BALANCE SHEET
At 31 March 2008

	Note	2008 HK$	2007 HK$
Non-current assets			
Investment properties		**7,560,000**	2,600,000
Goodwill		**426,465,393**	2,332,814
Property, plant and equipment		**2,681,393**	5,178,012
		436,706,786	10,110,826
Current assets			
Inventories		**60,650**	95,030
Trade receivables	*11*	**23,266,603**	96,355
Prepayments, deposits and other receivables		**45,677,040**	590,043
Bank balances and cash		**104,663,808**	1,801,684
		173,668,101	2,583,112
Current liabilities			
Accruals and other payables		**3,836,991**	1,402,413
Deposits received		**162,000**	30,000
Amount due to a director		**450,965**	758,368
Obligations under finance leases		**7,809**	85,587
Other borrowings		**–**	5,000,000
Bank borrowings		**303,304**	–
Tax payable		**5,195,887**	48,853
		9,956,956	7,325,221
Net current assets/(liabilities)		**163,711,145**	(4,742,109)
Total assets less current liabilities		**600,417,931**	5,368,717
Non-current liabilities			
Bank borrowings		**3,480,206**	–
Obligations under finance leases		**16,269**	24,079
Deferred tax liabilities		**236,250**	–
		3,732,725	24,079
Net assets		**596,685,206**	5,344,638
Capital and reserves			
Share capital		**31,319,000**	19,300,000
Share premium and reserves		**562,661,118**	(13,955,362)
Equity attributable to equity holders of the Company		**593,980,118**	5,344,638
Minority interests		**2,705,088**	–
Total equity		**596,685,206**	5,344,638

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2008

	Attributable to equity holders of the Company								
	Share capital HK$	Share premium HK$	Merger deficit HK$ (Note a)	Share options reserve HK$	Properties revaluation reserve HK$ (Note b)	Accumulated losses HK$	Total HK$	Minority interests HK$	Total equity HK$
At 1 April 2006	16,000,000	8,095,956	(119,998)	–	–	(27,686,958)	(3,711,000)	–	(3,711,000)
Placement of new shares	3,200,000	8,000,000	–	–	–	–	11,200,000	–	11,200,000
Transaction costs attributable to placement of new shares	–	(405,120)	–	–	–	–	(405,120)	–	(405,120)
Recognition of equity – settled share-based payments	–	–	–	3,558,215	–	(285,822)	3,272,393	–	3,272,393
Exercise of share options	100,000	1,400,000	–	(285,822)	–	285,822	1,500,000	–	1,500,000
Loss for the year	–	–	–	–	–	(6,511,635)	(6,511,635)	–	(6,511,635)
At 31 March 2007 and 1 April 2007	19,300,000	17,090,836	(119,998)	3,272,393	–	(34,198,593)	5,344,638	–	5,344,638
Surplus on revaluation of properties	–	–	–	–	1,320,000	–	1,320,000	–	1,320,000
Deferred tax	–	–	–	–	(231,000)	–	(231,000)	–	(231,000)
Net income recognised directly in equity	–	–	–	–	1,089,000	–	1,089,000	–	1,089,000
Profit for the year	–	–	–	–	–	2,386,359	2,386,359	204,130	2,590,489
Total recognised income for the year	–	–	–	–	1,089,000	2,386,359	3,475,359	204,130	3,679,489
Issue of shares for acquisition of subsidiaries	5,600,000	383,600,000	–	–	–	–	389,200,000	–	389,200,000
Arising on acquisition of subsidiaries	–	–	–	–	–	–	–	2,500,958	2,500,958
Placement of new shares	5,494,000	174,448,500	–	–	–	–	179,942,500	–	179,942,500
Transaction costs attributable to placement of new shares	–	(4,675,350)	–	–	–	–	(4,675,350)	–	(4,675,350)
Recognition of equity – settled share-based payments	–	–	–	5,757,471	–	–	5,757,471	–	5,757,471
Forfeiture of lapsed shares under share option schemes	–	–	–	(1,731,036)	–	1,731,036	–	–	–
Exercise of share options	925,000	16,702,697	–	(2,692,197)	–	–	14,935,500	–	14,935,500
At 31 March 2008	31,319,000	587,166,683	(119,998)	4,606,631	1,089,000	(30,081,198)	593,980,118	2,705,088	596,685,206

Notes:

(a) The merger deficit of the Group represents the difference between the nominal value of the shares of acquired subsidiaries over the nominal value of the share capital of the Company issued in exchange therefore.

