Jade Dynasty Group Limited
玉 皇 朝 集 團 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 970)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2007

RESULTS

The Board of directors (the "Directors") of Jade Dynasty Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 31 March 2007, together with the comparative figures for the last corresponding year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	2007 HK$'000	2006 HK$'000
CONTINUING OPERATIONS			
Revenue	3	**102,094**	102,214
Cost of goods sold		**(61,378)**	(55,420)
Direct operating expenses		**(15,552)**	(14,739)
Gross profit		**25,164**	32,055
Other income		**1,264**	1,221
Selling and distribution costs		**(2,640)**	(2,529)
Administrative expenses		**(12,331)**	(13,962)
Operating profits		**11,457**	16,785
Finance costs	4	**(380)**	(1,527)
Profit before income tax		**11,077**	15,258
Income tax credit/(expense)	5	**286**	(1,631)
Profit for the year from continuing operations		**11,363**	13,627
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations		**–**	(89)
Profit for the year	6	**11,363**	13,538

	Notes	2007 HK$'000	2006 HK$'000
Attributable to:			
Equity holders of the Company		**11,370**	13,538
Minority interests		**(7)**	–
		11,363	13,538
Dividends			
– Interim dividend declared during the year		**1,862**	1,582
– Final dividend proposed after the balance sheet date		**2,081**	1,849
Earnings per share	*7*		
From continuing and discontinued operations			
Basic		**1.24 cent**	1.81 cent
Diluted		**1.23 cent**	1.67 cent
From continuing operations			
Basic		**1.24 cent**	1.82 cent
Diluted		**1.23 cent**	1.68 cent

CONSOLIDATED BALANCE SHEET

As At 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**7,899**	6,790
Prepaid lease payments		**8,358**	8,532
Intangible assets		**6,107**	1,858
Goodwill		**124,539**	124,539
Deferred tax assets		**4,353**	3,092
Trade receivables	*8*	**1,597**	–
		152,853	144,811
Current assets			
Prepaid lease payments		**174**	174
Inventories		**65,298**	43,704
Trade receivables	*8*	**31,252**	27,710
Other receivables, deposits and prepayments		**11,239**	12,026
Tax recoverable		**1,280**	413
Pledged bank deposits		**4,258**	4,113
Cash and bank balances		**5,299**	2,318
		118,800	90,458
Current liabilities			
Trade payables	*9*	**9,672**	7,878
Other payables and accrued charges		**4,597**	8,760
Provision for tax		**1,521**	633
Bank borrowings		**3,557**	14,610
Convertible notes		**5,603**	–
		24,950	31,881
Net current assets		**93,850**	58,577
Total assets less current liabilities		**246,703**	203,388

	Notes	2007 HK$'000	2006 HK$'000
Non-current liabilities			
Convertible notes		**–**	15,225
Net assets		**246,703**	188,163
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**1,865**	1,689
Reserves		**242,395**	186,474
		244,260	188,163
Minority interests		**2,443**	–
Total equity		**246,703**	188,163

NOTES

1. Basis of preparation

The audited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include applicable disclosures requirement of Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the Stock Exchange").

2. Adoption of new and amended HKFRSs

From 1 April 2006, the Group has adopted all the new and amended HKFRSs which are first effective on 1 April 2006 and relevant to the Group. The adoption of these HKFRSs has resulted in changes in the Group's accounting policies on

- financial guarantee contracts

Other than the above, the adoption of these new and amended HKFRSs did not result in any significant changes in the Company's and the Group's accounting policies.

2.1 Amendments to HKAS 39 Financial Instruments: Recognition and Measurement – Financial Guarantee Contracts

The amendments to HKAS 39 require an entity to account for certain financial guarantee contracts in accordance with that standard. To comply with the requirements of the amended HKAS 39, the Group has adopted a new accounting policy to recognise financial guarantee contracts. On initial recognition, these contracts are measured at fair value and they are subsequently stated at the higher of:

– the amount initially recognised less where appropriate, cumulative amortisation recognised in accordance with the Group's revenue recognition policies; and

– the amount of the obligation under the contract, as determined in accordance with HKAS 37 "Provision, Contingent Liabilities and Contingent Assets" ("HKAS 37").

