THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrars of Companies" in Appendix III to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). A copy of each of the Prospectus Documents has been filed with the Registrar of Companies in Bermuda in accordance with the Companies Act 1981 of Bermuda. The Registrars of Companies in Hong Kong and Bermuda, the Securities and Futures Commission of Hong Kong and the Bermuda Monetary Authority take no responsibility for the contents of any of these documents.

Dealings in the Shares and the Rights Shares in their nil-paid form and fully-paid form may be settled through the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. You should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

If you are in doubt as to any of the contents of the Prospectus Documents, you should obtain independent professional advice.

GREEN GLOBAL RESOURCES LIMITED

綠色環球資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 61)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY SHARE HELD ON RECORD DATE

Financial adviser to Green Global Resources Limited

OPTIMA CAPITAL

Optima Capital Limited

Underwriter to the Rights Issue

Integrated Capital (Asia) Limited

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 4 August 2008. The procedure for acceptance and transfer is set out on pages 12 and 13 of this prospectus.

It should be noted that the Underwriter may at its sole and absolute discretion terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Time if there occurs any of the following events:

(a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

   (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

   (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

   (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

(b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

(d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or

(e) the circular, this Prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

If, prior to 4:00 p.m. on the third Business Day after the Acceptance Time:

(a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to 4:00 p.m. on the third Business Day after the Acceptance Time which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect and such event comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company to rescind the Underwriting Agreement.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter any reasonable legal fees and other reasonable out of pocket expenses incurred by the Underwriter, except that the 2.5% underwriting fee described above shall not be payable to the Underwriter if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriter pursuant to the Underwriting Agreement. **If the Underwriter exercises its right to terminate the Underwriting Agreement, the Rights Issue will not proceed.**

Dealings in shares were on an ex-rights basis from Monday, 14 July 2008.

Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 23 July 2008 to Wednesday, 30 July 2008 (both days inclusive). If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled (which is expected to be Thursday, 7 August 2008) will accordingly bear the risk that the Rights Issue could not become unconditional and may not proceed.

Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

* *For identification purpose only*

21 July 2008

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In this prospectus, the following expressions have the meanings set out below unless the context otherwise requires:

"Acceptance Time"	4:00 p.m. on the Last Acceptance Date
"acting in concert"	has the meanings ascribed to it in the Takeovers Code
"Announcement"	the announcement of the Company dated 17 June 2008 in relation to the Rights Issue, the Whitewash Waiver and the proposed increase in authorised share capital of the Company
"associate(s)"	has the same meanings ascribed to it in the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day on which banks are generally open for business in Hong Kong other than a Saturday and a Sunday
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Green Global Resources Limited (stock code: 61), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
"Convertible Bonds"	the convertible bonds due 2010 issued by the Company which entitle the holders thereof to convert the outstanding principal amount into new Shares at the prevailing conversion price of HK$0.567 per Share (subject to adjustment) at any time from the date of issue up to and including 1 October 2010
"Director(s)"	director(s) of the Company
"EAF(s)"	the excess application form(s) to be issued in connection with the Rights Issue
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Shareholders"	Shareholders other than (i) Mr. Tse, Mr. Puongpun Sananikone and their respective associates; (ii) Mr. Yam, Integrated Asset, the Underwriter and parties acting in concert with any of them; and (iii) other Shareholders (if any) who are involved or interested in the Underwriting Agreement and the Whitewash Waiver
"Integrated Asset"	Integrated Asset Management (Asia) Limited, a company incorporated in the British Virgin Islands with limited liability, whose shares are wholly and beneficially owned by Mr. Yam
"Last Acceptance Date"	4 August 2008, the last acceptance day of the Rights Issue
"Last Full Trading Day"	11 June 2008, being the last full trading day before the suspension of the trading of the Shares for the purpose of the release of the Announcement
"Latest Practicable Date"	16 July 2008, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus
"Listing Committee"	the listing sub-committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Tse"	Mr. Tse Michael Nam, the Chairman of the Company and an executive Director
"Mr. Yam"	Mr. Yam Tak Cheung
"Non-Qualifying Shareholders"	Overseas Shareholders in respect of whom the Directors, based on legal opinions provided by the legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory bodies or stock exchanges in those places
"Option Holders' Undertakings"	the respective undertakings given by the relevant holders of a total of 171,271,855 Share Options as regards the exercise and transfer of their Share Options
"Overseas Shareholders"	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register are in a place(s) outside Hong Kong

"PAL(s)"	the provisional allotment letter(s) to be issued in connection with the Rights Issue
"PRC"	the People's Republic of China
"Prospectus Documents"	this prospectus, PAL and EAF
"Prospectus Posting Date"	the date of posting the Prospectus Documents to Qualifying Shareholders
"Qualifying Shareholders"	Shareholders, other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
"Record Date"	21 July 2008, being the date by reference to which entitlements to the Rights Issue are to be determined
"Registrar"	Tricor Tengis Limited, the Company's branch share registrar in Hong Kong located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
"Remaining Share Options"	the 15,320,000 Share Options the holders of which have not undertaken to the Company not to exercise such Share Options on or prior to the Record Date
"Rights Issue"	the issue by way of rights of one Rights Share for every Share held on the Record Date at a price of HK$0.108 per Rights Share
"Rights Shares"	new Shares to be issued and allotted under the Rights Issue, being 1,267,422,572 Shares
"Settlement Date"	the date being the third Business Day following the Acceptance Date
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company held at 9:30 a.m. on 21 July 2008 for the purposes of considering and, if thought fit, approving, among others, the Rights Issue, the Whitewash Waiver and the proposed increase in authorised share capital of the Company
"Share(s)"	share(s) of HK$0.10 each in the share capital of the Company

"Share Options"	the options to subscribe for Shares granted to eligible participants of the Company under the share option scheme of the Company adopted on 30 May 2002
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Code on Takeovers and Mergers
"Underwriter"	Integrated Capital (Asia) Limited, a company incorporated in Hong Kong with limited liability whose shares are wholly and beneficially owned by Mr. Yam
"Underwriting Agreement"	the underwriting agreement dated 12 June 2008 and entered into between the Company, the Underwriter, Mr. Yam, Integrated Asset and Mr. Tse in relation to the underwriting and certain other arrangements in respect of the Rights Issue
"Underwritten Shares"	being 1,000,510,572 Rights Shares, representing the total number of Rights Shares to be issued pursuant to the Rights Issue less those Rights Shares which Mr. Tse and Integrated Asset have undertaken to take up
"Whitewash Waiver"	a waiver pursuant to Note 1 to Dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a general offer for all the issued Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it which may otherwise arise as a result of the subscription of the Rights Shares by the Underwriter under the Rights Issue pursuant to the Underwriting Agreement
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"S$"	Singapore dollars, the lawful currency of Singapore
"US$"	United States dollars, the lawful currency of the United States of America
"%" or "per cent."	percentage or per centum

For the purpose of illustration in this prospectus, apart from Appendix I, amounts in RMB, US$ and S$ have been translated into HK$ at the exchange rates of RMB1.0 = HK$1.12, US$1.0 = HK$7.8 and S$1.0 = HK$5.06 respectively.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may at its sole and absolute discretion terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Time if there occurs any of the following events:

(a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

  (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

  (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

  (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

(b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

(d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or

(e) the circular, this prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

If, prior to 4:00 p.m. on the third Business Day after the Acceptance Time:

(a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to 4:00 p.m. on the third Business Day after the Acceptance Time which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect and such event comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company to rescind the Underwriting Agreement.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter any reasonable legal fees and other reasonable out of pocket expenses incurred by the Underwriter, except that the 2.5% underwriting fee described above shall not be payable to the Underwriter if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriter pursuant to the Underwriting Agreement. If the Underwriter exercises its right to terminate the Underwriting Agreement, the Rights Issue will not proceed.

EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Rights Issue. **The timetable is subject to change in accordance with the agreement between the Company and the Underwriter. The Company will notify the Shareholders on any changes to the expected timetable as and when appropriate.**

	2008
Record Date	Monday, 21 July
Announcement of the results of the SGM to be published	by 11:00 p.m. Monday, 21 July
Prospectus Posting Date	Monday, 21 July
Register of members re-opens	Tuesday, 22 July
First day of dealings in nil-paid Rights Shares	Wednesday, 23 July
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Friday, 25 July
Last day of dealings in nil-paid Rights Shares	Wednesday, 30 July
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 4 August
Underwriting Agreement becomes unconditional	4:00 p.m. on Thursday, 7 August
Announcement of the results of the Rights Issue to be published	by 11:00 p.m. Friday, 8 August
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Monday, 11 August
Share certificates for the Rights Shares to be posted on or before	Monday, 11 August
Commencement of dealings in fully-paid Rights Shares	Wednesday, 13 August

Notes:

(i) All times in this prospectus refer to Hong Kong time.

(ii) Effect of bad weather on the latest time for acceptance of and payment for Rights Shares

The latest time for acceptance of and payment for Rights Shares will not take place if there is:

- a tropical cyclone warning signal number 8 or above, or
- a "black" rainstorm warning

    (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Last Acceptance Date. Instead the latest time of acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day;

    (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Last Acceptance Date. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on Last Acceptance Date, the dates mentioned in the section headed "Expected timetable" in this prospectus may be affected. An announcement will be made by the Company in such event.

GREEN GLOBAL RESOURCES LIMITED
綠色環球資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 61)

Executive Directors:
Mr. Tse Michael Nam
Mr. Puongpun Sananikone

Independent non-executive Directors:
Mr. Lim Yew Kong, John
Mr. Albert Theodore Powers
Mr. Pang Seng Tuong

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business:
9th Floor, Wincome Centre
Nos. 39-41 Des Voeux Road Central
Hong Kong

21 July 2008

To the Shareholders and, for information, holders of the Convertible Bonds

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY SHARE HELD ON RECORD DATE

INTRODUCTION

On 17 June 2008, the Company announced, among others, that the Company had entered into the Underwriting Agreement with the Underwriter on 12 June 2008 in relation to the Rights Issue. The Rights Issue is conditional, inter alia, upon the Whitewash Waiver having been granted by the Executive and the approval of the Rights Issue and the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll.

On 14 July 2008, the Executive granted the Whitewash Waiver, which was subject to the approval of the Independent Shareholders by way of poll at the SGM. At the SGM held at 9:30 a.m. on 21 July 2008, the ordinary resolutions approving the Rights Issue and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll.

* *For identification purpose only*

The purpose of this prospectus is to provide you with further details on the Rights Issue including information on dealings in, and acceptance or transfer of, the Rights Shares, and certain financial and other information of the Group.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One Rights Share for every Share held on the Record Date
Number of Shares in issue	:	1,267,422,572 Shares as at the Record Date
Number of Rights Shares	:	1,267,422,572 Rights Shares
Subscription price	:	HK$0.108 per Rights Share
Enlarged issued share capital upon completion of the Rights Issue	:	2,534,845,144 Shares

Qualifying Shareholders

The Company has sent the Prospectus Documents to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder.

Rights of Non-Qualifying Shareholders

No person receiving this prospectus, a PAL or EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself, before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares, as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith.

Based on the register of members of the Company as at the Record Date, there were a total of four Overseas Shareholders with registered addresses in United Kingdom (two) and the PRC (two) (collectively the "Concerned Countries") respectively. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiry regarding the legality and feasibility of extending the Rights Issue to such Overseas Shareholders. Based on the legal opinions from legal advisers in the Concerned Countries, there is no restriction to extend the Rights Issue to such Overseas Shareholders and there are no Non-Qualifying Shareholders for the Rights Issue. Accordingly, the Rights Issue will be extended to such Overseas Shareholders and the Prospectus Documents will be sent to such Overseas Shareholders. Save for the aforesaid Overseas Shareholders, all Shareholders on the Company's register of members as at the Record Date have Hong Kong registered addresses.

Subscription price

The subscription price for the Rights Shares is HK$0.108 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for Rights Shares. The subscription price represents:

(i) a discount of approximately 27.5% to the closing price per Share of HK$0.149 as quoted on the Stock Exchange on 12 June 2008, being the half trading day of the Shares prior to suspension in trading on the same day;

(ii) a discount of approximately 30.3% to the closing price per Share of HK$0.155 as quoted on the Stock Exchange on the Last Full Trading Day;

(iii) a discount of approximately 41.0% to the average of the closing prices per Share of HK$0.183 for the last 5 trading days as quoted on the Stock Exchange up to and including the Last Full Trading Day;

(iv) a discount of approximately 43.5% to the average of the closing prices per Share of HK$0.191 for the last 10 trading days as quoted on the Stock Exchange up to and including the Last Full Trading Day;

(v) a discount of approximately 18.2% to the theoretical ex-rights price of HK$0.132 per Share calculated based on the closing price per Share on the Last Full Trading Day as referred to in (ii) above; and

(vi) a discount of approximately 1.82% to the closing price per Share of HK$0.11 as quoted on the Stock Exchange on the Latest Practicable Date.

The subscription price for the Rights Shares was determined after arm's length negotiations between the Company and the Underwriter with reference to the current market price of the Shares. As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the subscription price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the subscription price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share for every Share held by the Qualifying Shareholders on the Record Date at a subscription price of HK$0.108 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Rights Shares.

Share certificate

It is expected that one share certificate for the fully-paid Rights Shares will be posted by the Registrar, to each of those entitled thereto by ordinary mail at their own risk to their registered addresses on or before Monday, 11 August 2008.

Procedure for acceptance and transfer

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, by no later than 4:00 p.m. on Monday, 4 August 2008. All remittances must be made in Hong Kong dollars (round down to the nearest HK$0.01) and cheques or cashier orders must be drawn on a bank account in Hong Kong and made payable to "**Green Global Resources Limited – Rights Issue Account**" and crossed "Account Payee Only". It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Monday, 4 August 2008, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by no later than 4:00 p.m. on Friday, 25 July 2008 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required.

All cheques or cashier orders will be presented for payment following receipt and all interest earned on such moneys will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities legislations or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder (if any).

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled, the monies received in respect of application for the Rights Shares and/or excess Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint application, to the first-named person without interest, by means of cheques despatched in the ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses on or before Monday, 11 August 2008.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders (if any) and for any Rights Shares provisionally allotted but not accepted.

If the Qualifying Shareholders wish to apply for any Rights Shares in addition to their provisional allotment, they must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the amount payable (round down to the nearest HK$0.01) on application in respect of the excess Rights Shares applied for, with the Registrar, by no later than 4:00 p.m. on Monday, 4 August 2008. All remittances must be made in Hong Kong dollars and cheques or cashier orders must be drawn on a bank account in Hong Kong and made payable to "**Green Global Resources Limited – Excess Application Account**" and crossed "Account Payee Only". The Registrar will notify the Qualifying Shareholders of any allotment of excess Rights Shares made to them, which will be at the discretion of the Directors on a fair and equitable basis, in proportion to the number of excess Rights Shares being applied for under each application, except that preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings.

The Shareholders with the Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. The Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned to that Qualifying Shareholder in full by ordinary mail and at their own risk on or before Monday, 11 August 2008. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application moneys are also expected to be returned to them by ordinary mail and at their own risk on or before Monday, 11 August 2008.

All cheques or cashier orders will be presented for payment following receipt and all interest earned on such moneys will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory outside Hong Kong, and therefore the EAFs may not be used by any person whose registered address is outside

Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for Rights Shares, unless in the relevant territory such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate applicable securities or other laws or regulations.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Shares, in both their nil-paid and fully-paid forms, to be allotted and issued pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted to CCASS.

No part of the share capital of the Company is listed or dealt in or of which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, both in board lots of 2,000, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

Underwriting arrangements

Undertakings from Mr. Tse and Integrated Asset

As at the Latest Practicable Date, (i) Mr. Tse is interested in 50,000,000 Shares, representing approximately 3.95% of the existing issued share capital of the Company; and (ii) Integrated Asset is interested in 216,912,000 Shares, representing approximately 17.11% of the existing issued share capital of the Company. On 12 June 2008, each of Mr. Tse and Integrated Asset has irrevocably undertaken to the Company that the Shares beneficially owned by him or it will not be disposed of from the date of the undertaking up to and including the Record Date and that they will take up their provisional allotments under the Rights Issue in full, representing (i) in the case of Mr. Tse, 50,000,000 Rights Shares; and (ii) in the case of Integrated Asset, 216,912,000 Rights Shares.

