VENTURE INTERNATIONAL INVESTMENT HOLDINGS LIMITED
（宏昌國際投資控股有限公司）*

(incorporated in Bermuda with limited liability)

(Stock Code: 61)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors (the "Directors") of Venture International Investment Holdings Limited (the "Company") announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2006 together with comparative figures for the corresponding period in 2005 as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2006

	Notes	**2006** *HK$'000*	2005 *HK$'000*
CONTINUING OPERATIONS			
Revenue	2	**58,740**	128,884
Direct costs		**(46,069)**	(119,990)
Gross profit		**12,671**	8,894
Other income		**10,915**	8,902
Selling and distribution expenses		**(3,555)**	(4,039)
Administrative expenses		**(27,897)**	(23,948)
Other expenses		**(542)**	(1,046)
Impairment loss of goodwill		**–**	(602)
Impairment loss of available-for-sale investment		**(3,200)**	–
LOSS FROM CONTINUING OPERATIONS		**(11,608)**	(11,839)
Finance costs		**(25)**	(567)
LOSS BEFORE TAX		**(11,633)**	(12,406)
Income tax income	3	**1,642**	2,413
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	6	**(9,991)**	(9,993)
DISCONTINUED OPERATION			
Loss for the year from discontinued operation		**–**	(27,850)
Loss for the year		**(9,991)**	(37,843)
Attributable to:			
– Equity holders of the parent		**(9,991)**	(35,672)
– Minority interests		**–**	(2,171)
		(9,991)	(37,843)
LOSS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS	4		
Basic *(HK$ per share)*		**0.02**	0.07
Diluted *(HK$ per share)*		**N/A**	N/A

* *for identification purpose only*

CONSOLIDATED BALANCE SHEET

Year ended 31 December 2006

	Notes	2006 HK$'000	2005 HK$'000
NON-CURRENT ASSETS			
Fixed assets		**1,379**	1,916
Intangible assets		**47,501**	12,772
Available-for-sale investments		**–**	91,700
		48,880	106,388
CURRENT ASSETS			
Inventories		**8,857**	3,444
Trade receivables	*7*	**22,464**	24,718
Prepayments, deposits and other receivables		**20,353**	16,006
Available-for-sale investments		**66,591**	–
Pledged time deposits		**15,624**	139
Bank balances and cash		**56,630**	52,173
		190,519	96,480
TOTAL ASSETS		**239,399**	202,868
CURRENT LIABILITIES			
Trade payables	*8*	**2,336**	2,002
Tax liabilities		**6,938**	8,993
Accrued liabilities and other payables		**59,115**	35,525
Bank overdraft		**18**	626
Current portion of obligation under finance lease		**–**	203
		68,407	47,349
NET CURRENT ASSETS		**122,112**	49,131
TOTAL ASSETS LESS CURRENT LIABILITIES		**170,992**	155,519
NON-CURRENT LIABILITIES			
Obligation under finance lease		**–**	51
Deferred tax liabilities		**–**	159
		–	210
NET ASSETS		**170,992**	155,309
CAPITAL AND RESERVES			
Share capital		**67,500**	55,735
Reserves		**103,492**	99,574
TOTAL EQUITY		**170,992**	155,309

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Adoption of HKFRS

In 2006, the HKICPA has issued new and revised HKFRS that are effective or available for early adoption for the current accounting period of the Group. The Group adopts the standard, amendments and interpretation, which are relevant to its operation.

The adoption of these new and revised HKFRS did not result in changes to the Group's accounting policies.

The Group has not early adopted the following new and revised HKFRS that have been issued but not yet effective for the current accounting period. It is not expected to have any significant impact on the Group's financial statements.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segment[2]
HK(IFRIC)-int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[3]
HK(IFRIC)-int 8	Scope to HKFRS 2[4]
HK(IFRIC)-int 9	Reassessment of Embedded Derivatives[5]
HK(IFRIC)-int 10	Interim Financial Reporting and Impairment[6]

[1] Effective for annual period beginning on or after 1 January 2007
[2] Effective for annual period beginning on or after 1 January 2009
[3] Effective for annual period beginning on or after 1 March 2006
[4] Effective for annual period beginning on or after 1 May 2006
[5] Effective for annual period beginning on or after 1 June 2006
[6] Effective for annual period beginning on or after 1 November 2006

2. Revenue and other income

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered. All significant intra-Group transactions have been eliminated on consolidation.