Prior to adopting this new accounting policy, the Company and the Group disclosed the financial guarantees issued as contingent liabilities in accordance with HKFRS 4 "Insurance Contracts" and HKAS 37. Provisions for the Group's liabilities under the financial guarantee contracts were made when it was more likely than not that the guaranteed party would default and the Group would incur outflow of resources embodying economic benefits.

This new accounting policy requires these financial guarantee contracts to be recognised in the balance sheet according to the Group's accounting policy.

The changes in accounting policies arising from the adoption of amended HKAS 39 in respect of financial guarantee contracts did not have any significant impact to the Group's results or financial position for the years presented.

2.2 New or amended HKFRSs that have been issued but are not yet effective

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The directors of the Company are currently assessing the impact of these HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's financial statements.

Amendments to HKAS 1	Presentation of Financial Statements – Capital Disclosures[1]
HKAS 23 (Revised)	Borrowing Costs[2]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Interpretation 8	Scope of HKFRS 2[3]
HK(IFRIC) – Interpretation 9	Reassessment of Embedded Derivatives[4]
HK(IFRIC) – Interpretation 10	Interim Financial Reporting and Impairment[5]
HK(IFRIC) – Interpretation 11	Group and Treasury Share Transactions[6]
HK(IFRIC) – Interpretation 12	Service Concession Arrangements[7]

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

3. Turnover and segment information

Business segments

For management purposes, the Group is currently organised into two main operating divisions, namely, publication and distribution of comics books and multimedia development. These divisions are the basis on which the Group reports its primary segment information. On 30 April 2005, the Group completed the discontinuation of its restaurant operations.

	Continuing operations						Discontinued operations			
	Publication and distribution of comics books		Multimedia development		Total		Restaurant operations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	**90,032**	101,414	**12,062**	800	**102,094**	102,214	**–**	669	**102,094**	102,883
Segment results	**9,306**	22,404	**8,410**	613	**17,716**	23,017	**–**	(89)	**17,716**	22,928
Unallocated corporate expenses					**(6,259)**	(6,232)	**–**	–	**(6,259)**	(6,232)
Finance costs					**(380)**	(1,527)	**–**	–	**(380)**	(1,527)
Profit/(loss) before income tax					**11,077**	15,258	**–**	(89)	**11,077**	15,169
Income tax credit/(expense)					**286**	(1,631)	**–**	–	**286**	(1,631)
Profit/(loss) for the year					**11,363**	13,627	**–**	(89)	**11,363**	13,538

	Continuing operations				Discontinued operations			
	Publication and distribution of comics books		Multimedia development		Restaurant operations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS								
Segment assets	**178,650**	177,797	**77,467**	47,339	**–**	–	**256,117**	225,136
Unallocated corporate assets							**15,536**	10,133
Consolidated total assets							**271,653**	235,269
LIABILITIES								
Segment liabilities	**14,079**	13,318	**10**	2,277	**–**	–	**14,089**	15,595
Unallocated corporate liabilities							**10,861**	31,511
Consolidated total liabilities							**24,950**	47,106

Other Information

	Continuing operations						Discontinued operations			
	Publication and distribution of comics books		Multimedia development		Total		Restaurant operations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Additions of property, plant and equipment	**1,922**	179	**26**	47	**1,948**	226	**–**	–	**1,948**	226
Additions of intangible assets on acquisition of a subsidiary	**–**	–	**5,000**	–	**5,000**	–	**–**	–	**5,000**	–
Addition of intangible assets	**–**	–	**76**	–	**76**	–	**–**	–	**76**	–
Gain on disposal of property, plant and equipment	**135**	–	**–**	–	**135**	–	**–**	100	**135**	100
Amortisation of prepaid lease payments	**174**	174	**–**	–	**174**	174	**–**	–	**174**	174
Depreciation and amortisation	**1,530**	1,510	**113**	–	**1,643**	1,510	**–**	34	**1,643**	1,544