Option Holders' Undertakings

Holders of 171,271,855 Share Options have irrevocably undertaken to the Company that they will not exercise their Share Options and that such Share Options will remain registered in the name of and beneficially owned by such holders from the date of such undertaking up to and including the Record Date.

The Underwriting of Rights Shares

Taking into account the number of existing issued Shares as at the Record Date, the undertakings from Mr. Tse and Integrated Asset and the Option Holders' Undertakings, the Underwriter has agreed to fully underwrite 1,000,510,572 Rights Shares at a subscription price of HK$0.108 per Rights Share. The Underwriting Agreement provides that the Underwriter will be obliged to subscribe or procure subscribers for any Rights Shares not taken up by the Qualifying Shareholders or transferee(s) of nil-paid Rights Shares.

Conditions of the Rights Issue

The Rights Issue is conditional, among other things, on the fulfillment of each of the following conditions:

(i) the passing of the relevant resolution(s) by the Independent Shareholders approving the Rights Issue and the Whitewash Waiver at the SGM by way of poll;

(ii) the filing of the Prospectus Documents with the Registrar of Companies in Bermuda in compliance with the Companies Act 1981 of Bermuda on or before the Prospectus Posting Date;

(iii) the Whitewash Waiver having been granted by the Executive;

(iv) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Rights Shares prior to the latest time for termination of the Underwriting Agreement as stipulated therein or such later time as the Underwriter may agree with the Company in writing;

(v) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy each of the Prospectus Documents in the manner described in the Underwriting Agreement not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;

(vi) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;

(vii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms by no later than the Prospectus Posting Date;

(viii) compliance with and performance of all the undertakings and obligations of the Company as provided in the Underwriting Agreement; and

(ix) compliance with and performance of all the undertakings and obligations of Mr. Tse, Integrated Asset and Mr. Yam as provided in the Underwriting Agreement.

Conditions set out above are not capable of being waived. If the conditions of the Rights Issue under the Underwriting Agreement are not fulfilled by the relevant dates and times specified in the Underwriting Agreement (or, in each case, such later date or time as the Underwriter may agree in writing with the Company pursuant to the Underwriting Agreement), the Underwriting Agreement will terminate and no party thereto will have any claim against any other party for costs, damages compensation or otherwise save for any antecedent breaches. If the Underwriting Agreement terminates in accordance with its terms, the Rights Issue will not proceed. The irrevocable undertakings by Mr. Tse, Integrated Asset and the relevant holders of Share Options as described above will lapse.

As at the Latest Practicable Date, condition (iii) has been fulfilled.

Underwriting Commission

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate subscription price of the maximum amount of underwritten shares (i.e. 1,156,306,761) assuming full conversion of the Convertible Bonds and full exercise of the Remaining Share Options on or before Record Date, out of which the Underwriter may pay sub-underwriting fees. Both the Company and the Underwriter consider the underwriting commission is in line with the market rate. The Directors (including the independent non-executive Directors) are also of the view that the commission is fair and reasonable.

Termination of the Underwriting Agreement

The Underwriter may at its sole and absolute discretion terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Time if there occurs any of the following events:

(a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

  (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

(ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

(b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

(d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue, or

(e) the circular, this prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

If, prior to 4:00 p.m. on the third Business Day after the Acceptance Time:

(a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to 4:00 p.m. on the third Business Day after the Acceptance Time which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect and such event comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company to rescind the Underwriting Agreement.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter any reasonable legal fees and other reasonable out of pocket expenses incurred by the Underwriter, except that the 2.5% underwriting fee described above shall not be payable to the Underwriter if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriter pursuant to the Underwriting Agreement. If the Underwriter exercises its right to terminate the Underwriting Agreement, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional upon, inter alia, the fulfillment of the conditions set out above under the section headed "Conditions of the Rights Issue". The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as more particularly described in the sub-section headed "Termination of the Underwriting Agreement" above. The Rights Issue is therefore also subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed.

Any dealing in the Shares from the Latest Practicable Date up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealing in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are advised to consult their own professional advisers.

USE OF PROCEEDS AND REASONS FOR THE RIGHTS ISSUE

The estimated expenses in relation to the Rights Issue are approximately HK$6.9 million. The estimated net proceeds of the Rights Issue are approximately HK$130.0 million. The Company plans to use approximately 80% of the net proceeds for its agro-conservation and bio-energy businesses and approximately 20% for general working capital.

The Rights Issue, which is on a fully underwritten basis, removes, to a certain degree, the completion risk associated with a fund raising exercise such as a private placement on a best-effort basis. In addition, the Rights Issue will not incur any interest expense burden to the Group if compared to bank borrowings. In light of the present volatile capital market, it is preferable to use equity funding to meet the Group's capital requirements. Also, taking into account the recent stock market conditions, the Rights Issue is likely to be the most equitable and preferred mode of securing such equity funding. The Directors (including independent non-executive Directors) believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole given that the Rights Issue will increase the capital base of the Group.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in agro-conservation, cultivation of raw materials for the bio-energy industry, distribution of information technology products, provision of computer technology services, and the carrying on of property agency business.

The Group's principal business had been in information technology related business and services, as well as property agency and consultancy services. However, in late 2007, the Group began to shift its business focus to the agro-conservation and bio-energy sectors. Since then, the Group has made significant progress in these promising business sectors and the Group successfully achieved several milestones to grow the these businesses further:

(i) in the second half of 2007, the Group first entered into China's agro-conservation sector and was given access to land use rights for the cultivation of 1,800,000 Chinese mu of licorice and 2,200,000 Chinese mu of salix in Inner Mongolia. During 2007, the Group planted 8,000 Chinese mu of licorice and 200,000 Chinese mu of salix;

(ii) in late 2007, the Group's first bio-energy project was launched in Hainan, the PRC with the establishment of a joint venture to set up a nursery of 1,500 Chinese mu to grow jatropha curcas saplings. Jatropha curcas seeds have a high level of oil content and are believed to be one of the most economical and practical raw materials for the sustained production of environmentally friendly bio-diesel;

(iii) in March 2008, the Group entered into a cooperation agreement with a Chinese partner to participate in a project initiated by the municipal government of Hang Jin Qi Inner Mongolia involving the planting of 200,000 Chinese mu of licorice over the next three years and 5,000,000 Chinese mu of salix over the next five years;

(iv) in March 2008, the Group entered into a long term cooperation agreement with a local partner for the sale of jatropha curcas saplings, the plantation of jatropha curcas trees and the future supply of jatropha curcas seeds so as to provide a steady and reliable supply of jatropha curcas seeds to the Group; and

(v) in March 2008, the Group entered into a cooperation agreement with the National Authority for Science and Technology in Laos to establish three commercially based bio-energy research and development and training centres in Laos. The Group aims to develop its Laos operation into another important base for the Group's jatropha curcas based bio-energy business.

It is the Company's vision to become a leading producer of regenerative and renewable energy resources. To this end, the management endeavors to accelerate its penetration into these industries and establish its competitive edge in these businesses. The new capital raised from the Rights Issue will provide the funding necessary for the Group to carry out and fulfill its obligations in the projects in Inner Mongolia, Hainan and Laos (as mentioned above) and to further expand its businesses in these regions. It is expected that the Company's focus on and investments in the agro-conservation and bio-energy businesses and projects will generate sustainable financial growth and value for the Company and Shareholders in the coming years.

ADJUSTMENTS TO CONVERSION PRICE OF THE CONVERTIBLE BONDS AND EXERCISE PRICES AND NUMBER OF THE SHARE OPTIONS

Adjustments to the conversion price of the outstanding Convertible Bonds in issue and the exercise prices and numbers of the outstanding Share Options may be required under the relevant terms of the instrument constituting the Convertible Bonds and the share option scheme of the Company. An approved investment bank will be appointed to certify the necessary adjustments, if any, to the conversion price of the outstanding Convertible Bonds and the exercise prices and numbers of the outstanding Share Options. Further announcement will be made by the Company in this regard.

PREVIOUS FUND RAISING EXERCISES OF THE COMPANY

The fund raising exercises conducted by the Company in the past 12 months immediately preceding the date of the Announcement are set out below:

Date of announcement	Description	Net proceeds	Intended use of net proceeds as announced	Actual use of proceeds
26 February 2008	Subscription of new Shares	Approximately HK$49.65 million	For the new agriculture businesses and general working capital	All proceeds have been utilised as intended
16 June 2007	Top-up placing	Approximately HK$113 million	For financing the possible acquisition of or participation in any potential investments or project which is/are in line with the principal business of the Group	All proceeds have been utilised as intended *(note)*

Note: The proceeds have been utilised as to approximately HK$70 million for the acquisition of Quest Asia Development Limited, approximately HK$28 million for the setting up to a joint venture and approximately HK$15 million for the general working capital of the Group (details of the acquisition of Quest Asia Development Limited and the setting up of the joint venture are set out in the circulars of the Company dated 16 August 2007 and 25 October 2007 respectively).

SHAREHOLDING IN THE COMPANY

The table below depicts the possible shareholding structure of the Company as at the Latest Practicable Date and the possible changes upon completion of the Rights Issue, on the basis of the public information available to the Company on the Latest Practicable Date and after the Directors having made reasonable enquiries:

Shareholders	As at the Latest Practicable Date		Upon completion of the Rights Issue			
			Nil subscription by public Shareholders *(Note 1)*		100% subscription by public Shareholders *(Note 2)*	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Integrated Asset	216,912,000	17.11	433,824,000	17.11	433,824,000	17.11
Underwriter	–	–	1,000,510,572	39.47	–	–
Total holding of Integrated Asset, the Underwriter and parties acting in concert with any of them (Note 3)	216,912,000	17.11	1,434,334,572	56.58	433,824,000	17.11
Mr. Tse	50,000,000	3.95	100,000,000	3.95	100,000,000	3.95
Public Shareholders	1,000,510,572	78.94	1,000,510,572	39.47	2,001,021,144	78.94
Total	1,267,422,572	100.00	2,534,845,144	100.00	2,534,845,144	100.00

Notes:

1. Assuming no Qualifying Shareholders other than Mr. Tse and Integrated Asset take up the Rights Shares provisionally allotted to them and all the Underwritten Shares are taken up by the Underwriter.

2. Assuming all the Qualifying Shareholders take up all the Rights Shares provisionally allotted to them.

3. Integrated Asset and the Underwriter are both wholly and beneficially owned by Mr. Yam. As at the Latest Practicable Date, save for the shareholding of Integrated Asset, no other parties acting in concert with Integrated Asset, the Underwriter and Mr. Yam holds any Shares.

PERMISSION OF THE BERMUDA MONETARY AUTHORITY

General permission under the Exchange Control Act 1972 of Bermuda and regulations made thereunder has been granted by the Bermuda Monetary Authority for the issue by the Company of its Shares to persons regarded as non-residents of Bermuda for exchange control purposes for so long the Shares are listed on the Stock Exchange. In granting such permission and in accepting the Prospectus Documents for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for the financial soundness of the Group or for the correctness of any statements made or opinions expressed in the Prospectus Documents.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

On behalf of the board of
Green Global Resources Limited
Tse Michael Nam
Chairman

1. FINANCIAL SUMMARY AND AUDITORS' REPORTS

A summary of the published results, assets and liabilities of the Group as extracted from the respective annual report of the Company is set out below:

(i) Results

	For the year ended 31 December		
	2007	**2006**	**2005**
	HK$'000	*HK$'000*	*HK$'000*
Turnover			
– Continuing operations	72,252	58,740	128,884
– Discontinued operations	–	–	96,224
	72,252	58,740	225,108
Loss before tax			
– Continuing operations	(36,048)	(11,633)	(12,406)
– Discontinued operations	–	–	(27,110)
	(36,048)	(11,633)	(39,516)
Income tax (expenses) credit	(1,209)	1,642	1,673
Loss for the year	(37,257)	(9,991)	(37,843)
Attributable to:			
Equity holders of the Company	(37,679)	(9,991)	(35,672)
Minority interests	422	–	(2,171)
	(37,257)	(9,991)	37,843
Dividends	–	–	–
Loss per share			
Basic	HK$0.04	HK$0.02	HK$0.07
Diluted	N/A	N/A	N/A

(ii) Assets and liabilities

	As at 31 December		
	2007	**2006**	**2005**
	HK$'000	*HK$'000*	*HK$'000*
Total assets	520,749	239,399	202,868
Total liabilities	(195,399)	(68,407)	(47,559)
Net assets	325,350	170,992	155,309
Capital and reserves attributable to the Company's equity holders	322,795	170,992	155,309
Minority interests	2,555	–	–
	325,350	170,992	155,309

Notes:

1. No qualified opinion has been issued by the Company's auditors in respect of the financial statements for the three financial years.

2. There were no exceptional items or extraordinary items in each of the three financial years ended 31 December 2007.

2. AUDITED FINANCIAL STATEMENTS

Set out below are the audited financial statements together with the relevant notes thereto as extracted from the annual report of the Company for the year ended 31 December 2007.

"**Consolidated Income Statement**
For the year ended 31st December 2007

	NOTES	**2007** *HK$'000*	**2006** *HK$'000*
Turnover	9	72,252	58,740
Cost of sales		(57,546)	(46,069)
Gross profit		14,706	12,671
Other operating income	9	21,764	1,625
Gain on disposal of available-for-sale investments		21,844	9,290
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	21	11,255	–
Selling and distribution expenses		(4,786)	(3,555)
Administrative expenses		(50,500)	(27,897)
Other operating expenses		(7,718)	(542)
Profit (loss) from operations	10	6,565	(8,408)
Impairment loss recognised in respect of goodwill		(40,771)	–
Impairment loss of unlisted available-for-sale investment		–	(3,200)
Finance costs	11	(1,842)	(25)
Loss before taxation		(36,048)	(11,633)
Income tax (expense) credit	12	(1,209)	1,642
Loss for the year		(37,257)	(9,991)
Attributable to:			
Equity holders of the Company		(37,679)	(9,991)
Minority interests		422	–
		(37,257)	(9,991)
Loss per share			
Basic	13	HK$0.04	HK$0.02
Diluted		N/A	N/A

Consolidated Balance Sheet
As at 31st December 2007

	NOTES	2007 HK$'000	2006 HK$'000
Non-current assets			
Plant and equipment	16	8,230	1,379
Deferred plantation expenditure	17	33,000	–
Deposit for plantation expenditure		34,808	–
Intangible assets	18	165,225	1,696
Goodwill	19	156,873	45,805
		398,136	48,880
Current assets			
Inventories	20	5,192	8,857
Biological assets	21	12,071	–
Available-for-sale investments	22	–	66,591
Trade and other receivables	23	32,411	42,817
Bank balances and cash	24		
– pledged		–	15,624
– unpledged		72,939	56,630
		122,613	190,519
Current liabilities			
Trade and other payables	25	70,623	61,451
Income tax liabilities		7,109	6,938
Bank overdrafts	24	–	18
		77,732	68,407
Net current assets		44,881	122,112
Total assets less current liabilities		443,017	170,992
Capital and reserves			
Share capital	26	103,526	67,500
Reserves		219,269	103,492
Equity attributable to equity holders of the Company		322,795	170,992
Minority interests		2,555	–
Total equity		325,350	170,992
Non-current liabilities			
Convertible loan notes	27	75,878	–
Deferred tax liability	28	41,789	–
		117,667	–
		443,017	170,992

Consolidated Statement of Changes in Equity
For the year ended 31st December 2007

	Attributable to equity holders of the Company											
	Share capital	Share premium	Contri-buted surplus	Exchange translation reserve	Other reserve	Convertible bonds reserve	Share options reserve	Statutory surplus reserve	Accum-ulated losses	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* *(note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2006	55,735	342,312	(19)	394	10,228	–	–	–	(253,341)	155,309	–	155,309
Gain on fair value changes of available-for-sale investments and recognised directly in equity	–	–	–	–	11,431	–	–	–	–	11,431	–	11,431
Exchange difference arising on translation of overseas operation	–	–	–	738	–	–	–	–	–	738	–	738
Loss for the year	–	–	–	–	–	–	–	–	(9,991)	(9,991)	–	(9,991)
Total recognised income and expenses for the year	–	–	–	738	11,431	–	–	–	(9,991)	2,178	–	2,178
Issue of consideration shares	11,765	235	–	–	–	–	–	–	–	12,000	–	12,000
Recognition of equity-settled share based payments	–	–	–	–	–	–	1,505	–	–	1,505	–	1,505
At 31st December 2006	67,500	342,547	(19)	1,132	21,659	–	1,505	–	(263,332)	170,992	–	170,992
Reserve released on disposal	–	–	–	–	(21,659)	–	–	–	–	(21,659)	–	(21,659)
Exchange difference arising on translation of overseas operation	–	–	–	2,465	–	–	–	–	–	2,465	–	2,465
Loss (profit) for the year	–	–	–	–	–	–	–	–	(37,679)	(37,679)	422	(37,257)
Transfer from accumulated losses	–	–	–	–	–	–	–	576	(576)	–	–	–
Total recognised income and expenses for the year	–	–	–	2,465	(21,659)	–	–	576	(38,255)	(56,873)	422	(56,451)
Issue of convertible loan notes	–	–	–	–	–	29,225	–	–	–	29,225	–	29,225
Issue of shares upon												
– placement of shares	27,000	109,730	–	–	–	–	–	–	–	136,730	–	136,730
– conversion of convertible loan notes	3,880	18,217	–	–	–	(5,358)	–	–	–	16,739	–	16,739
– exercise of share options	5,146	5,233	–	–	–	–	(2,769)	–	–	7,610	–	7,610
Recognition of equity-settled share based payments	–	–	–	–	–	–	18,372	–	–	18,372	–	18,372
Capital contributed by minority shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	2,133	2,133
At 31st December 2007	103,526	475,727	(19)	3,597	–	23,867	17,108	576	(301,587)	322,795	2,555	325,350

Note: Subsidiaries in the People's Republic of China have appropriated 10% of the profit to the statutory surplus reserve which is required to be retained in the accounts of the subsidiaries for specific purposes.