3. Income tax income

	2006 Total *HK$'000*	2005 Total *HK$'000*
Current tax on continuing operations:		
Hong Kong	**–**	–
Mainland China	**784**	1,160
Overprovision in prior years	**(2,267)**	(3,499)
	(1,483)	(2,339)
Deferred tax	**(159)**	(74)
Tax Income	**(1,642)**	(2,413)

4. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2006 *HK$'000*	2005 *HK$'000*
Loss attributable to equity holders of the Company		
Continuing operations	**9,991**	7,822
Discontinued operation	**–**	27,850
	9,991	35,672
Weighted average number of ordinary shares in issue (thousands)	**606,667**	516,048
Basic loss per share (HK$ per share)		
Continuing operations	**0.02**	0.02
Discontinued operation	**–**	0.05
Total	**0.02**	0.07

Diluted loss per share amounts are not presented as the share options outstanding during the years had an anti-dilutive effect on the basic loss per share.

5. Segment information

(a) Business segments

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's business segments.

2006

	Banking and finance systems integration services *HK$'000*	Software solution for banks and the public sector *HK$'000*	IT management and support *HK$'000*	Real estate consultancy service *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue:						
Sales to external customers	**51,867**	**644**	**3,440**	**2,789**	**–**	**58,740**
Interest income	**452**	**–**	**1**	**–**	**–**	**453**
Other income	**407**	**270**	**–**	**–**	**–**	**677**
Total	**52,726**	**914**	**3,441**	**2,789**	**–**	**59,870**
Segment results	**(7,991)**	**536**	**1,433**	**(2,828)**	**–**	**(8,850)**
Unallocated interest income						**94**
Unallocated gains						**9,691**
Unallocated expenses						**(12,543)**
Loss from continuing operations						**(11,608)**
Finance costs						**(25)**
Loss before tax						**(11,633)**
Income tax						**1,642**
Loss for the year from continuing operations						**(9,991)**

2005

	Banking and finance systems integration services *HK$'000*	Software solution for banks and the public sector *HK$'000*	IT management and support *HK$'000*	Real estate consultancy service *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue:						
Sales to external customers	124,899	3,462	523	–	–	128,884
Interest income	550	–	2	–	–	552
Other income	5,514	12	–	–	–	5,526
Total	130,963	3,474	525	–	–	134,962
Segment results	(2,017)	1,527	141	–	–	(349)
Unallocated interest income						41
Unallocated gains						2,783
Unallocated expenses						(14,314)
Loss from continuing operations						(11,839)
Finance costs						(567)
Loss before tax						(12,406)
Income tax						2,413
Loss for the year from continuing operations						(9,993)

(b) Geographical segments

2006

	Hong Kong ***HK$'000***	**Elsewhere in the PRC** ***HK$'000***	**Eliminations** ***HK$'000***	**Consolidated** ***HK$'000***
Segment revenue:				
Sales to external customers	**540**	**58,200**	**–**	**58,740**

2005

	Hong Kong *HK$'000*	Elsewhere in the PRC *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue:				
Sales to external customers	524	128,360	–	128,884

6. Loss for the year from continuing operations

The Group's loss from continuing operations has been arrived at after charging (crediting):

	2006 ***HK$'000***	2005 *HK$'000*
Costs of inventories sold and services rendered	**46,069**	119,990
Depreciation	**1,520**	1,754
Amortisation of computer software	**97**	–
Impairment loss recognised in respect of goodwill	**–**	602
Impairment loss of an unlisted investment – Beijing Dongshi Shuangwei Education Technology Co., Limited	**3,200**	–
Equity-settled share-based payments	**1,505**	–
Payments under operating leases in respect of land and buildings	**2,328**	3,171
Auditors' remuneration	**850**	897
Staff costs, excluding directors' remuneration:		
Salaries	**11,432**	10,750
Contribution to defined benefit retirement plans:		
Mainland China	**1,499**	1,394
Hong Kong	**112**	115
Other benefits	**2,588**	1,405
	15,631	13,664
Net exchange gains	**(455)**	(747)
Provision for doubtful debts	**528**	1,045
Write-off of fixed assets	**151**	56