(b) The properties revaluation reserve was arisen upon the transfer of properties from property, plant and equipment to investment properties and will be transferred to accumulated losses when the relevant properties are disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2008

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (the "HKFRSs")

In the current year, the Group has applied, for the first time, a number of new and revised standards, amendment and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – INT 8	Scope of HKFRS 2
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment
HK(IFRIC) – INT 11	HKFRS 2: Group and Treasury Share Transactions

The adoption of the new HKFRSs has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statement[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – INT 12	Service Concession Arrangements[3]
HK(IFRIC) – INT 13	Customer Loyalty Programmes[4]
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2008

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention except for certain properties and financial instruments which are measured at fair values.

3. TURNOVER

Turnover represents the net amounts received and receivables from (i) services provided by the Group to customers; (ii) goods are delivered to customers and the title has passed and (iii) rental income and is analysed as follows:

	2008	2007
	HK$	*HK$*
Business consultancy service income	**834,500**	923,000
Funeral services income	**3,733,742**	690,189
Computer software solution and service	**39,587,546**	–
Rental income	**180,000**	30,000
	44,335,788	1,643,189

4. SEGMENTS INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

Business segments

The Group's operating business are structured and managed separately, according to the nature of their operations and services they provided. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risk and returns that are different from those of the other business segments.

For management purposes, the Group is currently organised into three business segments – business consultancy, computer software solution and service and funeral services.

Principal activities are as follows:

Business consultancy	–	providing services to assist clients on various business or management issues
Computer software solution and service	–	provision of computer hardware and software service
Funeral services	–	providing services to assist clients on various funeral custom and activities

Segment information about these businesses is as follow.

Income statement
For the year ended 31 March 2008

	Business consultancy *HK$*	Computer software solution and service *HK$*	Funeral services *HK$*	Others *HK$*	Consolidated *HK$*
Turnover					
External sales	**834,500**	**39,587,546**	**3,733,742**	**180,000**	**44,335,788**
Segment result	**(3,115,320)**	**26,018,492**	**(2,204,927)**	**(523,713)**	**20,174,532**
Interest income					**146,247**
Unallocated corporate income					**173,372**
Unallocated corporate expenses					**(13,276,126)**
Finance costs					**(275,380)**
Profit before tax					**6,942,645**
Income tax expense					**(4,352,156)**
Profit for the year					**2,590,489**

Balance sheet
At 31 March 2008

	Business consultancy *HK$*	Computer software solution and service *HK$*	Funeral services *HK$*	Other *HK$*	Consolidated *HK$*
Assets					
Segment assets	**1,305,631**	**467,073,949**	**1,241,692**	**9,611,561**	**479,232,833**
Unallocated corporate assets					**131,142,054**
Consolidated total assets					**610,374,887**
Liabilities					
Segment liabilities	**416,227**	**7,196,029**	**200,436**	**467,509**	**8,280,201**
Unallocated corporate liabilities					**5,409,480**
Consolidated total liabilities					**13,689,681**

Other segment information
For the year ended 31 March 2008

	Business consultancy *HK$*	Computer software solution and service *HK$*	Funeral services *HK$*	Others *HK$*	Consolidated *HK$*
Fair value changes of investment properties	**–**	**–**	**–**	**30,000**	**30,000**
Depreciation and amortisation	**110,493**	**52,575**	**129,654**	**107,084**	**399,806**
Capital additions	**589,172**	**1,205,346**	**–**	**5,190**	**1,799,708**
Impairment of goodwill	**–**	**–**	**2,332,814**	**–**	**2,332,814**