Consolidated Cash Flow Statement

For the year ended 31st December 2007

	NOTES	2007 HK$'000	2006 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		(36,048)	(11,633)
Adjustments for:			
Bad debt directly written off		4,257	–
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets		(11,255)	–
Impairment loss recognised in respect of goodwill		40,771	–
Impairment loss recognised in respect of intangible assets		1,173	–
Impairment loss recognised in respect of trade receivables		2,296	528
Loss on disposal of a subsidiary		1	–
Interest income		(1,987)	(547)
Amortisation of intangible assets		2,571	97
Depreciation		1,285	1,520
Impairment loss of unlisted available-for-sale investment		–	3,200
Loss on disposal of plant and equipment		71	151
Gain on disposal of plant equipment		(30)	(400)
Gain on disposal of available-for-sale investments		(21,844)	(9,290)
Finance costs		1,842	25
Share-based payment expenses		18,372	1,505
Operating cash flow before movements in working capital		1,475	(14,844)
Decrease (increase) in inventories		4,279	(5,413)
Decrease (increase) in trade and other receivables		3,886	(726)
(Decrease) increase in trade and other payables		(12,169)	20,076
Increase in biological assets		(275)	–
Cash used in operations		(2,804)	(907)
PRC enterprise income tax paid		(1,038)	(620)
NET CASH USED IN OPERATING ACTIVITIES		(3,842)	(1,527)

	NOTES	2007 HK$'000	2006 HK$'000
INVESTING ACTIVITIES			
Acquisition of subsidiaries	30	(139,191)	(19,639)
Deposit for plantation expenditure		(34,808)	–
Payment of deferred plantation expenditure		(33,541)	–
Purchases of plant and equipment		(8,127)	(537)
Proceeds from disposal of available-for-sale investments		67,578	42,630
Decrease (increase) in pledged time deposits		15,624	(15,485)
Interest received		1,987	547
Decrease (increase) in other time deposits with maturity of more than three months when acquired		1,281	(39,907)
Proceed from disposal of a subsidiary	31	248	–
Proceeds from disposal of plant and equipment		30	400
Acquisition of intangible assets		–	(1,796)
NET CASH USED IN INVESTING ACTIVITIES		(128,919)	(33,787)
FINANCING ACTIVITIES			
Interest paid		–	(1)
Repayment of obligations under finance lease		–	(254)
Interest paid for obligations under finance lease		–	(24)
Proceeds from issue of shares		136,730	–
Proceeds from exercise of share options		7,610	–
Contribution from minority shareholders		2,133	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES		146,473	(279)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		13,712	(35,593)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		16,705	51,547
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,136	751
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	24	31,553	16,705

Notes To The Consolidated Financial Statements

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the Annual Report.

The financial statements are presented in Hong Kong dollars ("HK$"), and the functional currency of the Company is in Renminbi ("RMB").

As the Company is listed in Hong Kong, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK$.

The principal activity of the Company is investment holding. During the year, the Company and its subsidiaries (the "Group") was principally involved in the distribution of information technology products, the provision of computer technology services and the carrying on of property agency business in the People's Republic of China (the "PRC"). During the year, the Company also embarked on the new businesses of agro-conservation and the cultivation of raw materials for the bio-energy industry.

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

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1st January 2007.

Hong Kong Accounting Standard ("HKAS") 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Interpretation ("INT") 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
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

The adoption of the new HKFRSs had 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 not early applied the following new and revised standards, amendment and interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Cost[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statement[5]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combination[5]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-INT 11	HKFRS 2: Group and Treasury Share Transactions[2]
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 1st January 2009.
2 Effective for annual periods beginning on or after 1st March 2007.
3 Effective for annual periods beginning on or after 1st January 2008.
4 Effective for annual periods beginning on or after 1st July 2008.
5 Effective for annual periods beginning on or after 1st July 2009.

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

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 Stock Exchange and by the Hong Kong Companies Ordinance.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(b) Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

(d) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Research and development expenditures

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(e) Plant and equipment

Plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

(f) Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy on impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured as cost less any identified impairment losses at each balance sheet date subsequent to initial recognition (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collective payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credit to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified as other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including trade and other payables and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

Convertible loan notes

Convertible loan notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised (in which case the balance stated in convertible loan notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible loan notes equity reserve will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(g) Biological assets

Biological assets are living plants involved in the agricultural activities of the transformation of biological assets for sales, into agricultural produce or into additional biological assets. Biological assets are measured at fair value less estimated point-of-sale costs at initial recognition and at each balance sheet date. The fair value of biological assets is determined based on either the present value of expected net cash flows from the biological assets discounted at a current market-determined pre-tax rate or the market price with reference to the species, growing condition, cost incurred and expected yield of the crops.

The agricultural produce is initially measured at fair value less estimated point-of-sale costs at the time of harvest. The fair value of agricultural produce is measured at the market prices in the local market. The fair value less estimated point-of-sale costs at the time of harvest is deemed as the cost of agricultural produce for further processing.

The gain or loss arising on initial recognition of biological asset at fair value less estimated point-of-sale costs is recognised in the consolidated income statement for the period in which it arises.

(h) Deferred plantation expenditure

Deferred plantation expenditure is stated at cost less accumulated amortisation and accumulated impairment. Amortisation is charged to the cost of biological assets on a straight-line basis over the period of thirty years.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

(j) Impairment losses on tangible and intangible assets with finite useful lives

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

i) Sale of goods

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.

ii) Service income

Service income is recognised when services are provided.

iii) Management fee income

Management fee income is recognised when services are provided.

iv) Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(l) Equity settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of the services received, unless the fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses immediately, unless the services qualify for recognition as assets.

(m) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(n) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange translation reserve.

(o) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessess. All other leases are classified as operating leases.

The Company as lessee

Asset held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the income statement.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(p) Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are deducted in reporting the related expense/are reported separately as "other operating income".

(q) Retirement benefit costs

Payments to state-managed retirement benefit scheme and the defined contribution schemes are charged as an expense when employees have rendered service entitling them to the contributions.

(r) Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in which they are incurred.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st December 2007, the carrying amount of goodwill was approximately HK$156,873,000. Details of impairment testing on goodwill are set out in note 19(a).

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual values. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Impairment loss recognised in respect of trade receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customer collection issues that its has been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

Impairment of plant and equipment

The impairment loss for plant and equipment are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of estimates such as the future revenue and discount rates. No impairment was provided during the year.

Fair values of biological assets

The Group's management determines the fair values less estimated point-of-sale costs of biological assets on initial recognition and at each balance sheet date with reference to the market prices, cultivation area, species, growing conditions, cost incurred and expected yield of the crops.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes convertible loan notes disclosed in note 27, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2007	**2006**
	HK$'000	*HK$'000*
Available-for-sale investments	–	66,591
Loans and receivables (including cash and cash equivalents)	105,350	115,071
Financial liabilities at amortised cost	146,501	61,469

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity investments, trade and other receivables, trade and other payables, bank balances and cash, and bank overdrafts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Currency risk refers to the risk associated with movements in foreign currency rates which will affect the Group's financial results and its cashflow. The management considers the Group is not exposed to significant foreign currency risk as the majority of its operations and transactions are in the PRC with their functional currency of RMB.

For the year ended 31st December 2007 and 2006, the Group mainly earns revenue in RMB and incurs costs in HK$ and RMB. Although, the Group currently does not have any foreign currency hedging policies, it manages its currency exposure by ensuring that the revenue earned in RMB are used to pay for RMB denominated costs. Funds raised from financing activities which are mainly in HK$ are used to pay for HK$ expenses and HK$ costs of acquisitions.

The directors do not expect the appreciation of the RMB against the HK$ to have any material adverse effect on the operation of the Group.

Interest rate risk

As the Group has no significant interest-bearing liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts owing to the Group, resulting in a loss to the Group. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as end of the financial year in relation to each class of recognised financial assets in the carrying amount of those assets as stated in the consolidated balance sheet.

The Group has no significant credit risks as it has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining substantial collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults, The Group only transacts with entities with good repayment history.

The Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

Agricultural activity

The Group's revenue depends significantly on the ability to harvest agricultural products at adequate levels. The ability to harvest agricultural products and the growth of the agricultural products in the plantation may be affected by infavourable local weather conditions and natural disasters such as earthquakes, fire, disease, insect infestation and pests are examples of such events. The occurrence of severe weather conditions or natural disasters may impede the Group's agro-conservation and bio-energy operations or the growth of the agricultural products in the plantations, which in turn may have a material adverse effect on the Group's performance.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivatives financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity risk tables

	Weighted average effective interest rate	**Within 1 year or on demand**	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**Total undiscounted cash flows**	**Carrying amount at 31st December**
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2007						
Non-derivative financial liabilities						
Trade and other payables	–	70,623	–	–	70,623	70,623
Convertible loan notes	9.75	–	–	98,000	98,000	75,878
		70,623	–	98,000	168,623	146,501
2006						
Non-derivative financial liabilities						
Trade and other payables	–	61,451	–	–	61,451	61,451
Bank overdraft	17.75	18	–	–	18	18
		61,469	–	–	61,469	61,469

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into six (2006: four) operating divisions – agro-conservation, bio-energy, banking and finance systems integration services, software solutions for banks and the public sector, IT management and support and real estate consultancy service.

Principal activities are as follows:

Agro-conservation	–	Agricultural cultivation and land conservation
Bio-energy	–	Cultivation of raw materials for the bio-energy industry
Banking and finance systems integration services	–	Provision of system integration, software development, engineering, maintenance and professional outsourcing services for the banking and finance, telecommunications and public sector clients
Software solutions for banks and the public sector	–	Provision of software solutions for the banking, e-commerce and public sectors with a business focus on e-business operations and online marketplaces
IT management and support	–	Provision of IT management and support services to small and medium-sized property agents
Real estate consultancy service	–	Provision of real estate consultancy services for the Shanghai property market

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

(i) BUSINESS SEGMENTS

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

	Agro-conservation		Bio-energy		Banking and finance systems integration services		Software solutions for banks and the public sector		IT management and support		Real estate consultancy service		Consolidated	
	2007	2006	2007	2006	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*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER														
Sales to external customers	–	–	–	–	65,621	51,867	572	644	442	3,440	5,617	2,789	72,252	58,740
RESULT														
Segment results	12,703	–	3,805	–	(1,399)	(7,991)	237	536	(5,799)	1,433	4,715	(2,828)	14,262	(8,850)
Unallocated income													24,185	9,785
Unallocated expenses													(31,882)	(12,543)
Impairment loss recognised in respect of goodwill	–	–	–	–	–	–	–	–	(12,772)	–	(27,999)	–	(40,771)	–
Finance costs													(1,842)	(25)
Loss before taxation													(36,048)	(11,633)
Income tax (expense) credit													(1,209)	1,642
Loss for the year													(37,257)	(9,991)

	Agro-conservation		Bio-energy		Banking and finance systems integration services		Software solutions for banks and the public sector		IT management and support		Real estate consultancy service		Consolidated	
	2007	2006	2007	2006	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*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS														
Segment assets	364,883	–	43,772	–	98,238	102,112	74	150	225	18,408	9,002	35,976	516,194	156,646
Unallocated corporate assets													4,555	82,753
Total assets													520,749	239,399
LIABILITIES														
Segment liabilities	(192)	–	(50)	–	(41,245)	(51,072)	(126)	(469)	(807)	(1,526)	(5,489)	(5,305)	(47,909)	(58,372)
Unallocated corporate liabilities													(147,490)	(10,035)
Total liabilities													(195,399)	(68,407)
Other segment information														
Cash and bank balances included in segment assets	152	–	2,151	–	67,227	56,452	5	2	7	33	256	105	69,798	56,592
Unallocated amounts													3,141	38
													72,939	56,630

	Agro-conservation		Bio-energy		Banking and finance systems integration services		Software solutions for banks and the public sector		IT management and support		Real estate consultancy service		Consolidated	
	2007	2006	2007	2006	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*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Pledged time deposits included in segment assets	–	–	–	–	–	15,624	–	–	–	–	–	–	–	15,624
Depreciation and amortisation	2,054	–	107	–	384	1,189	–	–	676	121	373	159	3,594	1,469
Unallocated amounts													262	148
													3,856	1,617
Loss on disposal of plant and equipment	–	–	–	–	–	(1)	–	–	–	(2)	(55)	(148)	(55)	(151)
Unallocated amounts													(16)	–
													(71)	(151)
Capital expenditure	193	–	6,675	–	231	4	–	–	–	112	416	390	7,515	506
Unallocated amounts													887	31
													8,402	537
Bad debts directly written off	–	–	–	–	–	–	–	–	4,041	–	–	–	4,041	–
Unallocated amounts													216	–
													4,257	–
Impairment loss of unlisted available-for-sale investment – unallocated amounts	–	–	–	–	–	–	–	–	–	–	–	–	–	3,200
Impairment loss recognised in respect of trade receivables	–	–	–	–	1,706	273	–	–	–	–	590	255	2,296	528
Impairment loss recognised in respect of intangible assets	–	–	–	–	–	–	–	–	1,173	–	–	–	1,173	–
Gain on disposal of plant and equipment – unallocated amounts	–	–	–	–	–	–	–	–	–	–	–	–	(30)	(400)

(ii) GEOGRAPHICAL SEGMENTS

The following table present revenue and certain asset and expenditure information for the Group's geographical segments.

	Hong Kong		Elsewhere in the PRC		Laos		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*
Segment revenue								
Sales to external customers	572	540	71,680	58,200	–	–	72,252	58,740
Segment assets	4,629	86,936	507,826	152,463	8,294	–	520,749	239,399
Other segment information								
Capital expenditure	886	31	7,516	506	–	–	8,402	537

9. TURNOVER AND OTHER OPERATING INCOME

Turnover represents invoiced value of sales, net of returns, discounts allowed and sales taxes where applicable and providing computer technology and real estate consultancy services. Revenues recognised during the year are as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Turnover		
Sale of goods	43,247	34,181
Rendering of computer technology services	23,388	21,770
Rendering of real estate consultancy services	5,617	2,789
	72,252	58,740
Other operating income		
Interest income	1,987	547
Over-provision of business tax in previous years	–	195
Gain on disposal of plant and equipment	30	400
Government grants	158	401
Exchange gain	3,765	–
Consultancy service income	8,000	–
Management service income	7,467	–
Sundry income	357	82
	21,764	1,625
Total revenues	94,016	60,365

10. PROFIT (LOSS) FROM OPERATIONS

	2007 HK$'000	2006 HK$'000
Profit (loss) from operations has been arrived at after charging:		
Auditor's remuneration		
– Current year	800	850
– Overprovision for previous years	(25)	–
	775	850
Amortisation of intangible assets	2,571	97
Bad debts directly written off	4,257	–
Costs of inventories sold and services rendered	57,546	46,069
Depreciation	1,285	1,520
Directors' emoluments *(Note 15)*	4,588	6,077
Impairment loss recognised in respect of intangible assets	1,173	–
Impairment loss recognised in respect of trade receivables	2,296	528
Loss on disposal of a subsidiary	1	–
Loss on disposal of plant and equipment	71	151
Payments under operating leases in respect of land and buildings	3,690	2,328
Staff costs (excluding directors' emoluments) *(Note 14)*	18,061	16,233
Share-based payment expenses (excluding staff and directors)	17,217	801

11. FINANCE COSTS

	2007 HK$'000	2006 HK$'000
Interest expenses on:		
– bank overdrafts and borrowings wholly repayable within five years	–	1
– obligations under finance leases	–	24
– effective interest expenses on convertible loan notes *(Note 27)*	1,842	–
	1,842	25

12. INCOME TAX EXPENSE (CREDIT)

	2007 HK$'000	2006 HK$'000
PRC Enterprise Income Tax		
– current	1,200	784
– under(over) provision in prior years	9	(2,267)
	1,209	(1,483)
Deferred tax *(Note 28)*	–	(159)
	1,209	(1,642)

(i) Hong Kong Profits Tax has not been provided for in the consolidated financial statements as there was no estimated assessable profit derived from both years.