7. Trade receivables

	2006 ***HK$'000***	2005 *HK$'000*
Trade receivables	**63,925**	70,720
Less: Accumulated impairment	**(41,461)**	(46,002)
	22,464	24,718

The ageing analysis of the trade receivables as at the balance sheet date, net of impairment losses, is as follows:

	2006	2005
	HK$'000	*HK$'000*
Current to 90 days	**10,430**	13,865
91 days to 180 days	**2,986**	6,994
181 days to 365 days	**6,540**	3,289
Over 365 days	**2,508**	570
	22,464	24,718

On average, the Group allows a credit period from one to six months to its trade customers.

8. Trade payables

	2006	2005
	HK$'000	*HK$'000*
Trade payables	**2,011**	1,677
Amount due to certain minority shareholders	**325**	325
	2,336	2,002

The ageing analysis of trade payables at the balances sheet date is as follows:

	2006	2005
	HK$'000	*HK$'000*
Current to 90 days	**234**	–
91 days to 180 days	**114**	160
181 days to 365 days	**200**	8
Over 365 days	**1,788**	1,834
	2,336	2,002

There is no amount due to related parties included in the above amounts.

The range of credit period for payments of direct costs of products or services is from one to three months.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial performance

The Group reported a turnover of HK$58,740,000 from its ordinary business in 2006, representing a decrease of 54% compared with its turnover from continuing operations HK$128,884,000 in 2005. The turnover drop was largely due to a decrease in the sales of hardware equipment. Loss from its operating business narrowed by 6% to HK$11,633,000 from an operating loss from continuing operations of HK$12,406,000 in 2005 as a result of improved profit margin.

Gross profit increased 42% from HK$8,894,000 in 2005 to HK$12,671,000 as a result of improved gross profit margin to 22% from 7% in 2005 because of an increase in sales from the maintenance services and real estate consultancy service businesses.

The Group reported a gain of HK$9,290,000 from partial disposal of ChinaCast Communications Holdings Ltd ("ChinaCast").

Loss per share was HK2 cents, compared with HK7 cents per share in 2005.

Final dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2006 (2005: Nil).

Review of core businesses

2006 was a year of transformation for the Group which changed its name to Venture International Investment Holdings Limited to reflect its new identity as a diversified investment holding company.

While the legacy business of providing automatic teller machines ("ATMs") maintenance service through TopAsia Computer Limited and its subsidiaries ("TopAsia Group") remains the core business stream, the Group now holds investments in Acacia Asia Partners Limited ("Acacia"), a provider of computer technology services primarily to the real estate consultancy service businesses in Shanghai, and Grand Panorama, a real estate consulting agency in Shanghai.

As a newly transformed investment holding company, the Group continued to look for opportunities to diversify its interests into areas with high commercial viability. Subsequently, after the close of the 2006 financial year, the Group entered into a Sale and Purchase Agreement to purchase the entire issued capital of an investment holding company that holds a contract to provide management and consultancy services for the cultivation of licorice roots in a piece of grassland in Inner Mongolia.

Legacy Core Business – ATM maintenance service and IT solutions: TopAsia Group

TopAsia Group, which carries on the Group's legacy business of providing ATM repair and maintenance services to the banking and financial sectors in the PRC, continues to remain a core operation and revenue base in 2006. TopAsia Group reported a 20% increase in ATM after-sales services for the year.

TopAsia Group made great strides in customer and market development during the year. Most notable is TopAsia Group's successful bid for Bank of China's ("BOC's") Yunnan branch open tender. The tender was for the provision of after-sales repair and maintenance service for all of BOC's Yunnan branch ATMs which were previously served by two or more service providers. This was a spectacular win for TopAsia Group, a true attestation of its capability and has helped TopAsia Group further strengthened its presence in the southwestern region of China.

TopAsia Group has also become one of the leading ATM services providers to the Bank of Communications in 2006. From 12 after-sale services contracts with the bank's city branches in 2005, the number increased to 29, which represented almost one-third of the bank's total branches of approximately 80.

Besides making great strides in customer and market development, TopAsia Group has also achieved great geographical extension of its business across the huge nation of China during the year in review. In Zhejiang, the number of ATMs under its service more than doubled from less than 200 a year ago to over 400. The company also managed to break into a new market in the northwestern Gansu Province with more than 100 ATMs now under its service. Initial inroads were also made in the Qinghai Province.