Geographical segments

	Revenue	
	2007	2006
	HK$'000	*HK$'000*
Continuing operations		
Hong Kong	**92,774**	89,840
Taiwan	**4,734**	8,772
Others	**4,586**	3,602
	102,094	102,214
Discontinued operations		
Hong Kong	**–**	669
Total	**102,094**	102,883

The Group's assets and liabilities are substantially located in Hong Kong. Accordingly, no analysis by geographical segment is presented.

4. Finance costs

	2007	2006
	HK$'000	*HK$'000*
Interest on		
– Bank overdrafts and loans wholly repayable within five years	**251**	810
– Effective interest expense on convertible notes	**129**	717
	380	1,527

5. Income tax credit/(expense)

	2007	2006
	HK$'000	*HK$'000*
Hong Kong:		
Provision for current year	**(1,027)**	(1,410)
Overprovision in prior year	**52**	9
Deferred tax credit/(charge)	**1,261**	(230)
	286	(1,631)

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profit for the year. No provision for PRC Income Tax has been made as the Group has no assessable profit derived from the PRC.

6. Profit for the year

	Continuing operations		Discontinued operations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit for the year has been arrived at after charging:						
Amortisation of intangible assets (included in direct operating expenses)	**827**	740	**–**	–	**827**	740
Amortisation of prepaid lease payments (included in administrative expenses)	**174**	174	**–**	–	**174**	174
Auditors' remuneration	**680**	700	**–**	–	**680**	700
Cost of inventories recognised as expense	**31,766**	29,850	**–**	208	**31,766**	30,058
Depreciation*	**816**	770	**–**	34	**816**	804
Gain of disposal of property, plant and equipment	**135**	–	**–**	100	**135**	100
Operating lease payments in respect of rented premises	**851**	968	**–**	40	**851**	1,008
Staff costs, including directors' emoluments and retirement benefits scheme contributions	**49,247**	54,225	**–**	341	**49,247**	54,566
Amount capitalised in inventories	**(12,090)**	(17,190)	**–**	–	**(12,090)**	(17,190)
Amount charged to income statement	**37,157**	37,035	**–**	341	**37,157**	37,376

* Depreciation of HK$126,000 (2006: HK$226,000) has been expensed in direct operating expenses and HK$690,000 (2006: HK$578,000) in administrative expenses.

7. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

For continuing and discontinued operations

	2007	2006
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic earnings per share	**11,370**	13,538
Effect on dilutive potential ordinary shares:		
Interest on convertible notes	**129**	717
Earnings for the purposes of diluted earnings per share	**11,499**	14,255
Number of shares		
Weighted average number of shares for the purposes of basic earnings per share	**918,045,752**	748,960,707
Effect of dilutive potential ordinary shares:		
Share options	**4,114,756**	6,457,525
Convertible notes	**13,859,668**	98,200,863
Weighted average number of shares for the purposes of diluted earnings per share	**936,020,176**	853,619,095

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary equity holders of the Company is based on the following data:

From continuing operations

	2007 *HK$'000*	2006 *HK$'000*
Earnings		
Earnings for the purposes of basic earnings per share	**11,370**	13,538
Add: Loss for the year from discontinued operations	**–**	89
Earnings for the purposes of basic earnings per share from continuing operations	**11,370**	13,627
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**129**	717
Earnings for the purposes of diluted earnings per share from continuing operations	**11,499**	14,344

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

The basic loss per share for discontinued operations for the year ended 31 March 2006 of HK0.01 cent is based on the calculation on the loss for that year from the discontinued operations of HK$89,000 and the same denominators detailed above for the basic earnings per share. For the year ended 31 March 2007, there is no result from discontinued operations.