(ii) Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(iii) In accordance with the relevant regulations, approvals from relevant local tax bureaus and Foreign Enterprise Income Tax Law in the PRC, two subsidiaries operating in the PRC are entitled to exemption from PRC income tax in the first two years from the first profit-making year, followed by a 50% reduction of PRC income tax for the next three years and thereafter, preferential treatments which are subject to the relevant law and regulation.

(iv) In accordance with the relevant regulations for Foreign Enterprise Income Tax Law in the PRC, one subsidiary was taxed at 27% (2006: 27%) and another at the domestic rate of 33% (2006: 33%).

(v) On 16th March 2007, the PRC promulgated the Law of the People's Republic of China on enterprise income tax (the "New Law"). On 6th December 2007, the state council of the PRC issued Implementation Regulations of the New Law. Pursuant to the New Law and Implementation Regulations, the enterprise income tax for both domestic and foreign-invested enterprises will be unified at 25% effective from 1st January 2008. There will be a transitional period for the PRC subsidiaries that are currently entitled to preferential tax treatments granted by the relevant tax authorities. PRC subsidiaries currently subject to an enterprise income tax rate lower than 25% will continue to enjoy the lower tax rate and be gradually transitioned to the new unified rate of 25% within five years after 1st January 2008. The tax rate applicable to the PRC subsidiaries are subject to the approval by the tax authority.

The income tax expense (credit) for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Loss before taxation	(36,048)	(11,633)
Tax credit at rates applicable to losses in the countries concerned	(6,444)	(8,026)
Tax effect of income not subject to tax	(2,543)	(1,782)
Tax effect of expenses not deductible for tax purposes	10,228	10,452
Utilisation of previously unrecognised tax losses	(41)	(19)
Under (over) provision in previous years	9	(2,267)
Income tax expense (credit) for the year	1,209	(1,642)

Details of deferred taxation in Note 28.

13. LOSS PER SHARE

The calculations of basic and diluted loss per share are based on the Group's loss attributed to the equity holders of the Company of approximately HK$37,679,000 (2006: HK$9,991,000).

The basic loss per share is based on the weighted average number of 902,344,000 (2006: 606,667,000) ordinary shares in issue during the year.

No diluted loss is presented for the year ended 31st December 2007 and 2006 as the exercise of the share options and the conversion of the convertible loan notes would result in a decrease in loss per share for both years.

14. STAFF COSTS (EXCLUDING DIRECTORS' EMOLUMENTS)

	2007	**2006**
	HK$'000	*HK$'000*
Wages and salaries	15,434	14,020
Retirement benefit schemes contribution	1,869	1,611
Share-based payments	758	602
	18,061	16,233

The subsidiaries in Hong Kong operate defined contribution schemes which are available to qualified employees. The assets of the schemes are held separately from those of the subsidiaries in independently administered funds. Monthly contributions made by the subsidiaries are calculated based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the relevant requirements, as appropriate.

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Group in this country participate in respective government retirement benefit schemes (the "Schemes") whereby the subsidiaries are required to contribute to the Schemes to fund the retirement benefits of the eligible employees. Contributions made to the Schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes.

The retirement benefit schemes contribution represent gross contributions by the Group to the Schemes operated by the relevant authorities of the PRC and the defined contribution schemes operated in Hong Kong.

Details of the Company's share options granted to the employees of the Group are set out in note 29.

15. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the eight (2006: seven) directors were as follows:

For the year ended 31st December 2007

	Fees	Salaries allowances and other benefits	Discretionary bonus	Employer's contribution to pension scheme	Share-based payments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors						
Mr. Tse Michael Nam (appointed as a Chairman on 12th February 2007 and re-designated as Chief Executive Officer on 1st March 2007)	–	2,294	–	11	201	2,506
Mr. Chan Tze Ngon (resigned on 1st March 2008)	–	991	–	12	–	1,003
Mr. Tang Kin Hung (resigned on 1st March 2007)	–	149	–	2	–	151
Independent non-executive Directors						
Mr. Lim Yew Kong, John (appointed on 12th February 2007)	132	–	75	–	75	282
Mr. Puongpun Sananikone (appointed on 1st July 2007 and re-designated executive director on 1st March 2008)	75	–	75	–	121	271
Mr. Tai Benedict (resigned on 1st March 2008)	150	–	75	–	–	225
Mr. Fu Yan Yan (resigned on 30th June 2007)	75	–	–	–	–	75
Ms. Wang Xi Ling (resigned on 30th June 2007)	75	–	–	–	–	75
	507	3,434	225	25	397	4,588

No directors waived or agreed to waive any emoluments during the two years ended 31st December 2007 and 2006.

For the year ended 31st December 2006

	Fees	Salaries allowances and other benefits	Retirement benefit schemes contribution	Share-based payments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors					
Mr. Chan Tze Ngon	–	2,686	12	–	2,698
Mr. Wu Emmy (resigned on 10th October 2006)	–	2,123	10	–	2,133
Mr. Tang Kin Hung (resigned on 26th May 2006 and reappointed on 10th October 2006)	–	637	8	–	645
Independent non-executive Directors					
Mr. Lo Siew Kiong, John (resigned on 23rd June 2006)	95	–	–	–	95
Mr. Fu Yan Yan	175	–	–	34	209
Ms. Wang Xi Ling	150	–	–	34	184
Mr. Tai Benedict (appointed on 23rd June 2006)	79	–	–	34	113
	499	5,446	30	102	6,077

(b) Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, two (2006: three) were directors of the Company whose emoluments are set out in the above. For the year ended 31st December 2007, the emoluments of the three (2006: two) highest paid individuals were as follows:

	2007	2006
	HK$'000	*HK$'000*
Salaries, allowances and other benefits	2,031	1,401
Retirement benefit schemes contribution	24	24
Share-based payment	404	–
	2,459	1,425

Their emoluments fall within the following bands:

	Number of individuals 2007	2006
Emoluments band		
Nil – HK$1,000,000	2	2
HK$1,000,001 – HK$2,000,000	1	–
	3	2

(c) No emoluments have been paid by the Group to other directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of the office during the two years ended 31st December 2007 and 2006.

16. PLANT AND EQUIPMENT

	Nursery farm	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST					
At 1st January 2006	–	1,557	20,751	2,156	24,464
Exchange realignment	–	2	68	26	96
Additions	–	347	190	–	537
Acquired on acquisition of a subsidiary	–	–	600	–	600
Disposals	–	(505)	(5,614)	(1,015)	(7,134)
At 31st December 2006	–	1,401	15,995	1,167	18,563
Exchange realignment	–	18	139	49	206
Additions	6,400	688	512	527	8,127
Disposals	–	(189)	(193)	(280)	(662)
At 31st December 2007	6,400	1,918	16,453	1,463	26,234
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1st January 2006	–	1,336	19,325	1,887	22,548
Exchange realignment	–	–	38	19	57
Provided for the year	–	174	1,196	150	1,520
Acquired on acquisition of a subsidiary	–	–	42	–	42
Eliminated on disposals	–	(380)	(5,588)	(1,015)	(6,983)
At 31st December 2006	–	1,130	15,013	1,041	17,184
Exchange realignment	–	4	81	41	126
Provided for the year	107	485	519	174	1,285
Eliminated on disposals	–	(173)	(138)	(280)	(591)
At 31st December 2007	107	1,446	15,475	976	18,004
CARRYING AMOUNT					
At 31st December 2007	6,293	472	978	487	8,230
At 31st December 2006	–	271	982	126	1,379

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Nursery farm	10%
Leasehold improvements	$33^1/_3$% or over the lease terms, whichever is shorter
Furniture, fixtures and office equipment	20% to $33^1/_3$%
Motor vehicles	$33^1/_3$%

17. DEFERRED PLANTATION EXPENDITURE

	2007 *HK$'000*	2006 *HK$'000*
COST		
At 1st January	–	–
Additions	33,541	–
At 31st December	33,541	–
ACCUMULATED AMORTISATION		
At 1st January	–	–
Provision for the year and transfer to biological assets *(Note 21)*	541	–
At 31st December	541	–
CARRYING AMOUNT		
At 31st December	33,000	–

The deferred plantation expenditure is amortised on a straight-line basis over its estimated useful lives of the relevant plants of 30 years.

18. INTANGIBLE ASSETS

	Collection and cultivation rights *HK$'000*	Computer software *HK$'000*	Total *HK$'000*
COST			
At 1st January 2006	–	–	–
Additions	–	1,796	1,796
At 31st December 2006	–	1,796	1,796
Exchange realignment	–	124	124
Acquired on acquisition of subsidiaries	167,156	–	167,156
At 31st December 2007	167,156	1,920	169,076
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1st January 2006	–	–	–
Exchange realignment	–	3	3
Provided for the year	–	97	97
At 31st December 2006	–	100	100
Exchange realignment	–	7	7
Impairment loss recognised in the year	–	1,173	1,173
Provided for the year	1,931	640	2,571
At 31st December 2007	1,931	1,920	3,851
CARRYING AMOUNT			
At 31st December 2007	165,225	–	165,225
At 31st December 2006	–	1,696	1,696

The above intangible assets have finite useful lives and is amortised on a straight-line basis over twenty nine to forty six years.

The directors of the Company have reviewed the carrying values of the Group's intangible assets as at 31st December 2007. The directors of the Company considered that it is unlikely that the computer software will have any future value in use and therefore the carrying amount of this computer software in the amount of approximately HK$1,173,000 was fully impaired.

19. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL

(a) Goodwill

	HK$'000
COST	
At 1st January 2006	12,772
Arising on acquisition of a subsidiary	33,033
At 31st December 2006	45,805
Arising on acquisition of subsidiaries	151,839
At 31st December 2007	197,644
IMPAIRMENT	
At 1st January 2006, 31st December 2006 and 1st January 2007	–
Impairment loss recognised in the year	40,771
At 31st December 2007	40,771
CARRYING AMOUNT	
At 31st December 2007	156,873
At 31st December 2006	45,805

Particulars regarding impairment testing on goodwill are disclosed in note 19(b).

(b) Impairment testing on goodwill

For the purposes of impairment testing, goodwill set out in Note 19(a) has been allocated to four individual cash generating units. The carrying amounts of goodwill (net of accumulated impairment losses) as at 31st December 2007 allocated to these are as follows:

	2007 *HK$'000*	**2006** *HK$'000*
IT management and support:		
– Acacia Asia Partners Limited ("Acacia") and its subsidiary ("Acacia Group")	–	12,772
Real estate consultancy service:		
– Grand Panorama Limited ("GP") and its subsidiary ("GP Group")	5,034	33,033
Agro-conservation:		
– Huge Value Development Limited ("Huge Value")	29,578	–
– Quest Asia Development Limited ("Quest Asia")	114,461	–
Bio-energy:		
– Lao Agro-Promotion Limited ("Lao-Agro")	7,800	–
	156,873	45,805

During the year ended 31st December 2007, the Group recognised impairment losses of approximately HK$40,771,000 in relation to the goodwill arising from the acquisition of Acacia Group and GP Group.

IT management and support

In view of the operating landscape for Acacia Group business has become increasingly difficult, with the PRC Government's imposition of austerity measures and higher operating requirements for brokerages. In view of the plunging number of transactions and negative prospects, the directors of the Company is seriously assessing the future viability of Acacia and considers that the carrying amount of the goodwill arising from acquisition of Acacia in the amount of approximately HK$12,772,000 was fully impaired for the year ended 31st December 2007.

Real estate consultancy service

In view of the current and future business prospects and financial situation of GP Group, the current slow down in the property agency market in the PRC, the stringent austerity measures that have been imposed by the PRC government, and the future capital requirements of GP. With the current focus on agri-business, the directors of the Company considers that it is in the interests of the Company and the shareholders as a whole to reallocate its resources towards the agri-business activities of the Group, which the directors of the Company consider to have better future prospects, therefore on 3rd March 2008, the Group entered into a sale and purchase agreement for the disposal of GP Group for a consideration of RMB4,000,000. With reference to the sales considerations, the directors of the Company consider that the carrying amount of goodwill arising from acquisition of GP Group in the amount of approximately HK$27,999,000 was recognised as impairment loss for the year ended 31st December 2007.

Agro-conservation and Bio-energy

The directors of the Company are of the opinion that, based on the business valuation reports for Huge Value, Quest Asia and Lao-Agro as at 31st December 2007 issued by Greater China Appraisal Limited, an independent professional valuer, the business values of these subsidiaries exceed their carrying amount in the consolidated balance sheet as at 31st December 2007 and therefore no impairment loss is necessary.

20. INVENTORIES

	2007	**2006**
	HK$'000	*HK$'000*
Information technology products held for resale, at cost	5,192	8,857

21. BIOLOGICAL ASSETS

	Licorice	**Salix**	**Saplings of Jatropha**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2006, 31st December 2006 and 1st January 2007	–	–	–	–
Transfer from amortisation of deferred plantation expenditure *(Note 17)*	392	149	–	541
Additions	–	–	275	275
Changes in fair value less estimated point-of-sale costs	6,079	1,611	3,565	11,255
At 31st December 2007	6,471	1,760	3,840	12,071

a) Licorice is a bearer biological assets and is a perennial Herb of the Febaceae family (a flowering plant). Main roots of the Licorice can normally be harvested in 3 to 4 years, and the remains of roots re-establish themselves in the soil.

Salix is a bearer biological assets and is a medium to large size deciduous tree. Salix are very cross-fertile and numerous hybrids can occur, both naturally and in cultivation. Salix will also take root very readily from cuttings and can regenerate themselves after harvest.

Saplings of Jatropha is a consumable biological assets. Planted from seeds, they mature into saplings within 3 to 4 months, ready to be sold for transplantation as a whole. Jatropha saplings will grow into Jatropha trees which will eventually bear fruits for up to 30 years. The seeds inside the fruits of the Jatropha contain high levels of oil which can be extracted and processed into bio-diesel.

b) At 31st December 2007, the above biological assets are immatured.

c) The fair value less estimated point-of-sale costs of licorice, salix and jatropha is determined based on the valuation report issued by Greater China Appraisal Limited, an independent professional valuer with reference to the most recent market determined prices.

d) The quantity and amount of agricultural produce is measured at fair value less estimated point-of-sale costs during the year were as follows:

	2007		2006	
	Quantity	**Amount**	**Quantity**	**Amount**
		HK$'000		*HK$'000*
Licorice	433 tons	6,471	–	–
Salix	9,167 tons	1,760	–	–
Saplings of Jatropha	150 mu	3,840	–	–
		12,071		–

22. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2007	**2006**
	HK$'000	*HK$'000*
Listed equity securities, at fair value *(Note b & c)*	–	55,000
Unlisted equity securities, at cost *(Note d)*	–	11,591
	–	66,591

Notes:

(a) All available-for-sale investments were classified as current assets and were disposed of during the year ended 31st December 2007.

(b) At 31st December 2006, the listed investments represented 7.48% investment in the share capital of ChinaCast Communication Holdings Limited. The shares of the company was listed on the Stock Exchange of Singapore.

(c) In September 2006, the Group disposed half of the 14.96% equity shareholdings in ChinaCast Communication Holdings Limited to a director, Mr. Chan Tze Ngon, for a consideration of SGD9,250,000.

In January 2007, the Group's shares in ChinaCast Communication Holdings Limited were exchanged for 1,551,771 shares in ChinaCast Education Corporation whose shares are listed on the Nasdaq OTC Bulletin Board in the United States of America. The Group subsequently disposed of its 1,551,771 shares in ChinaCast Education Corporation to an independent third party for a consideration of HK$55 million in April 2007.