In respect of marketing and sales of self-service equipment to financial institutions, TopAsia Group maintained its leading position with new contracts clinched with Zhejiang Postal Bureau, Bank of Shanghai, China Merchants Bank's ("CMB") branches in Shenzhen, Beijing, Xining and Shenyang, Bank of Commerce's branches in Taizhou, Lanzhou and Hangzhou, and Huishang Bank, etc. Increased sales to CMB represented a significant growth driver, and TopAsia Group also succeeded in sustaining its agent and service provider status with CMB in its latest tender.

In addition to the ATM sales and after-sales services business, TopAsia Group continued to develop and market storage facilities to banks and securities enterprises with the world's leading manufacturer EMC. The division was most encouraged by new orders from the Industrial Bank's head office and Shanghai Securities Central Clearing and Registration Corporation.

TopAsia Group also cooperated with IBM and Symantec to develop information management and system security software business. Software application development contracts were signed with Bank of Shanghai and Shanghai Anxin Agricultural Insurance Co. Ltd.

Real estate-related technology services: Acacia
Acacia is a provider of IT management, online and support services including Internet portal and data management services, to real estate agencies in China, primarily Shanghai. Acacia's business development activities were adversely affected by the Chinese Government's policy changes and the imposition of austerity measures to regulate and cool off its seemingly overheated real estate market.

The ban on foreign individuals from investing in the retail residential market, the imposition of capital gains tax and the lowering of the mortgage ceiling to not more than 70%, were a few of the changes which had the most impact on the real estate agency market. For December 2006 alone, transaction volume was down by 20% compared to the same time a year ago.

Real estate agencies which cater predominantly to the middle to luxury sectors of the market were the worst hit. A number of them opted to leave the stricken industry. Unfortunately, these agencies were the target customers for Acacia's web-based real estate data management platforms.

To cope with the unfavorable market environment, Acacia downsized its staff strength and curbed its capital investment to minimize operational cost in the interim. However, the Group remains confident of the long term potential of China's real estate market.

Real estate consultancy services: Grand Panorama
In February 2006, the Group announced the acquisition of the entire share capital of Grand Panorama, a real estate consultancy agency in Shanghai, for HK$30 million. Like Acacia, the division was affected by the latest real estate policy changes in China and failed to meet its guaranteed profit for the year ended December 2006.

However, the Group remains optimistic of the future of the office sector business in Shanghai and Beijing in which Grand Panorama specializes. This area of the real estate business is less speculative and more stable.

New investment: Agricultural project
In February 2007, the Group entered into a Sale and Purchase Agreement to purchase the entire issued capital of Huge Value Development Ltd. ("Huge Value"), an investment holding company incorporated in the British Virgin Islands. Huge Value has entered into a contract with Inner Mongolia Tian Lan Technology Sand Control Estate Limited ("Tian Lan") to provide management and consultancy services to the latter for the cultivation of licorice roots in a piece of grassland of the size of 1 million mu, in Inner Mongolia. The management contract is for 47 years.

Upon the completion of the sales and purchase transaction, Huge Value will become a wholly-owned subsidiary of the Group. It's financial results will be consolidated with the Group.

Licorice root is an important Chinese medicine and it can be used as raw materials for producing food, candies, cosmetics, health products, fire prevention products and construction. Licorice is a native perennial plant of certain regions in China, mainly the Inner Mongolia Autonomous Region. The area in which Huge Value is contracted to manage is located at the main growing centre of licorice roots in China.

The supply and quality of licorice roots from China have been decreasing in the recent years as a result of lack of management of the land in which licorice grows. The demand is however on the increase. This gap in demand and supply will gradually lead to an increase in the price for licorice.

The Group believes that there is a huge market potential for the licorice business in and out of China.

Outlook
The Group's new identity as a diversified investment holding company continued to take shape in 2006, following the completion of various asset restructuring exercises. The strategy is to maintain TopAsia Group as the stable income contributor while injecting new investments into the Group as and when the opportunities come along, as additional growth drivers and for prudent risk dilution.