Diluted loss per share for discontinued operations for the year ended 31 March 2006 is not presented because the exercise of the convertible notes and share options outstanding would result in a decrease in net loss per share for that year. For the year ended 31 March 2007, there is no result from discontinued operations.

8. Trade receivables

An aged analysis of trade receivables as at the balance sheet date, based on invoice date, and net of impairment losses, is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**15,353**	15,748
31 – 60 days	**5,606**	7,337
61 – 90 days	**1,769**	2,567
Over 90 days	**10,121**	2,058
	32,849	27,710
Less: Trade receivables due over one year	**(1,597)**	–
Trade receivables due within one year	**31,252**	27,710

The Group's sales to its customers are mainly on credit. Except as detailed below, the credit period is generally for a period of two to three months for major customers. The Group seeks to maintain strict control over its outstanding trade receivables and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by senior management.

On 9 January 2007, the Group entered into an agreement with one of the major customers that HK$8,597,000 of the trade debts due from this customer is to be settled by 18 equal instalments and approximately HK$1,597,000 of trade receivables from this customer are to be settled over one year from the balance sheet date.

9. Trade payables

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

	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**4,044**	3,219
31 – 60 days	**1,977**	1,515
61 – 90 days	**1,880**	1,620
Over 90 days	**1,771**	1,524
	9,672	7,878

DIVIDEND

The Directors have resolved to recommend to shareholders the payment of a final dividend of HK0.2 cent (2006: HK0.2 cent), which together with the interim dividend of HK0.2 cent (2006: HK0.2 cent) make a total dividend of HK0.4 cent for the year end of 31 March 2007 (2006: HK0.4 cent). The total dividend of HK0.4 cent will amount to approximately HK$3.9 million of the Company's profit for the year ended 31 March 2007 (2006: HK$3.4 million).

The proposed final dividend of HK0.2 cent per share, the payment of which is subject to approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 30 August 2007, is to be payable on 19 September 2007 to shareholders whose names appear on the Register of Members of the Company on 30 August 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 27 to 30 August 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch Share Registrar, Secretaries Limited, at 26 Floor Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 24 August 2007.

REVIEW AND OUTLOOK

Financial review

For the year ended 31 March 2007, the Group recorded revenue of HK$102.1 million as compared to HK$102.2 million last year. Profit attributable to equity holders of the Company were approximately HK$11.4 million, as compared with a profit of approximately HK$13.5 million for the last financial year.

At the year end, the Group maintained a net cash position with cash and bank balances of approximately HK$5.3 million (2006: HK$2.3 million) and short term bank borrowings of approximately HK$3.6 million (2006: HK$14.6 million). Coupled with the completion of placing 100,000,000 shares to institutional investors in June 2007, the Group had sufficient financial resources and will continue to finance its business development by internal resources and short-term bank borrowings.

Operational review

During the year, the Group published and sold 13 local Chinese comics on a weekly or bi-weekly basis and approximately 30 Japanese comics on a monthly basis. The Group also grants comics books licensing to overseas publishers to translate comic books into different languages. The Group's has also diversified its business from traditional comics books to animation-related products.

NUMBERS AND REMUNERATION OF EMPLOYEES

As at 31 March 2007, the Group had 227 (2006: 226) employees. Staff costs (including directors' emoluments) charged to consolidated income statement amounted to approximately HK$37.2 million for the year (2006: HK$37.4 million). All permanent employees were under the remuneration policy of fixed monthly salary with discretionary bonus.

There has been no change to the share option scheme adopted by the Company on 7 October 2002. As at 31 March 2007, 3.1 million share options outstanding have been granted to certain directors, employees, consultants, advisors, customers and business associates (2006: 31.8 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total assets as at 31 March 2007 were approximately HK$271.7 million (2006: HK$235.2 million) which were financed by the shareholders' funds, minority interest and total liabilities of approximately HK$244.3 million (2006: HK$188.1 million), HK$2.4 million (2006: nil) and HK$25.0 million (2006: HK$47.1 million) respectively.