(d) In October 2006, the Group entered into an agreement to dispose of its entire shareholding in its unlisted equity securities to an independent third party for a consideration of RMB12,000,000, payable in four instalments. The disposal was completed and the consideration was fully received during the year ended 31st December 2007.

23. TRADE AND OTHER RECEIVABLES

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	69,024	63,925
Less: Impairment losses recognised	(43,876)	(41,461)
	25,148	22,464
Prepayment, deposit and other receivables	7,263	20,353
Total trade and other receivables	32,411	42,817

The Group normally grants to its customers credit periods ranging from 30 days to 180 days which are subject to periodic review by management.

(a) The ageing analysis of the trade receivables at the balance sheet date, net of impairment losses recognised was as follows:

	2007	2006
	HK$'000	*HK$'000*
Current to 90 days	18,902	15,766
91 days to 180 days	2,600	2,775
181 days to 365 days	3,477	2,776
Over 365 days	169	1,147
	25,148	22,464

(b) The movements in provision for impairment losses of trade receivables were as follows:

	2007	2006
	HK$'000	*HK$'000*
At 1st January	41,461	45,966
Exchange realignment	119	55
Arising on acquisition of a subsidiary	–	625
Written off for the year	–	(4,915)
Eliminated on disposal of a subsidiary	–	(798)
Recognised during the year	2,296	528
At 31st December	43,876	41,461

(c) At 31st December 2007 and 2006, the analysis of trade receivables that were past due but not impaired are as follows:

		Neither past due nor impaired	Past due but not impaired			
	Total		<90 days	91 to 180 days	181 to 365 days	1 to 2 years
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31st December 2007	25,148	14,438	5,581	1,483	3,477	169
31st December 2006	22,464	12,441	4,564	2,408	2,142	909

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

The fair values of the Group's trade and other receivables at the balance sheet date approximated to the corresponding carrying amounts due to their short term maturities.

24. BANK BALANCES AND CASH/BANK OVERDRAFTS

	2007	**2006**
	HK$'000	*HK$'000*
Bank balances and cash		
– Pledged time deposits	–	15,624
– Unpledged	31,553	16,723
Other time deposits with original maturity of more than three months when acquired	41,386	39,907
Bank overdrafts	–	(18)
	72,939	72,236
Less: Pledged time deposits	–	(15,624)
Other time deposits with a maturity of more than three months when acquired	(41,386)	(39,907)
Cash and cash equivalents	31,553	16,705

Bank balances and cash/pledged time deposits/other time deposits

At the balance sheet date, about 92% (2006: 90%) of the balance of cash and cash equivalents was denominated in RMB. RMB is not a freely convertible currency.

Bank balances and other time deposits and pledged bank deposits carry interest at average market rates of 3.60% (2006: 3.75%).

At 31st December 2006, pledged bank deposits represents deposits pledged to banks to secure banking facilities granted to the Group. The pledged bank deposits were released during the year ended 31st December 2007.

Bank overdrafts

At 31st December 2007, there were no bank overdrafts. At 31st December 2006, the average effective interest rate of bank overdrafts was approximately 17.75%.

The fair values of the pledged bank deposits, other time deposits, bank overdrafts and bank balances at the balance sheet date approximated to the corresponding carrying amounts due to their short term maturities.

25. TRADE AND OTHER PAYABLES

	2007	**2006**
	HK$'000	*HK$'000*
Trade payables		
– third parties	1,198	2,011
– minority shareholders	325	325
	1,523	2,336
Accrued expenses and other payables	69,100	59,115
	70,623	61,451

The ageing analysis of the trade payables at the balance sheet date was as follows:

	2007	2006
	HK$'000	*HK$'000*
Current to 90 days	–	234
91 days to 180 days	–	114
181 days to 365 days	81	200
Over 365 days	1,442	1,788
	1,523	2,336

The fair values of the Group's trade and other payables at the balance sheet date approximated to the corresponding carrying amounts due to their short-term maturities.

26. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary share of HK$0.10 each		
Authorised:		
At 1st January 2006, 31st December 2006 and 1st January	1,000,000,000	100,000
Increase in authorised share capital *(Note 1)*	2,000,000,000	200,000
At 31st December 2007	3,000,000,000	300,000
Issued and fully paid:		
At 1st January 2006	557,351,493	55,735
Issue of consideration shares *(Note 2)*	117,647,059	11,765
At 31st December 2006	674,998,552	67,500
Issue of shares upon:		
Placement of shares *(Note 3 & 4)*	270,000,000	27,000
Exercise of share options *(Note 5)*	51,460,000	5,146
Conversion of convertible loan notes *(Note 6)*	38,800,705	3,880
At 31st December 2007	1,035,259,257	103,526

Notes:

1. Pursuant to an ordinary resolution passed on 26th March 2007 for the increase of the authorised share capital of the Company from HK$100,000,000 divided into 1,000,000,000 ordinary shares of HK$0.10 each to HK$300,000,000 divided into 3,000,000,000 ordinary shares of HK$0.10 each by the creation of an additional 2,000,000,000 ordinary shares of HK$0.10 each.

2. During the year ended 31st December 2006, 117,647,059 ordinary shares of the Company were issued based on published market price of HK$0.102 per share to independent third parties as part of the consideration for acquisition of 100% equity interest in Grand Panorama Limited.

3. On 22nd January 2007, pursuant to a placing and subscription agreement with VC Brokerage Limited, the Company placed out 110,000,000 new ordinary shares of HK$0.10 each in the Company at a price of HK$0.22 per share to independent third parties. A sum of approximately HK$23,900,000 net of placement expenses was raised and used as working capital of the Group.

4. On 15th June 2007, pursuant to a placing and subscription agreement with Citic Securities Corporate Finance (HK) Limited, the Company placed out 160,000,000 new ordinary shares of HK$0.10 each in the Company at a price of HK$0.72 per share to independent third parties. A sum of approximately HK$112,800,000 net of placement expenses was raised and used as working capital of the Group.

5. During the year ended 31st December 2007, 42,200,000 share options were exercised at a price of HK$0.15, 2,660,000 shares at HK$0.233 and 6,600,000 shares at HK$0.10 resulting in the issue of 51,460,000 ordinary shares of HK$0.10 each in the Company.

6. On 24th October 2007, the convertible loan note holders converted HK$22,000,000 convertible loan notes into 38,800,705 ordinary shares of HK$0.10 each in the Company at a conversion price of HK$0.567.

7. All the ordinary shares issued during the year rank pari passu with the then existing ordinary shares in all respects.

27. CONVERTIBLE LOAN NOTES

During the year ended 31st December 2007, pursuant to the acquisition of the entire issued share capital of Quest Asia Development Limited, the Company issued zero-coupon convertible loan notes as partial settlement of the acquisition consideration. The convertible loan notes have an aggregate principal amount of HK$120,000,000 and are denominated in HK$. The notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date on 1st October 2010 in multiples of HK$1,000,000 at a conversion price HK$0.567 (subject to adjustments) per convertible loan note. The shares to be issued and allotted upon conversions shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue.

The convertible loan notes contain two components, liability and equity elements. The equity element is presented in equity heading ("convertible bonds reserve"). The effective interest rate of the liability component is 9.75%.

The movement of the liability component of the convertible loan notes for the year is set out below:

	2007 *HK$'000*	**2006** *HK$'000*
Carrying amount at 1st January	–	–
Issue of convertible loan notes during the year	90,775	–
Effective interest expenses *(Note 10)*	1,842	–
Conversion during the year	(16,739)	–
Carrying amount at 31st December	75,878	–

28. DEFERRED TAX LIABILITY

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

	Fair value adjustments arising from acquisition of subsidiaries *HK$'000*	**Accumulated tax depreciation** *HK$'000*	**Total** *HK$'000*
At 1st January 2006	–	159	159
Credit to consolidated income statement	–	(159)	(159)
At 31st December 2006	–	–	–
Acquisition of subsidiaries *(Note 30)*	41,789	–	41,789
At 31st December 2007	41,789	–	41,789

At the balance sheet date, the Group has unused tax losses of approximately HK$21,714,000 (2006: HK$21,950,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

29. SHARE-BASED PAYMENT TRANSACTIONS

The Company's current share option scheme (the "Scheme") was adopted by the shareholders on 30th May 2002 for the primary purpose of providing incentives to directors, employees and persons providing services to the Group. It will expire on 29th May 2012. Under the Scheme, the board may grant options to eligible employees, including directors of the Company and its subsidiaries, suppliers and service providers to subscribe for shares in the Company.

At the balance sheet date, the number of shares options granted and remained outstanding under the scheme was 86,141,855 (2006: 53,920,000), representing 8.32% (2006: 8.00%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders and independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

HK$1 is payable on each grant. Options may be exercised at any time from the date of grant of the share option during the option period ending on 29th May 2012. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the offer date of the options; (ii) the average closing price of the shares for the five business days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

Date of grant	**Exercise period**	**Exercise price**	**Fair value at grant date**
21st January 2000	From date of grant to 20th January 2010	HK$2.532	*(Note)*
27th November 2003	From date of grant to 29th May 2012	HK$0.233	HK$0.05674
19th August 2006	From date of grant to 29th May 2012	HK$0.100	HK$0.05674
29th November 2006	From date of grant to 29th May 2012	HK$0.150	HK$0.05674
16th April 2007	From date of grant to 29th May 2012	HK$0.360	HK$0.12500
9th July 2007	From date of grant to 29th May 2012	HK$0.660	HK$0.20200
20th November 2007	From date of grant to 29th May 2012	HK$0.380	HK$0.21700

In accordance with the terms of the share-based arrangement, options issued vest at the date of grant.

Note: The fair value of the options granted under the previous scheme has not been estimated as the directors believe that the likelihood of the exercise of the right is remote in view of the high value of the exercise price of such options relative to the current market price of the Company's shares.

The fair value of those granted in 2003 was estimated by the directors. Options were priced using the Black-Scholes option pricing model. Expected volatility is based on extracts from the Bloomberg's information based on 400 trading days (around 1.5 years).

The fair value of the share options granted by the Group during the year ended 31st December 2007 have been arrived at on the basis of valuations carried out on the grant date by Grant Sherman Appraisal Limited, independent qualified professional valuers not collected with the Group. The fair values were calculated using The Black-Scholes option pricing model. The inputs into the model were as follows:

	Share options granted on			
	16th April 2007	**9th July 2007**	**20th November 2007**	**2006**
Weighted average share price	HK$0.360	HK$0.350	HK$0.360	HK$0.138
Exercise price	HK$0.360	HK$0.660	HK$0.380	HK$0.100/HK$0.150
Expected volatility	53.87%	54.32%	113.59%	90.39%
Expected option period	2.6 years	2.4 years	2.26 years	1.5 years
Dividend yield	0%	0%	0%	0%
Risk-free interest rate	4.015%	4.417%	2.491%	3.642%
Option type	Call	Call	Call	Call

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised the total expense of HK$18,372,000 for the year ended 31st December 2007 (2006: HK$1,505,000) in relation to the share options granted by the Company.

Movements of the Company's share options held by employees, directors and business associates during the year are:

		Number of share options								
Grantee	Date of grant	Outstanding at 1st January 2006	Granted during the year	Lapsed during the year	Outstanding at 31st December 2006	Granted during the 2006	Lapsed during the year	Exercised during the year	Outstanding at 31st December 2007	Exercised price per share *HK$*
Directors										
Mr. Tse Michael Nam (appointed on 12th February 2007)	9th July 2007	–	–	–	–	996,000	–	–	996,000	0.660
Mr. Tai Benedict (resigned on 1st March 2008)	29th November 2006	–	600,000	–	600,000	–	–	(600,000)	–	0.150
Mr. Fu Yan Yan (resigned on 30th June 2007)	29th November 2006	–	600,000	–	600,000	–	–	(600,000)	–	0.150
Ms. Wang Xi Ling (resigned on 30th June 2007)	29th November 2006	–	600,000	–	600,000	–	–	(600,000)	–	0.150
Mr. Lim Yew Kong, John (appointed on 12th February 2007)	16th April 2007	–	–	–	–	600,000	–	–	600,000	0.360
Mr. Puongpun Sananikone (appointed on 1st July 2007 and re-designated as executive director on 1st March 2008) Puongpun Sananikone	9th July 2007	–	–	–	–	600,000	–	–	600,000	0.660
Other employees										
In aggregate	27th November 2003	8,045,000	–	(5,045,000)	3,000,000	–	(340,000)	(2,660,000)	–	0.233
	29th November 2006	–	8,000,000	–	8,000,000	–	–	(7,200,000)	800,000	0.150
	9th July 2007	–	–	–	–	3,750,000	–	–	3,750,000	0.660
Business associates										
In aggregate	21st January 2000	1,320,000	–	–	1,320,000	–	–	–	1,320,000	2.532
	19th August 2006	–	6,600,000	–	6,600,000	–	–	(6,600,000)	–	0.100
	29th November 2006	–	33,200,000	–	33,200,000	–	–	(33,200,000)	–	0.150
	9th July 2007	–	–	–	–	70,000,000	–	–	70,000,000	0.660
	20th November 2007	–	–	–	–	8,075,855	–	–	8,075,855	0.380
Sub-total		9,365,000	49,600,000	(5,045,000)	53,920,000	84,021,855	(340,000)	(51,460,000)	86,141,855	

30. ACQUISITION OF SUBSIDIARIES

(a) On 27th March 2007, the Group acquired 100% of the share capital of Huge Value for a consideration of HK$78,000,000. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was approximately HK$29,578,000. The relevant information about the acquisition is as follows:

	Acquiree's carrying amount before combination	**Fair value adjustment**	**Fair value**
	HK$'000	*HK$'000* *(Note 1)*	*HK$'000*
Net assets acquired:			
Collection and cultivation rights	–	65,645	65,645
Other payables	(15)	–	(15)
Deferred tax liability	–	(16,411)	(16,411)
	(15)	49,234	49,219
Goodwill			29,578
Consideration			78,797
Satisfied by:			
Cash			60,000
Deferred consideration *(Note 2)*			18,000
Transaction costs			797
Total consideration of the acquisition			78,797
Net cash outflow arising on acquisition:			
Cash consideration paid			60,000
Transaction costs paid			797
			60,797

Notes:

1. The fair value adjustment represents the fair value of the collection and cultivation rights as at 27th March 2007, which was determined by reference to the valuation carried out by Greater China Appraisals Limited, an independent qualified professional valuer not connected to the Group.

2. Pursuant to the sales and purchase agreement dated 12th February 2007, HK$18,000,000 will be payable on production of evidence to the reasonable satisfaction of the Group that the audited profit after taxation of Huge Value in twelve months after the completion date of acquisition is not less than HK$7,000,000.

Huge Value had no significant contribution to the Group's turnover and contributed approximately HK$12,030,000 profit to the Group's loss before taxation for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1st January 2007, there would have been no significant impact on the Group's turnover and loss for the year. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1st January 2007, nor is it intended to be a projection of future results.

(b) On 2nd October 2007, the Group acquired 100% of the share capital of Quest Asia for a consideration of HK$190,000,000. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was approximately HK$114,461,000. The relevant information about the acquisition is as follows:

	Acquiree's carrying amount before combination *HK$'000*	**Fair value adjustment** *HK$'000* *(Note 1)*	**Fair value** *HK$'000*
Net assets acquired:			
Collection and cultivation rights	–	101,511	101,511
Other receivables	22	–	22
Other payables	(22)	–	(22)
Deferred tax liability	–	(25,378)	(25,378)
	–	76,133	76,133
Goodwill			114,461
Consideration			190,594
Satisfied by:			
Cash			70,000
Convertible loan notes *(Note 2)*			120,000
Transaction costs			594
Total consideration of the acquisition			190,594
Net cash outflow arising on acquisition:			
Cash consideration paid			70,000
Transaction costs paid			594
			70,594

Notes:

1. The fair value adjustment represents the fair value of the collection and cultivation rights as at 2nd October 2007 which was determined by reference to the valuation carried out by Greater China Appraisals Limited, an independent qualified professional valuer not connected to the Group.

2. On 2nd October 2007, the Group issued HK$120,000,000 convertible loan notes at zero coupon interest rates as part of the consideration for the acquisition of Quest Asia.