TopAsia Group anticipates huge growth potential in China for the sale of self-service facilities and the provision of after-sales services in the years ahead. This is because financial and banking institutions are forced to remain geared to improve their competitiveness, cost efficiency and service quality in the face of increasing challenges from the gradual opening of China's financial market to foreign banks. Furthermore, given China's fast economic development and accelerated transformation of its urban and rural areas, the financial industry is poised for tremendous growth in the coming years.

It has been 20 years since the launch of the first ATM in China. There is an estimated 120,000 ATMs, including automatic withdrawal and deposit machines, currently in operation. Relative to China's population and average disposable income per capita, the ratio remains extremely low compared to the more developed countries. Although this means tremendous business potential for automated and non-cash transactions, it will take time for the people, system and infrastructure in China to be able to cope with the transformation from traditional cash-based consumption pattern.

TopAsia Group is not the only one to have identified this market niche, however it has been able to strengthen its leadership over the years through its first-mover advantage, team professionalism, superior geographical coverage, extensive brand portfolio and strong management prowess. Industry competition will only become increasingly fierce with pricing and service quality gaining greater importance as two key factors to business success. TopAsia Group is fully aware of the challenges from falling prices and the emergence of more competitors, but will continue to capitalize on its core strengths to achieve better results in 2007.

Specifically, TopAsia Group will aim at raising profitability through stronger management, tighter cost control and robust business development. It will further expand its customer base and market coverage for the provision of repair and maintenance services to self-service facilities. Business development activities will be targeted at loyal customers such as BOC, Bank of Communications and CMB. At the same time, it will also explore opportunities with major banks such as the Bank of Construction, Agricultural Bank of China and other regional commercial banks. The goal is to achieve a 5% year-on-year increase in the volume of repair and maintenance services.

In respect of marketing and sale of self-service facilities, TopAsia Group aims to achieve a year-on-year growth of 20% through the provision of top-notch services and the cultivation of quality customer relationship. Targeted customers are CMB, regional commercial banks and postal bureaus.

In addition to the ATM business, TopAsia Group will continue to cooperate with EMC and Equal Logic to market storage equipment and contingency back-up systems of all specifications to financial and securities enterprises, and government authorities. It will also strengthen its cooperation with IBM and Symantec to develop new customers for new contracts in software application. More resources will also be devoted to foster supplier relationships, and develop new businesses, partners, and products.

Internally, TopAsia Group will seek to re-affirm its ISO9000 corporate management certification through strict controls on organizational structure, staff number and operating procedures to ensure that optimum management standards and operational capabilities are always in place.

In respect of the Group's real estate related technology and consultancy businesses of Acacia and Grand Panorama, the management is in favor of a more cautious approach for the time being in view of the latest drastic policy changes in China. However, the Group remains confident of the long-term development potential of the real estate market and the provision of real estate-related services in China.

The Group expects to commence the operation of its new agricultural project in Inner Mongolia in April. Through Huge Value, the Group will assist the local company to formulate plans for the proper and efficient cultivation of licorice roots. The supply of licorice roots in China has been on the decline both in quantity and quality in recent years as a result of lack of or improper cultivation. The proper cultivation of licorice roots will ensure that the supply and quality of licorice roots will increase in future and more importantly, lead to land preservation and anti-desertification through control of soil erosion and movement. As this is in line with the Government's national policy and interest, the Group has their full backing and support. The Group believes that through these efforts, it will gain significant recognition and support and access to further land management contracts and other lucrative business opportunities, hence creating greater shareholder value.

EVENTS AFTER THE BALANCE SHEET DATE

(i) Placement of new shares

On 22 January 2007, the Company entered into an agreement to place 110,000,000 new shares to six placees at a placing price of HK$0.22 per share. The net proceeds from the placing received by the Company of approximately HK$23,500,000 was applied towards the Company's general working capital.

(ii) Acquisition of Huge Value

On 12 February 2007, Technology Venture Investments Limited ("TVI"), a wholly owned subsidiary of the Company, entered into an agreement to acquire 100% in the issued capital of Huge Value at a total consideration of HK$78,000,000. Huge Value is engaged in the provision of management and consultancy services for the cultivation of licorice roots in Inner Mongolia.