The Group's gearing ratio then computed as total borrowings over shareholders' fund was approximately 3.8% as at 31 March 2007 (31 March 2006: 15.9%).

The directors consider the Group will have sufficient working capital for its operations and financial resources for financing future investment opportunities in suitable business ventures.

The Group had limited exposure to fluctuations in exchange rates and its borrowings, bank balances and cash were mainly denominated in Hong Kong dollars.

CHARGES ON ASSETS

As at 31 March 2007, certain assets of the Group with an aggregate amount of HK$18.7 million (2006: HK$18.8 million) including HK$14.4 million of buildings and prepaid lease payments (2006: HK$14.7 million) and HK$4.3 million of pledge deposit (2006: HK$4.1 million) were pledged to secure general banking facilities granted to the Group.

PROSPECTS

Following the proposed acquisition of a reputable PRC's animations production house in May 2007, we will further our steps by optimizing our value chain of an animations production house and are on the track to become "the leader of comics and animations industry in the Chinese community".

Our wholly owned subsidiary, Jade Dynasty Multi-media Limited proposed to acquire 51% issued capital in a PRC's animations production house, Suzhou Hongyang Cartoon Production Company Limited ("Suzhou Hongyang") and the entire interest of its two associates, namely Nanjing Hongying Anmie-cartoon Entertainment Company Limited ("Nanjing Hongying) and Shanghai Sanding Animation Creation Company Limited ("Shanghai Sanding") (collectively called the "Hongying Group") in May 2007, symbolizing the Group's consistent commitment in becoming the leader of comics and animations industry in the Chinese community. The acquisition is also a significant milestone for sustainable animations development of the Group in the PRC.

Nanjing Hongying possesses some property rights of animations worldwide and in the PRC, enriching our established comics and animations library on top of "Shen Bing Kids" and "Jackie Chan Chinese animated series". Among them, two of its self-developed animations titles, "Yamacha'S" and "Xiangqi Master" have already obtained relevant television broadcasting permits in the PRC from Jiangsu Province Broadcast, Film and TV Bureau and "Yamacha'S" was already released on CCTV's children channel early this year.

Another strong animations production partner that this acquisition brings in is Suzhou Hongyang, one of the largest animations production houses in the PRC. Various big names including CCTV, Disney, Warner Brothers, 20th Century Fox, DIC Entertainment, Les Film de la Perrine, Millimages, Tooncan Productions and Nelvana Limited are its clients. Its clients network scatters around the world including the PRC, Europe, United States and South East Asia.

The acquisition will on one hand create synergies between the Hong Kong and PRC teams and experienced production team of Hongying Group, it will on another hand enable us to launch our own animations titles in form of domestic animations in accordance with the laws, policies and regulations of the PRC through our connections with Nanjing Hongying and Shanghai Sanding, which offer excellent animations distribution platforms. The rich animations portfolio of Hongying Group could also diversify and enrich our animations contents.

The undersupply of domestic animations in the PRC will prevail in the next few years. The acquisition of Hongying Group as well as our landmark animations project, "Shen Bing Kids" in the PRC will both help augmenting the supply of domestic animations in the PRC.

"Shen Bing Kids" project is progressing well with all development and initiatives being effectively worked on. The production of the whole 52 episodes has been completed and its contents have been amended in accordance with the comments of the State Administration of Radio, Film and Television ("SARFT"). We are waiting for the final regulatory procedures and approval from the SARFT for broadcasting the whole 52 episodes, after which is subject to final broadcasting schedule of CCTV. We are optimistic towards getting the green light from the SARFT on broadcasting the whole series of "Shen Bing Kids" in the foreseeable future. At the same time, we are working hard on preparing to roll out the audio-visual products, comics books, peripheral products, after-launch broadcasting network inside and outside the PRC relevant to "Shen Bing Kids" right after its official launch on CCTV in the PRC. Once the broadcasting approval has been granted, we are confident that the Group will benefit from the high growth potential of the derivative products of "Shen Bing Kids" and deliver promising returns to the shareholders.