Quest Asia had no significant contribution to the Group's turnover and contributed approximately HK$673,000 profit to the Group's loss before taxation for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1st January 2007, there would have been no significant impact on the Group's turnover and loss for the year. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1st January 2007, nor is it intended to be a projection of future results.

(c) On 17th December 2007, the Group acquired 80% of the share capital of Lao-Agro for a consideration of HK$7,800,000. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK$7,800,000. The relevant information about the acquisition is as follows:

	2007
	HK$'000
Net assets acquired	–
Goodwill	7,800
Total consideration of the acquisition	7,800
Satisfied by:	
Cash	7,800
Net cash outflow arising on acquisition:	
Cash consideration paid	7,800

Lao-Agro had no significant contribution to the Group's turnover and the loss before taxation for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1st January 2007, there would have been no significant impact on the Group's turnover and loss for the year. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1st January 2007, nor is it intended to be a projection of future results.

(d) In August 2006, the Group acquired 100% of the share capital of GP which in turn holds 100% of Conity investment and Consultants (Shanghai) Company Limited. The relevant information about the acquisition is as follows:

	2006
	HK$'000
Net liabilities acquired:	
Plant and equipment	558
Prepayment	234
Trade and other receivables	1,662
Cash and cash equivalents	23
Amount due to related companies	(1,940)
Other payables	(1,908)
	(1,371)
Goodwill	33,033
Total consideration	31,662
Satisfied by:	
Cash	18,000
Fair value of the 117,647,059 shares of the Company issued based on published market price	12,000
Transaction costs	1,662
Total consideration of the acquisition	31,662
Net cash outflow on acquisition:	
Cash consideration paid	18,000
Transaction costs paid	1,662
Less: Bank balances and cash acquired	(23)
	19,639

The factors that contributed to the recognition of the goodwill included profit guarantees made by the vendors of GP and potential for growth in the property market in the PRC.

31. DISPOSAL OF A SUBSIDIARY

At 31st May 2007, the Group disposed of its entire interest in an inactive subsidiary, China Action Development Limited to two independent third parties for a consideration of approximately HK$248,000.

	HK$'000
Net assets disposed of	
Prepayment	249
Loss on disposal	(1)
Total consideration	248
Net cash inflow arising on disposal:	
Cash consideration	248

The subsidiary disposed of during the year ended 31st December 2007 had no significant impact on the turnover and results of the Group.

32. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2007. Except as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions with relevant parties in 2006:

(a) For the year ended 31st December 2006, the Group disposed of half of the 14.86% of the equity shareholdings in ChinaCast Communication Holdings Limited to a director for a consideration of SGD9,250,000 (approximately HK$45,323,000).

(b) For the year ended 31st December 2006, the Group received management services income from an unlisted company classified as an available-for-sale investee company to amount of HK$312,000. The director of the company is also a director of the Group.

(c) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the year was as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Short-term benefits	6,197	8,747
Post-employment benefits	49	54
Share-based payments	801	102
	7,047	8,903

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

33. COMMITMENTS UNDER OPERATING LEASES

(a) Commitments under operating leases

The Group as lessee

The Group leases certain of its offices premises, staff quarters and property agency branches under operating lease arrangements. Lease for properties are negotiated for a term ranging from two months to five years.

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Land and buildings		
Within one year	2,547	793
In the second to fifth year inclusive	2,195	377
	4,742	1,170

(b) Other commitments

The Group had capital commitment which was authorised but not contracted for totaling approximately HK$36,035,000 in respect of the additional capital injection in subsidiaries as at 31st December 2007 (2006: Nil).

34. BALANCE SHEET INFORMATION OF THE COMPANY

	NOTES	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment		744	136
Investments in subsidiaries		39,631	39,631
		40,375	39,767
Current assets			
Other receivables		670	650
Amounts due from subsidiaries	(a)	313,471	62,071
Bank balances and cash		2,893	31
		317,034	62,752
Current liabilities			
Other payables		4,275	2,167
Amounts due to subsidiaries	(a)	3,834	2,012
Amount due to an investee company	(b)	–	82
Bank overdraft		–	10
		8,109	4,271
Net current assets		308,925	58,481
Total assets less current liabilities		349,300	98,248
Capital and reserves			
Share capital		103,526	67,500
Reserves	(c)	169,896	30,748
Total equity		273,422	98,248
Non-current liabilities			
Convertible loan notes		75,878	–
		349,300	98,248

(a) Amounts due from/to subsidiaries

The amounts are unsecured, non-interest bearing and repayable on demand. The fair values of the amounts at the balance sheet date was approximated to the corresponding carrying amounts due to their short term maturity.

(b) Amount due to an investee company

The amount was unsecured, non-interest bearing and was fully settled during the year. The fair value of the amounts at the balance sheet date was approximated to the corresponding carrying amount due to its short term maturity.

(c) Reserves

	Share premium HK$'000	Contributed surplus HK$'000	Convertible bonds reserve HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st January 2006	342,312	39,431	–	–	(340,721)	41,022
Issued of consideration shares	235	–	–	–	–	235
Recognition of equity-settled share based payments	–	–	–	1,505	–	1,505
Loss for the year	–	–	–	–	(12,014)	(12,014)
At 31st December 2006	342,547	39,431	–	1,505	(352,735)	30,748
Issue of convertible loan notes	–	–	29,225	–	–	29,225
Issue of shares upon						
– placement of shares	109,730	–	–	–	–	109,730
– conversion of convertible loan notes	18,217	–	(5,358)	–	–	12,859
– exercise of share options	5,233	–	–	(2,769)	–	2,464
Recognition of equity-settled share based payments	–	–	–	18,372	–	18,372
Loss for the year	–	–	–	–	(33,502)	(33,502)
At 31st December 2007	475,727	39,431	23,867	17,108	(386,237)	169,896

35. INVESTMENTS IN SUBSIDIARIES

At the balance sheet date, the Company has interests in the following principal subsidiaries:

Company	Place of incorporation	Nominal value of paid-up share/ registered capital	Proportion of ownership interest 2007	2006	Principal activities
Held directly:					
Technology Venture Investments Limited	British Virgin Islands ("BVI")	US$1,000	100	100	Investment holding
Held indirectly:					
Sequent China/ Hong Kong Limited	Hong Kong	HK$10,000	100	100	Distribution of information technology products and provision of computer technology services
Techology Venture (Software) Holdings Limited	BVI	US$1,000	100	100	Investment holding
Topasia Computer Limited	Hong Kong	HK$10,000	100	100	Distribution of information technology products and provision of computer technology services
Topsoft Limited	Hong Kong	HK$10,000	100	100	Distribution of information technology products and provision of computer technology services

Company	Place of incorporation	Nominal value of paid-up share/ registered capital	Proportion of ownership interest 2007	2006	Principal activities
Topasia Tech (Shanghai) Limited (#)	The PRC	Registered Capital US$3,800,000	100	100	Distribution of information technology products and provision of computer technology services
Topasia IT Service (Shanghai) Limited (#)	The PRC	Registered Capital US$1,000,000	100	100	Provision of systems integration and maintenance services
Acacia Asia Partners Limited	BVI	US$1	100	100	Investment holding
Acacia Asia Partners Limited (#)	The PRC	Registered Capital US$140,000	100	100	Network technology, software development and provision of technical support services
Grand Panorama Limited	BVI	US$10,411	100	100	Investment holding
Conity Investment and Consultants (Shanghai) Company Ltd (#)	The PRC	Registered Capital US$140,000	100	100	Provision of real estate consulting agency services
Huge Value Development Limited	BVI	US$1	100	–	Management and cultivation of licorice
Quest Asia Development Limited	BVI	US$1	100	–	Management and cultivation of licorice and salix
China Bioenergy Holdings Limited	BVI	US$1	100	–	R&D and cultivation of raw materials for the bio-energy industry
Hainan Venture Zhengke Bioenergy Development Company Limited ("Hainan Venture")	The PRC	Registered capital RMB50,000,000	90	–	Nursery and research and development centre for jatropha
Lao Agro-Promotion Limited ("Lao Agro")	Lao People's Democratic Republic	US$400,000	80	–	Nursery and research and development centre for jatropha

\# *Wholly owned foreign enterprises.*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

36. MAJOR NON-CASH TRANSACTIONS

i) In January 2007, the Group disposed of its remaining shares in ChinaCast Communication Holdings Limited for a consideration of approximately HK$69,597,000. On the same day, the Group acquired 1,551,771 shares in ChinaCast Education Corporation for a consideration the same amount.

ii) In October 2007, the Company issued convertible loan notes of HK$120,000,000 which was used as partial consideration for the acquisition of Quest Asia.

iii) During the year ended 31st December 2007, convertible loan notes of approximately HK$ 22,000,000 was converted into 38,800,705 shares ordinary shares of HK$0.10 each in the company.

37. SUBSEQUENT EVENTS

i) On 16th January 2008, Mr. Lee Cheong Fu, a holder of convertible loan notes converted another HK$18,350,000 convertible loan notes into 32,363,315 ordinary shares of the Company at the conversion price of HK$0.567.

ii) On 25th February 2008, the Company entered into a subscription agreement with Integrated Asset Management (Asia) Limited ("Integrated") and Mr. Yam Tak Cheung, the sole shareholder of Integrated as the guarantor for the subscription of an aggregate of 199,000,000 new shares of the Company at a subscription price of HK$0.25 per share.

The net proceeds from the subscription received by the Company of approximately HK$49,650,000 was applied towards the Company's new agricultural businesses and as general working capital.

iii) On 3rd March 2008, Technology Venture Investments Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement for the sale the entire issued share capital in Grand Panorama Limited and its subsidiary, Conity Investment and Consultants (Shanghai) Company Limited to a third party for a consideration of RMB4,000,000.

The disposal was completed on 31st March 2008. The net consideration of approximately HK$4,160,000 was applied towards the working capital of the Group.

iv) On 5th March 2008, Green Global Resources Investments Limited ("GGRI"), a newly incorporated wholly-owned subsidiary of the Company, and Inner Mongolia Tian Lan Technology Sand Control Estate Limited ("Tian Lan") entered into a cooperation agreement, pursuant to which the two parties agreed to cooperate in executing a project for the planting of 5,000,000 Chinese mu of salix psammophila over the next 5 years and 200,000 Chinese mu of licorice roots over the next 3 years on the Ordos Plateau in Inner Mongolia, the PRC.

GGRI will invest a maximum amount of HK$70,000,000 in the first year of the project. GGRI and Tian Lan will be entitled to 90% and 10%, respectively, of the profit after tax (excluding any government subsidies) derived from the project and 80% and 20%, respectively, of any government subsidies granted for the project.

v) On 25th March 2008, Hainan Venture, an indirect 90% owned subsidiary of the Company, entered into a cooperation agreement with the Hainan Partner, a limited liability company established in the PRC, whereby Hainan Venture will advance to the Hainan Partner a deposit of up to HK$53,000,000 in the first year of the project without any interest or pledge of security to finance the planting and maintenance of Jatropha curcas trees.

Hainan Venture and the Hainan Partner have agreed that (a) for the three year-period commencing in 2008, Hainan Venture will sell Jatropha curcas saplings from its nursery to the Hainan Partner for planting by the Hainan Partner in an area of approximately 1,300,000 Chinese mu in Hainan, the PRC, and (b) the Hainan Partner will sell all qualified seeds harvested from the Jatropha curcas trees in the above land area exclusively to Hainan Venture for 30 years.

vi) On 26th March 2008, Lao-Agro, an indirect 80% owned subsidiary of the Company entered into a cooperation agreement with the National Authority for Science and Technology ("NAST") for the purposes of establishing three fully equipped centers to carry out in-depth research and development of the Jatropha curcas plant for the production of commercially and environmentally sustainable bio-energy as an alternative and renewable energy source.

The cooperation project is for a term of thirty years. Lao-Agro has agreed to invest a total of US$3,000,000 in both equipment and cash for the cooperation project. The profits generated from the cooperation agreement will be shared 80% and 20% respectively by Lao-Agro and NAST.

38. COMPARATIVE FIGURES

Certain comparative amounts for the year ended 31st December 2007 have been reclassified to conform with the current year's presentation."

3. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

The following is the management discussion and analysis extracted from the annual report of the Company for the year ended 31 December 2007:

"FINANCIAL PERFORMANCE

The Group reported a turnover of HK$72,252,000 in 2007, representing an increase of 23% compared with HK$58,740,000 recorded in 2006. This growth in turnover was largely attributable to increases in the sale of IT hardware during the year. During only approximately nine months of operations in 2007, the agro-conservation sector contributed management services income of approximately HK$7,467,000 to the Group. In addition, the agro-conservation and the bio-energy sectors contributed biological asset gains amounting to HK$11,255,000 and operating profits of HK$16,508,000.

Gross profit for the Group overall increased by 16% to HK$14,706,000 in 2007 (2006: HK$12,671,000) as a result of increases in revenues from the sales of IT hardware. Gross profit margin however, declined slightly by 1% to 20% mainly due to decreased gross profit margins on IT hardware sales.

The Group recorded a turnaround profit from operations of HK$6,565,000 as compared to a loss of HK$8,408,000 in 2006 due to a gain of HK$21,844,000 from the disposal of available-for-sale investments, an increase in other operating income from the provision of management and consultancy services of HK$15,467,000 and biological asset gains of HK$11,255,000 contributed by the new agro-conservation and bio-energy businesses.

The Group's loss before taxation in 2007 increased by 210% to HK$36,048,000 from HK$11,633,000 in 2006 mainly as a result of the impairment of goodwill of HK$40,771,000 in relation to Acacia (as defined below) and the Grand Panorama Group (as defined below). The impairment losses were made for the Grand Panorama Group following the disposal of the Grand Panorama Group after the close of the 2007 financial year. The decision to dispose of Grand Panorama Group and to impair the carrying amount of the goodwill from acquisition of Acacia was made by the Board after taking into consideration various factors, including the current and future business prospects and financial situation of these two companies, the current slowdown in the property agency market in China, the stringent austerity measures that have been imposed by the Chinese government, and the future capital requirements of these two companies.

The remaining businesses of systems integration, software solutions, IT management and real estate related services recorded an operating loss of HK$2,246,000.

Accordingly, the Board considers that it is in the best interests of the Company and its shareholders to focus the Company's efforts and resources on the agro-conservation and bio-energy businesses, which the Board and management believe to hold substantial potential for sustainable financial growth, thus increasing shareholder value for our Company and shareholders.

Loss per share for 2007 was HK4 cents, compared with HK 2 cents per share in 2006.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31st December 2007 (2006: Nil).

REVIEW OF CORE BUSINESSES

During 2007, the Board and the Company's management critically assessed the Company's existing businesses, commenced the rationalization of some of the Company's activities, and established the necessary foundation for a more focused and economically vibrant future. The year was marked by a number of pioneering, strategic investments in the agro-conservation and bio-energy sectors, which offer excellent potential for financial growth and increased shareholder value, while furthering the Company's commitment to the environment, socio-economic development, and corporate responsibility. This strategic focus on the agro-conservation and bio-energy businesses underlies the change of the Company's name to "Green Global Resources Limited", as explained in the Chairman's Statement. In spite of the relatively short time of the Company's operations in these businesses during 2007, the Group's new agro-conservation and bio-energy businesses have made significant progress.

AGRO-CONSERVATION AND BIO-ENERGY

Agro-Conservation

During 2007, the Group acquired two companies Green Global Licorice China Limited ("Green Global Licorice") and Quest Asia Development Limited (to be renamed Green Global Salix China Limited) ("Green Global Salix"), which conduct agro-conservation businesses in Inner Mongolia.

GREEN GLOBAL LICORICE

Green Global Licorice, which was acquired in March 2007, provides management and consultancy services to Inner Mongolia Tian Lan Technology Sand Control Estate Limited ("Tian Lan") for the cultivation of licorice in an area of approximately 1,000,000 Chinese *mu* (~67,000 hectares) of grassland in 伊克昭盟杭錦旗 (Yi Ke Zhao Meng Hang Jin Qi) in the Inner Mongolia Autonomous Region of China.

Licorice is a native perennial plant in certain regions in China, particularly the Inner Mongolia Autonomous Region, and the Xinjiang, Gansu, Qinghai, Shanxi, Ningxia, Shaanxi, Hebei, Jilin and Heilongjian Provinces. The most favorable species of licorice in China is found mainly in the Inner Mongolia Autonomous Region, the area in which Green Global Licorice operates.

The root of the licorice plant provides an important substance used in Chinese herbal medicine and is also widely used as raw material for a diverse range of products, including food, candies, cosmetics, and health products. Licorice roots also have other applications in the non-medical and imperishable sectors, for example, in the production of fire prevention and construction products.