Income statement
For the year ended 31 March 2007

	Business consultancy *HK$*	Funeral services *HK$*	Others *HK$*	Consolidated *HK$*
Turnover				
External sales	923,000	690,189	30,000	1,643,189
Result				
Segment result	(2,332,172)	(2,570,583)	(340,284)	(5,243,039)
Interest income				–
Unallocated corporate income				4,845,242
Unallocated corporate expenses				(6,004,996)
Finance costs				(67,584)
Loss before tax				(6,470,377)
Income tax expense				(41,258)
Loss for the year				(6,511,635)

Balance sheet
At 31 March 2007

	Business consultancy *HK$*	Funeral services *HK$*	Others *HK$*	Consolidated *HK$*
Assets				
Segment assets	1,535,335	3,661,256	6,499,163	11,695,754
Unallocated corporate assets				998,184
Consolidated total assets				12,693,938
Liabilities				
Segment liabilities	(338,922)	(455,530)	(323,853)	(1,118,305)
Unallocated corporate liabilities				(6,230,995)
Consolidated total liabilities				(7,349,300)

Other segment information
For the year ended 31 March 2007

	Business consultancy *HK$*	Funeral services *HK$*	Others *HK$*	Consolidated *HK$*
Capital additions	96,177	1,380	–	97,557
Depreciation	232,303	129,662	106,998	468,963

Geographical segments

The Group's operations are principally located in Hong Kong. All identifiable assets of the Group are located in Hong Kong. Accordingly, no geographical segment is presented.

5. OTHER OPERATING INCOME

	2008 ***HK$***	2007 *HK$*
Other operating income included the followings:		
Interest income	**146,247**	53,389
Waive of amount due to an ex-director	**185,000**	4,792,737

6. FINANCE COSTS

	2008 ***HK$***	2007 *HK$*
Interests on:		
Other borrowings wholly repayable within five years	**125,000**	63,973
Bank borrowings not wholly repayable within five years	**141,352**	–
Finance leases	**9,028**	3,611
	275,380	67,584

7. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging:

	2008	2007
	HK$	*HK$*
Staff costs:		
Directors' remuneration	**5,699,353**	2,291,889
Salaries and other benefits	**6,064,134**	1,351,069
Retirement benefit scheme contributions excluding directors	**333,067**	61,434
Total employee benefits expense including those of directors	**12,096,554**	3,704,392
Depreciation on property, plant and equipment		
– owned assets	**315,013**	387,424
– financial leases assets	**84,793**	81,539
Loss on disposal of property, plant and equipment	**547,439**	–
Auditors' remuneration	**330,000**	319,000
Share-based payment expenses	**5,757,471**	3,272,393
Impairment loss recognised in respect of goodwill	**2,332,814**	2,332,815

and after crediting:

Gross rental income from investment properties	**180,000**	30,000
Less: Direct operating expenses from investment properties that generated rental income during the year	**(14,242)**	(2,246)
Direct operating expenses from investment properties that did not generate rental income during the year	**–**	–
	165,758	27,754

8. INCOME TAX EXPENSE

	2008	2007
	HK$	*HK$*
The income tax expense comprises of:		
Current tax – Hong Kong	**4,346,906**	41,258
Deferred tax	**5,250**	–
	4,352,156	41,258

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) on the estimated assessable profits for the both years in the financial statements.

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2008, nor has any dividend been proposed since the balance sheet date (2007: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to equity holders of the Company of HK$2,386,359 (2007: a loss of HK$6,511,635) and the weighted average number of ordinary share of 1,047,847,927 (2007: 894,041,096) in issue during the year.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The computation of diluted loss per share does not consider the potential ordinary shares as the effect of the potential ordinary shares is antidilutive.