To further strengthen our presence in the PRC animations market and continue the growth of our animations profile, we have acquired 51% interest of Dragon Animation Limited in late 2006 to produce Chinese animated series using the figure of Jackie Chan, the world-famous film star. The pre-production of the series has been undergoing in full speed. It is anticipated that the new series will bring the Group's animations businesses further to another high following our signature "Shen Bing Kids" project.

With a view to enhancing the publicity of "Shen Bing Kids" in the PRC market after its premiere in CCTV, we are exploring new media opportunities and avenues to raise awareness of our animations contents as well as expand distribution platforms of the derivative products bearing our animations characters.

Revenues derived from our core comics publication business have been steady. During the period under review, we have launched four new home-grown comics. In order to enhance competitiveness of this business segment, a sublimated format of printing has been adopted for certain comics books. The book volume was lengthened to over three times longer than existing Hong Kong comics and yet the book was priced 30% cheaper than Japanese comics. By such, we anticipate our shares in the local comics market will increase in the years ahead. However, this also accounts for a drop in gross profit in the second half since the manuscript fees and other direct production costs including but not limited to printing were much higher. Upon grasping a larger market share, we shall take steps to enhance the gross profit.

We are very glad that our dedication to comics and animations development has been recognized by investors. In May 2007, we raised net proceeds of approximately HK$73.4 million through placing of existing shares and subscription of new shares for sustainable animations development. We placed up to 100,000,000 existing shares at a price of HK$0.76 per placing share to more than six placees and subscribed the same number of new shares via our substantial shareholder, Super Empire Investments Limited.

On account of the foregoing, we increased the dividend payout ratio to acknowledge our shareholders' support in the past and demonstrate our confidence in and commitment to the future of our Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Group is committed to maintaining a high standard of corporate governance. The Board agrees that corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure that all practices can be met with legal and statutory requirements throughout the year.

Compliance with the Model Code for Securities Transaction by Directors of Listed Company Issuers

The Company has adopted of Model Code for Securities Transaction by Directors of Listed Company Issuers "Model Code" Appendix 10 of the Listing Rules to govern securities transactions by the directors. After having made specific enquiry to all directors, all directors confirmed that they complied with the Model Code during the year.

Audit Committee

The Audit Committee comprises three independent non-executive directors and one non-executive director, namely Mr. Ho Yiu Ming (Chairman of the Committee), Mr. Kwong Chi Keung, Mr. Ma Fung Kwok, Mr. Zhang Lichen (resigned on 30 September 2006) and Mr. Zheng Hao Jiang (appointed on 3 October 2006). The Chairman of the Audit Committee is independent non-executive Director. The Group's audited consolidated results for the year ended 31 March 2007 have been reviewed by the Audit Committee of the Company.

Remuneration Committee

The Remuneration Committee comprises three independent non-executive directors, namely, Mr. Kwong Chi Keung (Chairman of the Committee), Mr. Ho Yiu Ming and Mr. Ma Fung Kwok and two executive directors, namely, Mr. Tong Kai Lap (Chairman of the Board) and Mr. Ko Chi Keung. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company'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 RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the website of the Stock Exchange.

The annual report for the year ended 31 March 2007 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the website of the Stock Exchange in due course.

By Order of the Board
Tong Kai Lap
Chairman

Hong Kong, 26 July 2007

As at the date of this announcement, Mr. Tong Kai Lap, Mr. Wan Siu Lun, Mr. Wong Chun Keung, Mr. Ko Chi Keung, Mr. Kwong Chi Tak are executive directors of the Company; Mr. Zheng Hao Jiang is non-executive director of the Company; Mr. Ho Yiu Ming, Mr. Kwong Chi Keung and Mr. Ma Fung Kwok are independent non-executive directors of the Company.