The supply of licorice roots in the PRC has been under pressure in recent years due to rising demand. It is believed that the resulting market shortage will drive up prices for licorice roots in the coming years. The Board and the Company's management believe that the market for licorice roots is substantial and will continue to grow in China and elsewhere.

Ecologically, the licorice plant is highly effective in preventing soil erosion and the resulting spread of the desert because licorice roots penetrate deep into the soil and hold the soil layers together. Illegal farming and extraction of licorice have contributed to increasing desertification in Inner Mongolia. Local and national government entities have long endeavored to eradicate the desertification problem and strongly support the private sector's involvement in land management and conservation efforts. Through Green Global Licorice, the Company employs its unique PPP business model to assist the relevant governmental authorities in these anti-desertification efforts.

In Inner Mongolia, licorice is usually planted during spring to autumn when weather and soil conditions are most suitable for planting. It normally takes three years of growth before licorice roots can be harvested. Older licorice roots are generally of higher value.

Since its acquisition by the Company, Green Global Licorice has successfully completed the plantation of 8,000 Chinese *mu* (~533 hectares) of licorice. The timing and quantity of licorice roots to be harvested annually is in accordance to a prescribed schedule in order to achieve a balance between the soil preservation and commercial objectives.

GREEN GLOBAL SALIX

Green Global Salix, which was acquired in October 2007, provides management and consultancy services to Tian Lan for the cultivation of salix psammophila in an area of approximately 2,200,000 Chinese *mu* (~147,000 hectares) in Inner Mongolia.

Salix, also known as sand willow, is an indigenous shrub which is predominantly found in China's Inner Mongolia Autonomous Region and Shaanxi, Gansu, and Xinjiang Provinces. Salix is commonly planted in vast sandy areas to combat desertification by providing a wind shield to hold and block moving sand.

In addition to its anti-desertification properties, salix has other valuable and commercial uses. Salix has historically been used as cheap wood fuel. In recent years, salix has more commonly been used as raw material for fiber board and paper pulp for packaging materials. Other uses for salix are also being commercialized, including its use as a source for bio-fuel generated power plants.

The Company's Board and management believe that this combination of important commercial uses and the increasing commitment of resources by the Chinese Government to combating desertification will ensure that salix will become an even more important renewable and regenerative resource in China that will be in high demand in the coming years.

During 2007, Green Global Salix successfully planted 200,000 Chinese *mu* (~13,300 hectares) of salix in Inner Mongolia.

For the year ended 2007, the agro-conservation businesses generated income of approximately HK$7,467,000 from the provision of management services for the cultivation of licorice. In addition, biological asset gains from the cultivation of licorice and salix during the year amounted to HK$7,690,000. The amount was determined by Greater China Appraisal Limited ("Greater China"), an independent professional valuer, based on the fair value of licorice and salix less estimated point-of-sale costs with reference to the most recent market transaction prices. During only nine months of operation, the operating profit from this business sector amounted to HK$12,703,000.

Bio-energy

In light of the worldwide shortage of energy, coupled with the rising interest in environmentally friendly and renewable or regenerative fuel resources, the Company's Board and management believe that a strong demand for alternative energy resources such as bio-diesel will exist for the foreseeable future. The Board and management believe that bio-energy businesses will complement the Company's agro-conservation businesses and generate substantial and sustainable profits for the Company for years to come. During 2007, the Board explored a number of interesting opportunities in the regenerative and renewable resources sector. Unlike fossil fuels such as coal and natural gas that will soon be exhausted or significantly depleted, regenerative and renewable energy resources may be replenished or reproduced from natural resources such as solar, wind, geothermal, water, and biomass, or regenerated or renewed through mass cultivation or production.

Increased use of renewable and regenerative energy resources can help achieve the enormous commercial goal of satisfying the world's increasing energy demands and the critical societal goals of substantially reducing air, water, and thermal pollution, excessive water consumption, and adverse land usage.

Bio-diesel is currently one of the most suitable regenerative and renewable energy resources. This highly desirable alternative fuel source provides a renewable and cleaner source of energy which is relatively affordable.

The key challenge faced in bio-diesel development is the availability of a raw material that is commercially viable, environmentally friendly to produce, and socially acceptable. Apart from being more cost-effective than other conventional raw materials such as palm oil or rapeseed oil, the optimal raw material for bio-diesel production should not be derived from human or animal food sources, and should not be cultivated at the expense of deforestation or cultivated on land that could otherwise be used for the cultivation of human or animal food sources. It is widely believed that such an optimal raw material can be found in the oil derived from the seeds of jatropha curcas.

HAINAN VENTURE

In December 2007, the Company established Hainan Venture Zhengke Bioenergy Development Company Limited (海南宏昌正科生物能源發展有限公司) ("Hainan Venture"). Hainan Venture is a joint venture, 90% owned by the Company and 10% owned by 北京東方正科科技有限公司 (Beijing Oriental Zhengke Technology Company Limited), a PRC company principally engaged in investments in, and operation of businesses related to, research and technology. Hainan Venture was established to conduct jatropha curcas-based bio-energy activities in Hainan.

The seeds of jatropha curcas (also known as Barbados nut or Physic nut) have a high level of oil content which is widely believed to be one of the most economical and practical raw materials for the sustained production of environmentally friendly bio-diesel. Because the jatropha plant is not a food source and can be grown in less than optimal soil and climatic conditions, jatropha complies with the Chinese Government's alternative energy policies, which prohibit alternative energy activities that use food sources as raw material or that occupy farmlands that can be used for growing food sources.

Hainan was chosen as the location for this important bio-energy project because of its particular suitability for growing jatropha. Jatropha thrives in warm weather conditions and requires substantial rainfall. Hainan provides the ideal combination of these two essential conditions.

With the technological assistance of specialists from the Sichuan University College of Life Sciences, Hainan Venture has completed the establishment of a 150 Chinese *mu* (~10 hectare) nursery to grow jatropha curcas saplings. Hainan Venture expects to commence selling these saplings in the second quarter of 2008 and to expand the size of the nursery during 2008.

LAO-AGRO

In December 2007, the Group extended its bio-energy business activities from China to Laos through a new joint venture, Lao Agro-Promotion Limited ("Lao-Agro"). Lao-Agro is an 80% owned subsidiary of the Company which was established to conduct jatropha-based bio-energy business activities in Laos. The 20% minority interest in Lao-Agro is held by Charoen Phattana Group, a Laotian business enterprise, and the Lao Disabled People Association.

Similar to Hainan, the climate and agronomy of Laos are highly suitable for the cultivation of jatropha curcas. Moreover, Laos offers sufficient inexpensive land and farm labor to support the mass cultivation of jatropha. The Company's presence in Laos through Lao-Agro will provide a strong foundation for developing and commercializing the jatropha-based bio-energy sector in Laos and for similar activities in other Greater Mekong Sub-region ("GMS") countries.

Because the Company's bio-energy activities were not commenced until late in 2007, the bio-energy sector did not generate any revenue for the year ended 2007. However, the biological asset gains from the cultivation of jatropha saplings during the year amounted to HK$3,565,000. The biological assets gain was determined by Greater China based on the fair value of jatropha saplings less estimated point-of-sale costs with reference to the most recent market transaction prices.

NON-AGRICULTURAL BUSINESSES

Systems Integration, Software solutions, IT management and support: TopAsia Group ("TopAsia")

In 2007, TopAsia's provision of ATM management services to the banking and financial sectors in China remained a main revenue contributor to the Company.

Buoyed by economic prosperity in China, TopAsia enjoyed steady business growth during 2007. TopAsia entered into a number of new ATM after-sales services contracts with state-owned and commercial banks, including 15 municipal branches of China Merchants Bank, 35 branches of Bank of Communications, and branches of Bank of China and the Postal Bureau. To support this wider customer base, TopAsia bolstered its infrastructure by adding 7 service centers countrywide, for a total of 38, and expanding its engineering team with the addition of another 30 technicians.

Sales of ATM products also increased in 2007, with gains mainly attributable to sizeable new contracts for more than 100 installations in the Zhejiang Postal Bureau and Bank of Shanghai. Sales of data storage facilities also increased slightly during 2007, with supply and service contracts signed with Shanghai Securities Depository and Clearing Corporation, Shanghai Post, Industrial Bank, and the Guangzhou Municipal Government.

In spite of increasing revenues, the level of TopAsia's direct and operating costs remain high for 2007, and the division generated operating losses amounting to HK$1,330,000 for the year. In light of current global economic concerns, particularly in the financial services industry in which TopAsia operates, and China's macroeconomic situation of tight money supply and high inflation, TopAsia will face a challenging business environment in 2008. We will continue to monitor and assess TopAsia's activities and prospects.

Real estate related technology services: Acacia Asia Partners Ltd ("Acacia")

Acacia is a provider of technical and outsourcing services to retail real estate agencies in the PRC, primarily in Shanghai. The operating landscape for Acacia's business has become increasingly difficult, with the mainland Chinese Government's imposition of austerity measures and higher operating requirements for brokerages. In view of the plunging number of transactions and negative prospects, the Group is seriously assessing the future viability of Acacia.

Acacia generated HK$442,000 in revenues and HK$5,799,000 in operating losses during 2007.

Real estate consultancy services: Grand Panorama Limited and its subsidiary ("Grand Panorama Group")

As a real estate and mortgage broker in Shanghai, Grand Panorama competes with large-scale brokers with more comprehensive infrastructure and networks across Shanghai and China as a whole. Along with Acacia, this segment will remain constrained by stringent Government policies. As discussed above, the Company disposed of its entire interest in Grand Panorama Group in March 2008.

Grand Panorama Group generated HK$5,617,000 in revenues and HK$4,715,000 in operating profits during 2007.

OUTLOOK

The Company's progress in 2007 in the agro-conservation sector through Green Global Licorice and Green Global Salix has been significant. With the cooperation of Tian Lan and the Inner Mongolia government in the 5532 project, Green Global Licorice and Green Global Salix will continue to plant licorice and salix in Inner Mongolia to achieve the Company's goal to cultivate 200,000 Chinese *mu* (~13,300 hectares) of licorice over the next 3 years and 5,000,000 Chinese *mu* (~333,000 hectares) of salix over the next 5 years. Going forward, the Company's Board and management believe that Green Global Licorice and Green Global Salix will make significant contributions to the revenue and profits of the Company.

Through the 5532 project with Tian Lan, the Company has engendered the trust and support of the local government for its agro-conservation efforts in Inner Mongolia. The Board and management believe that this trust in and support for the Company will greatly facilitate our current and future agro-conservation efforts in Inner Mongolia.

The Company established important foundations for its bio-energy businesses in Hainan and Laos in 2007. Hainan Venture, which established its jatropha curcas sapling nursery in 2007, intends to expand its nursery to 1,500 Chinese *mu* (~100 hectares), a scale which will ensure an adequate supply of jatropha saplings to plant large areas of land. In fulfillment of this purpose, in March 2008, Hainan Venture entered into a Cooperation Agreement with 海南東方林昌生物能源發展有限公司 (Hainan Oriental Linchang Bioenergy Development Limited) (the "Hainan Partner"), pursuant to which the parties agreed that Hainan Venture will sell jatropha curcas saplings from its nursery to the Hainan Partner for planting in an area of approximately 1,300,000 Chinese *mu* (~86,000 hectares) Chinese mu in Hainan and the Hainan Partner will sell all qualified seeds harvested from such trees to the Hainan Venture for the next 30 years. The Board and management believe that this cooperation will serve as a strong foundation for our jatropha-based bio-energy business in Hainan, by ensuring that we have a reliable market for the jatropha saplings grown in our Hainan nursery, that those saplings will be properly cultivated into seed producing trees, and that we will have a guaranteed future supply of high quality seeds from those trees.

In December 2007, the Company entered into the Lao-Agro joint venture to conduct jatropha-based bio-energy business activities in Laos, and in March 2008 Lao-Agro entered into a Cooperation Agreement with the Lao National Authority for Science and Technology ("NAST") to establish three commercially-based research and development and training centers for the production of commercially and environmentally sustainable jatropha-based bio-energy as an alternative and renewable energy source. This new business venture in Laos marks the Company's first initiative into the GMS. Management believes that the Lao-Agro joint venture and Lao-Agro's cooperation with NAST will help Lao-Agro to develop optimal species of jatropha curcas for commercializing jatropha production in Laos, and help to establish Lao-Agro as a highly recognized and dependable jatropha producer throughout the GMS.

With support from the governments in each of the countries in which the Company has invested, the Board and management believe that our agro-conservation and bio-energy business activities will make great strides in 2008 and the years to come. Going forward, the Company intends to continue to focus its efforts and resources towards realizing the tremendous potential of these agro-conservation and bio-energy businesses to create maximum profits and value for the Company and its shareholders.

The Company, through its new Board and management, has demonstrated its commitment to identifying and capitalizing on new opportunities to achieve substantial and sustainable financial growth for the Company and to maximize shareholder value. Through a combination of rationalization and repositioning of existing businesses and strategic and coordinated investments in new growth businesses in 2007, we have established a firm platform for the Company to achieve exciting and sustained future financial success, while fulfilling the Company's commitments to socio-economic development, good corporate governance and transparency, and responsible citizenship in the growing "green global" community.

LIQUIDITY AND FINANCIAL RESOURCES

Net Assets

At 31st December 2007, the Group recorded total assets of approximately HK$520,749,000, which were financed by liabilities of approximately HK$195,399,000 and equity of approximately HK$325,350,000. The Group's net asset value as at 31st December 2007 increased by 90% to 325,350,000 as compared to approximately HK$170,992,000 as at 31st December 2006.

Liquidity

The Group had total cash and bank balances of approximately HK$72,939,000 as at 31st December 2007 (2006: HK$72,254,000). The net cash balance as at 31st December 2007 was also HK$72,939,000 (2006: approximately HK$72,236,000), as the Group does not have any bank borrowings (2006: approximately HK$18,000).

As at 31st December 2007, the current ratio was 1.58 (2006: 2.79) and gearing ratio was 0.24 (2006: Nil) which was defined as the Group's convertible loan notes over its equity attributable to equity holders of the Company.

Charges on assets

At 31st December 2007, no fixed deposits were pledged to banks to secure banking facilities (2006: HK$15,624,000).

Treasury policies

The Group generally finances its operations with internally generated resources, proceeds from the disposal of its available-for-sale-investments and from equity fund raising activities. All financing methods, including equity, debt and other means, will be considered so long as such methods are beneficial to shareholders as a whole. Subsidiaries in the PRC use internally generated resources to finance their working capital requirements. Bank deposits are mainly in Hong Kong dollars and Renminbi.

Contingent liabilities and capital commitments

The Group had no material contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance.

The Group had capital commitments which were authorised but not contracted for totaling approximately HK$36,035,000 in respect of additional capital injections in subsidiaries as at 31st December 2007 (2006: Nil).

Foreign exchange exposure

For the year ended 2007, the Group mainly earns revenue in Renminbi and incurs costs in Hong Kong Dollars and Renminbi. Although, the Group currently does not have any foreign currency hedging policies, it manages its currency exposure by ensuring that the revenue earned in Renminbi are used to pay for Renminbi denominated costs. Funds raised from financing activities which are mainly in Hong Kong Dollars are used to pay for Hong Kong Dollar expenses and Hong Kong Dollar costs of acquisitions.

The directors do not expect the appreciation of the Renminbi against the Hong Kong Dollars to have any material adverse effect on the operation of the Group.

Employee and remuneration policies

As at 31st December 2007, the Group employed approximately 263 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme."

4. INDEBTEDNESS

At the close of business on 31 May 2008, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had outstanding Convertible Bonds of approximately HK$79.7 million.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not have outstanding at the close of business on 31 May 2008 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

5. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, taking into consideration the financial resources available to the Group including internally generated funds and the estimated net proceeds from the Rights Issue (if the Rights Issue becomes unconditional), the Group will have sufficient working capital for at least twelve months from the date of this prospectus.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

1. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

Set forth below is the accountants' report, prepared for the sole purpose of incorporation in this prospectus received by the Directors from SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong, in connection with the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group set out in this Appendix:

信永中和 ShineWing

SHINEWING (HK) CPA Limited
16/F., United Centre
95 Queensway, Hong Kong

21 July 2008

The Board of Directors
Green Global Resources Limited
9th Floor, Wincome Centre
Nos. 39-41 Des Voeux Road Central
Hong Kong

Dear Sirs,

Green Global Resources Limited (the "Company") and its subsidiaries (the "Group")

We report on the unaudited pro forma statement relating to the adjusted consolidated net tangible assets of the Group (the "Unaudited Pro Forma NTA") as set out in the Section headed "UNAUDITED PRO FORMA FINANCIAL INFORMATION" in Appendix II to the Company's prospectus dated 21 July 2008 (the "Prospectus") in connection with the proposed rights issue (the "Rights Issue") to qualifying shareholders on the basis of one rights share for every existing share held as at 21 July 2008 (the "Record date"). The Unaudited Pro Forma NTA is unaudited and has been prepared by the directors of the Company (the "Directors") solely for illustrative purposes, to provide information to the shareholders of the Company about how the Rights Issue might affect the consolidated net tangible assets of the Group upon completion of the Rights Issue.