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings:

	2008	2007
	HK$	*HK$*
Profit/(loss) attributable to equity holders of the Company	**2,386,359**	(6,511,635)

	Number of shares	
	2008	2007
Weighted average number of ordinary shares in issue	**1,047,847,927**	894,041,096
Adjustment for assumed exercise of share options	**21,559,477**	–
	1,069,407,404	894,041,096

11. TRADE RECEIVABLES

The following is an aged analysis of trade receivables at the balance sheet date:

	The Group	
	2008	2007
	HK$	*HK$*
Within 30 days	**16,160,494**	96,355
31 – 60 days	**4,068,394**	–
61 – 90 days	**653,029**	–
Over 90 days	**2,384,686**	–
	23,266,603	96,355

The average credit period on the trade receivable is 30 days. The carrying amounts of the trade receivables are denominated in Hong Kong Dollar. The age of trade receivables which are past due but not impaired as followings:

	The Group	
	2008	2007
	HK$	*HK$*
31 – 60 days	**4,068,394**	–
61 – 90 days	**653,029**	–
Over 90 days	**2,384,686**	–
	7,106,109	–

The directors of the Company consider that no provision for impairment shall be made to trade receivables that are past due as the credit quality of the debtors are sound. The directors of the Company consider that the carrying amounts of the Group's trade receivables at 31 March 2008 approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Financial Performance

The Group recorded a turnover of HK$44,335,788 for the year ended 31 March 2008, representing an increase of 2598% when compared to the turnover of HK$1,643,189 in the last fiscal year. The increase was mainly due to the business of computer software solution and service taken up on 19 December 2007. Its result was included in the accounts for the year ended 31 March 2008.

The direct costs was increased to HK$9,201,795 from HK$524,339 recorded during last year as a results of the direct operation costs produced from the newly acquired business of computer software solution and service.

Administrative expenses made an increase of 129% to HK$28,366,598 compared to HK$12,376,094 in 2007. The increase was mainly due to the operating activities increased in current fiscal year as a result of the acquisition of the business of computer software solution and service.

The net profit attributable to equity holders of the Company for the year ended 31 March 2008 was HK$2,386,359 as compared with the net loss of $6,511,635 for the last fiscal year.

Business Review

For the whole year under review, the international financial market showed mixed signs of direction. The stock market was seriously affected by the United States home loan market. On the other hand, a series of controlling measures had been launched by China to curb the overheated stock market and the property market while the Hong Kong stock exchange will benefit from the decreasing interest rate. This has led to increased opportunity in offering our services in raising finance for high quality projects in the coming months. Through cooperation with other investment banks and financial service providers, we have been involved in the protracted negotiations with a number of promising clients in mainland China for placement and listing as well as finalising credit facilities. Our strong in-house experts were able to provide quality professional services.

Following the acquisition of Loyal King Limited and its subsidiaries (the "Loyal King Group"), the Group is able to explore into the development of entertainment and gaming activities. With the strong and competent information technology staff of the Loyal King Group, the Group is able to increase its market share in the gaming market and improve its financial position by increasing revenue and profit.

Liquidity and Financial Resources

As at 31 March 2008, the Group's net assets increased to approximately HK$596,685,000 from net assets of approximately HK$5,345,000 as at 31 March 2007. The bank balances as at 31 March 2008 was approximately HK$104,664,000 as compared to the balance of approximately HK$1,802,000 as at 31 March 2007. The increase in net assets was due to bank balances increased as a result of the completion of placing of shares and cash generated from turnover, goodwill recognised from acquisition of subsidiaries, trade receivables from the increased turnover and deposits for the acquisition of subsidiaries in next year. During the year ended 31 March 2008, the Group's operation was mainly financed by the operating activities of the Group and the net proceeds from shares placing.

Gearing Ratio

The gearing ratio, defined as total debts net of payable under ordinary course of business over total assets, was approximately 1% (31 March 2007: 45%).

Charges on Group Assets

As at 31 March 2008, plant and equipment of the Group with net book value of HK$26,682 was held under finance leases (2007: HK$265,000) and properties with net book value of HK$7,560,000 were pledged as securities for bank loan (2007: Nil).

Contingent Liabilities

As at 31 March 2008, the Group had no contingent liabilities.