(iii) Extension of time for fulfillment of profit guarantee

On 22 February 2007, the shareholders approved a supplemental agreement between TVI and vendors of the entire equity interest in Grand Panorama to extend the time for fulfillment of the Profits Guarantee of RMB4,000,000 (approximately HK$4,000,000) and RMB6,000,000 (approximately HK$6,000,000) for the two years ending 31 December 2006 and 2007 to the two years ending 31 December 2007 and 2008 respectively.

(iv) Disposal of investment in ChinaCast Education Corporation

On 8 January 2007, TVI disposed of all of the 33,037,221 shares it owned in the capital of ChinaCast Communication Holdings Limited in exchange for 1,551,771 shares in the capital of ChinaCast Education Corporation (formerly known as Great Wall Acquisition Corporation), the shares of which are quoted on the NASDAQ over-the-counter ("OTC") Bulletin Board in the United States of America.

On 29 March 2007, TVI entered into an agreement to dispose of the said 1,551,771 shares for a consideration of HK$55,000,000 to an independent third party.

LIQUIDITY AND FINANCIAL RESOURCES

Net assets

As at 31 December 2006, the Group recorded total assets of approximately HK$239,399,000 which were financed by liabilities of approximately HK$68,407,000 and equity of approximately HK$170,992,000. The Group's net asset value as at 31 December 2006 increased by 10% to approximately HK$170,992,000 as compared to approximately HK$155,309,000 as at 31 December 2005.

Liquidity

The Group had total cash and bank balances of approximately HK$72,254,000 as at 31 December 2006 (2005: approximately HK$52,312,000). After deducting bank loans and overdrafts of approximately HK$18,000 (2005: approximately HK$626,000), the Group recorded a net cash balance of approximately HK$72,236,000 as compared to that of approximately HK$51,686,000 as at 31 December 2005. As at 31 December 2006, the current ratio was 3 (2005: 2.04) and the gearing ratio was nil (2005: 0.01) which was defined as the Group's interest-bearing bank loans and finance lease payables over its total equity.

Charges on assets

At 31 December 2006, fixed deposits of approximately HK$15,624,000 (2005: HK$139,000) were pledged to banks to secure banking facilities granted.

Treasury policies

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. There was no borrowings outstanding as at 31 December 2006. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and United States dollars ("US dollars").

Contingent liabilities

At 31 December 2006, the Company had no contingent liabilities in relation to guarantees given to banks in connection with facilities granted to certain subsidiaries (2005: HK$20,000,000).

Foreign exchange exposure

The Group mainly earns revenue and incurs costs in US dollars and Renminbi. Foreign exchange exposure of the Group is minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect.

Employee and remuneration policies

As at 31 December 2006, the Group employed approximately 290 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, work experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

AUDIT COMMITTEE

The audit committee ("Audit Committee") of the Company comprising three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Company and has discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group's audited financial statements for the year ended 31 December 2006.

CORPORATE GOVERNANCE

Model Code for Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix 10 of the Listing Rules of the Stock Exchange of Hong Kong Limited (the "Listing Rule"). On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2006.

Compliance with the Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2006 with certain deviations as set out below.

Under the Code provision A.2.1, the roles of the Chairman and Chief Executive Director ("CEO") should be separate and should not be performed by the same individual. Throughout the year ended 31 December 2006, the posts of Chairman and CEO were separately held by Mr. Chan Tze Ngon and Mr. Tang Kin Hung respectively.

As at the date of this report, the roles of Chairman and CEO are both performed by Mr. Tse Michael Nam. The Board considers Mr. Tse's experience and knowledge crucial for the operation of its new business venture and direction of the Group in the near future. The Board does not believe that the current situation will impair the balance of power and authority between the Group and the management and does not currently propose to separate the functions.

Full details on the subject of corporate governance are set out in the Company's 2006 Annual Report.

PUBLICATION OF ANNUAL RESULTS ON THE INTERNET WEBSITE OF THE STOCK EXCHANGE

A results announcement containing the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board
Tse Michael Nam
Chairman

Hong Kong, 13 April 2007

As at the date of this announcement, Mr. Tse Michael Nam and Mr. Chan Tze Ngon are the executive Directors; and Mr. Benedict Tai, Mr. Fu Yan Yan, Ms. Wang Xi Ling and Mr. Lim Yew Kong, John are the independent non-executive Directors.

"Please also refer to the published version of this announcement in International Herald Tribune."