Foreign Exchange Exposure

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars. As at 31 March 2008, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

Employee Information

The total number of employees was 41 as at 31 March 2008 (2007: 18), and the total remuneration for the year ended 31 March 2008 was approximately HK$12,096,554 (2007: HK$3,704,000). The Group's remuneration policy for senior executives is basically performance-linked. Staff benefits, including medical coverage and mandatory provident fund, are also provided to employees where appropriate. Discretionary bonus is linked to performance of the individual specific to each case. The Group may offer options to reward employees who make significant contributions and to retain key staff pursuant to the share option scheme of the Group. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.

OUTLOOK AND DEVELOPMENT

For the foreseeable future, China will continue to be a major factor of international trade. However, the Chinese government is facing the pressure of the interest rate adjustment, currency revaluation, record trade surpluses and fluctuating commodities and oil prices. The problems from the domestic front include rising inflation rate, flooding of money supply and overheating in the property sector.

The Group is also trying to invest other country which can offer higher return to shareholders.

Regarding the provision of computer system and related services in relation to the on-line entertainment and gaming activities, the Board is of the view that the performance is promising and it will greatly improve the Group's financial position.

The Board is always seeking opportunities to diversify the Group's revenue streams in order to enhance shareholders' value and is optimistic about the project of acquiring Superb Kings Limited. The Board is attracted by the future prospect of tourism development and is optimistic about the prospect of the hotel and tourism business in Cagayan Valley of the Philippines as they believe that the demand for accommodations and entertainment facilities will continue to grow in the near future. The Board is of the view that the acquisition will be a valuable opportunity for the Group to tap into the hotel industry while to increase the value of the Group, which are in the interests of the Shareholders as a whole.

POST BALANCE SHEET EVENT

On 26 November 2007 and 11 December 2007, the Company enter into the formal acquisition agreement and the supplemental agreement with individual third parties to acquire the entire issued share capital of Superb Kings Limited ("Superb Kings") with an aggregated consideration of HK$205,000,000, Superb Kings is principally engaged in the utilisation of the land in Cagayan Valley of the Philippines for the development of the Prestigious and Leisure Resort. Up to the date of this announcement, the acquisition still not completed and the detail of the transaction was disclosed in the Company's announcement dated 22 December 2007.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rule 5.34 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2008.

CORPORATE GOVERNANCE

None of the Company's Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the financial report, in compliance with the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

AUDIT COMMITTEE

The Company set up an audit committee ("Audit Committee") on 29 November 2000 with written terms of reference in compliance with the GEM Listing Rules for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. During the year under review, the Audit Committee comprised three members, Mr. Chien Hoe Yong, Mr. Kwok Kwan Hung and Mr. Siu Hi Lam, Alick, all of them are independent non-executive Directors and Mr. Chien Hoe Yong was appointed as the chairman of the Audit Committee. The results for the year ended 31 March 2008 were reviewed by the Audit Committee.

REMUNERATION COMMITTEE

According to the Code on Corporate Governance Practices, the Company established its remuneration committee ("Remuneration Committee") on 18 March 2005. During the year under review, the Remuneration Committee comprised three members, Mr. Chien Hoe Yong, Mr. Kwok Kwan Hung and Mr. Siu Hi Lam, Alick, all of them are independent non-executive Directors and Mr. Kwok Kwan Hung was appointed as the Chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure in relation to the remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

PUBLICATION OF ANNUAL REPORT ON THE GEM WEBSITE

The annual report of the Company contains all the information required by the GEM Listing Rules will be published on the GEM website in due course.

By order of the Board
Galileo Holdings Limited
Chui Bing Sun
Chairman

Hong Kong, 15 May 2008

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chui Bing Sun, Mr. Chau Cheok Wa and Mr. Lee Chi Shing, Caesar and three independent non-executive Directors, namely, Mr. Chien Hoe Yong, Mr. Kwok Kwan Hung and Mr. Siu Hi Lam, Alick.

This announcement will appear and remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.