The basis of preparation is set out in section 2 of Appendix II to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountants

It is the sole responsibility of the Directors to prepare the Unaudited Pro Forma NTA in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma NTA and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma NTA beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma NTA with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma NTA has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma NTA as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma NTA is for illustrative purpose only, based on the judgments and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2007 or at any future date.

Opinion

In our opinion:

(a) The Unaudited Pro Forma NTA has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma NTA as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Tam Kwok Ming, Banny
Practising Certificate Number: P03289

Hong Kong

2. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

For illustrative purposes only, the pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules is set out here to provide the Shareholders with further information on how the Rights Issue might have affected the financial position of the Group. Although reasonable care has been exercised in preparing the said information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a true picture of the financial position of the Group upon completion of the Rights Issue.

Set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group based on the audited consolidated net tangible assets of the Group as at 31 December 2007 adjusted to reflect the effects of the Rights Issue assuming that 1,267,422,572 rights shares (the "Rights Shares") will be issued pursuant to the Rights Issue:

	Audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2007	**Estimated net proceeds from the Rights Issue**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after the Rights Issue**
	HK$	*HK$*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*
Net tangible assets	42,486,000	130,000,000	172,486,000
Number of shares issued	1,035,259,257	1,267,422,572	2,302,681,829
Unaudited pro forma adjusted consolidated net tangible assets per share	HK$0.041		HK$0.075

Note:

1. The audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2007 are based on the audited consolidated net assets of the Group as at 31 December 2007 of approximately HK$322,795,000 as set out on page 27 of this Prospectus, and deduct intangible assets and goodwill of approximately HK$165,225,000 and HK$156,873,000 respectively, plus the deferred tax liability arising from intangible assets of approximately HK$41,789,000.

2. The estimated net proceeds from the Rights Issue is based on 1,267,422,572 Rights Shares at a price of HK$0.108 per Rights Share to be issued at the subscription price of HK$0.108 per Rights Share, after the deduction of the estimated related expenses of approximately HK$6,882,000.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company upon completion of the Rights Issue are arrived at after aggregating the adjusted audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2007 of HK$42,486,000 and the net proceeds of HK$130,000,000 from the Rights Issue (Note 2).

   The unaudited pro forma adjusted consolidated net tangible assets per share after the Rights Issue is based on the 2,302,681,829 shares (on the basis that there were 1,035,259,257 shares in issue as at 31 December 2007, having not taken into account the share options and the Convertible Bonds exercised and converted from 1 January 2008 up to the Record Date, and 1,267,422,572 Rights Shares were issued under the Rights Issue (Note 2)) were in issue upon completion of the Rights Issue.

4. On 16 January 2008, a holder of Convertible Bonds converted HK$18,350,000 Convertible Bonds into 32,363,315 shares of the Company at a conversion price of HK$0.567 per share (the "Allotment 1"). The proceeds from Allotment 1, being the amount of liability released, was HK$18,350,000.

   On 11 March 2008, the Company allotted 199,000,000 shares at a price of HK$0.25 per share (the "Allotment 2"). The proceeds from Allotment 2 was HK$49,750,000.

   On 5 May 2008, a grantee of share options exercised 800,000 shares of the Company at a price of HK$0.15 per share (the "Allotment 3"). The proceeds from Allotment 3 was HK$120,000.

   As a result of Allotment 1, Allotment 2 and Allotment 3 (collectively referred to as "Allotments"), 232,163,315 new shares of the Company were issued and the net proceeds after deducting relevant direct expenses of HK$29,000 amounted to HK$68,191,000 were received.

   The unaudited pro forma consolidated net tangible assets per share would be HK$0.095 if the Allotments were taken into accounts. It is calculated based on the unaudited pro forma consolidated net tangible assets of HK$240,677,000 (calculated as HK$172,486,000 (Note3) plus the net proceeds of HK$68,191,000 from the Allotments) and the number of shares in issue of 2,534,845,144 (calculated as 2,302,681,829 (Note 3) plus the new shares of 232,163,315 issued in the Allotments) upon completion of the Rights Issue.

5. No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2007.

RESPONSIBILITY STATEMENT

This prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Share capital

(a) Share capital as at the Latest Practicable Date

Authorised:		*HK$*
3,000,000,000	Shares	300,000,000
Issued and fully paid:		
1,267,422,572	Shares	126,742,257

(b) Share capital upon the increase in authorised share capital and completion of the Rights Issue

Authorised:		*HK$*
8,000,000,000	Shares	800,000,000
Issued and fully paid:		
1,267,422,572	Shares as at the Latest Practicable Date	126,742,257
1,267,422,572	Rights Shares to be issued pursuant to the Rights Issue	126,742,257
2,534,845,144	Shares upon completion of the Rights Issue	253,484,514

All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with the existing Shares.

Since 31 December 2007, the date to which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date, the Company issued (i) 32,363,315 Shares upon conversion of the Convertible Bonds on 16 January 2008; (ii) 199,000,000 Shares to Integrated Asset pursuant to a subscription agreement dated 25 February 2008; and (iii) 800,000 Shares upon the exercise of Share Options on 5 May 2008.

Share Options

As at the Latest Practicable Date, the Company has the following outstanding Share Options held by employees of the Company, the Directors and business associates of the Company:

Date of grant	**Exercise price per Share**	**No. of Shares which may fall to be issued upon exercise of the Share Options**
	HK$	
13 March 2008	0.243	101,750,000
16 April 2007	0.360	600,000
20 November 2007	0.380	8,075,855
9 July 2007	0.660	74,846,000
21 January 2000	2.532	1,320,000

Notes:

1. For the Share Options held by employees of the Company (including Directors), the exercise period is from the date of grant to the termination of their respective employment with the Company unless the Directors otherwise determine.

2. For the Share Options held by the business associates of the Company, the exercise period is from the date of grant to the expiry of the existing share option scheme of the Company which is on 30 May 2012.

3. As at the Latest Practicable Date, (i) Mr. Tse, an Executive Director, held Share Options entitling him to subscribe for 996,000 and 8,900,000 Shares at a subscription price of HK$0.66 and HK$0.243 per Share respectively; (ii) Mr. Puongpun Sananikone, an Executive Director, held Share Options entitling him to subscribe for 600,000 and 9,000,000 Shares at a subscription price of HK$0.66 and HK$0.243 per Share respectively; (iii) Mr. Lim Yew Kong, John, an independent non-executive Director, held Share Options entitling him to subscribe for 600,000 Shares at a subscription price of HK$0.36 per Share; (iv) Mr. Albert Theodore Powers and Mr. Pang Seng Tuong, independent non-executive Directors, held Share Options entitling each of them to subscribe for 1,200,000 Shares at a subscription price of HK$0.243 per Share. Save for the aforesaid, the Directors did not have any other interest in the Share Options as at the Latest Practicable Date.

4. Holders of 171,271,855 Share Options have irrevocably undertaken to the Company that they will not exercise any of their Share Options prior to the Record Date and that such Share Options will remain registered in the name of and beneficially owned by such holders from the date of such undertaking up to and including the Record Date. On this basis, the Remaining Share Options in respect of 15,320,000 Shares may be exercised on or prior to the Record Date.

5. Upon the Rights Issue becoming unconditional, the exercise prices of the outstanding Share Options will be subject to adjustments. Further announcement will be made in relation to the adjustment to the exercise prices of the Share Options.

Convertible Bonds

Details of the outstanding Convertible Bonds as at the Latest Practicable Date were as follows:

Holder	Underlying Shares subject to the Convertible Bonds at the Latest Practicable Date	Conversion price *HK$*	Issue date	Conversion period
Tse Hoi Chau	104,761,904	0.567	2 October 2007	from 2 October 2007 until 1 October 2010
Lee Cheong Fu	35,714,285	0.567	2 October 2007	from 2 October 2007 until 1 October 2010

Upon the Rights Issue becoming unconditional, the conversion price of the outstanding Convertible Bonds will be subject to adjustments. Further announcement will be made in relation to the adjustment to the conversion price of the Convertible Bonds.

Save as disclosed above, the Company did not have any other options, warrants and other convertible securities or rights affecting the Shares as at the Latest Practicable Date.

DIRECTORS' INTERESTS

(A) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Directors had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules:

(i) Long position in the Shares

Name of Director	Nature of interest	No. of Shares held	Position	Approximate percentage of issued share capital
Tse Michael Nam	Beneficial owner	50,000,000	Long	3.95%

(ii) Long position in the underlying Shares

Name of Director	Nature of interest	No. of underlying Shares	Position	Approximate percentage of issued share capital
Tse Michael Nam	Beneficial owner	9,896,000 *(Note 1)*	Long	0.78%
Puongpun Sananikone	Beneficial owner	9,600,000 *(Note 2)*	Long	0.76%
Lim Yew Kong, John	Beneficial owner	600,000 *(Note 3)*	Long	0.05%
Albert Theodore Powers	Beneficial owner	1,200,000 *(Note 4)*	Long	0.10%
Pang Seng Tuong	Beneficial owner	1,200,000 *(Note 4)*	Long	0.10%

Notes:

1. As at the Latest Practicable Date, Mr. Tse, an executive Director, held Share Options entitling him to subscribe for 996,000 and 8,900,000 Shares at a subscription price of HK$0.66 and HK$0.243 per Share respectively.

2. As at the Latest Practicable Date, Mr. Puongpun Sananikone, an executive Director, held Share Options entitling him to subscribe for 600,000 and 9,000,000 Shares at a subscription price of HK$0.66 and HK$0.243 per Share respectively.

3. As at the Latest Practicable Date, Mr. Lim Yew Kong, John, an independent non-executive Director, held Share Options entitling him to subscribe for 600,000 Shares at a subscription price of HK$0.36 per Share.

4. As at the Latest Practicable Date, Mr. Albert Theodore Powers and Mr. Pang Seng Tuong, independent non-executive Directors, held Share Options entitling each of them to subscribe for 1,200,000 Shares at a subscription price of HK$0.243 per Share.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(B) Director's interests in assets, contracts or arrangements of the Group

None of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group. As at the Latest Practicable Date, save for Mr. Tse being a party to the Underwriting Agreement, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group and subsisting at the date of this prospectus which was significant in relation to the business of the Group.

OTHER DISCLOSURES UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) Interests in the Shares and underlying Shares

Name of substantial Shareholder	Nature of interest	No. of Shares and/or underlying Shares held	Position	Approximate percentage of issued share capital
Tse Hoi Chau *(Note 1)*	Beneficial owner	104,761,904	Long	8.27%
Integrated Asset *(Note 2)*	Beneficial owner	216,912,000	Long	17.11%
Mr. Yam *(Note 2)*	Interest of controlled corporation	216,912,000	Long	17.11%

Notes:

1. Mr. Tse Hoi Chau is interested in 104,761,904 underlying shares which may be allotted and issued upon exercise of conversion rights attaching to the Convertible Bonds. For further details of the Convertible Bonds, please refer to the announcement and the circular of the Company dated 25 July and 16 August 2007 respectively. The conversion price was determined at a premium of 5% over the average of the closing prices per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the date of completion of the transaction as disclosed in the circular of the Company dated 16 August 2007 and the subscribers to the Convertible Bonds can only convert such amount of the Convertible Bonds such that it/they, together with their associate(s), hold a maximum aggregate of 8% of the then issued share capital of the Company (as enlarged by the allotment and issue of the conversion shares). This results in the difference in the number of underlying Shares interested by Mr. Tse Hoi Chau as disclosed herein in comparison with the figures as disclosed in the circular of the Company dated 16 August 2007. In relation to the other holders of the Convertible Bonds, Mr. Lee Cheong Fu and Mr. Mui Kin Si, as announced in the announcement and the circular of the Company dated 25 July and 16 August 2007, to the best of the Directors' knowledge, these two Convertible Bonds holders have converted part of the Convertible Bonds and have disposed of some converted Shares and as at the Latest Practicable Date, their interests in Shares are not shown in the register of the Company pursuant to the SFO.

2. Integrated Asset is interested in 216,912,000 Shares and Integrated Asset is wholly and beneficially owned by Mr. Yam.

(ii) Interests in shares of associated corporations of the Company

Name of subsidiary	Name of entity	Class and no. of securities	Percentage shareholdings
TVH Cyber Technology Ltd.	Yi Jun Yong	200 ordinary shares of HK$1 each (L)	20%
BMC Software (China) Ltd.	BMC Software (HK) Ltd.	1 ordinary share of HK$1 (L)	10%

L: represents the long position in the securities

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company), including companies of which the Director/proposed director is an employee, who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

SERVICE CONTRACTS

Mr. Tse Michael Nam, an executive Director, has entered into a service agreement with the Company on 12 February 2007 (as amended by a supplemental service agreement dated 16 July 2007) for a term of three years commencing from 12 February 2007, being the date of appointment, renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment unless terminated by not less than three months' notice in writing served by either party expiring at the end of the initial term or at any time thereafter. Mr. Tse is entitled to a monthly salary of HK$100,000, reimbursement for rental of accommodation in Hong Kong of HK$110,000 per month and a gratuity payment in each financial year of the Company equal to the amount of the then monthly salary of Mr. Tse, subject to such increase as the Board may determine from time to time in its absolute discretion in accordance with his service agreement. Mr. Tse will also be entitled to a management bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion, subject also to the terms of his service agreement. The emoluments of Mr. Tse were determined with reference to the prevailing market conditions, director's duties and responsibilities, and performance and results of the Group.

Mr. Puongpun Sananikone, an executive Director, has entered into a service agreement with the Company on 1 March 2008 for a term of one year commencing from 1 March 2008, being the date of appointment, renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment, unless terminated upon not less than three months' notice in writing served by either party. Pursuant to the same service agreement, Mr. Sananikone will be entitled to a salary of HK$65,000 per month plus a gratuity payment in each financial year of the Company equal to the amount of the then monthly salary of Mr. Sananikone subject to such increase as the Board may determine from time to time in its absolute discretion in accordance with his service agreement. In addition to the salary, the Company may grant share options representing not more than 1% of the issued share capital of the Company under the share option scheme to Mr. Sananikone. The emoluments of Mr. Sananikone were determined with reference to the prevailing market conditions, director's duties and responsibilities, and performance and results of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group after the date two years immediately preceding the date of the Announcement and up to the Latest Practicable Date which are or may be material:

(i) the sale and purchase agreement dated 17 July 2006 entered into between Mr. Chan Tze Ngon as the purchaser and Technology Venture Investments Limited, a wholly-owned subsidiary of the Company, as the vendor in relation to the disposal of 33,037,220 shares in ChinaCast Communication Holdings Limited at a total consideration of S$9,250,000 (equivalent to approximately HK$46,805,000);

(ii) the sale and purchase agreement dated 19 October 2006 entered into between 冠亞科技（上海）有限公司 (Topasia Tech (Shanghai) Limited*), a wholly-owned subsidiary of the Company, as vendor and 北京潤高文化發展有限公司 (Beijing Run Gao Cultural Development Limited)* as purchaser in relation to the disposal of 20% of the registered and paid-up capital of 北京東師雙威教育技術開發有限公司 (Beijing Dongshi Shuangwei Education Technology Company Limited*) at a total consideration of RMB12,000,000 (equivalent to approximately HK$13,440,000);

(iii) the sale and purchase agreement dated 10 February 2006 (including any amendments thereto) (the "Sale and Purchase Agreement") entered into among Technology Venture Investments Limited, a wholly-owned subsidiary of the Company, as purchaser, the vendors to the Sale and Purchase Agreement comprising August Chance Investments Limited, Recognition International Limited, John S & Sherry H Chan 1994 Family Trust, Toh Teng Peow David, Tam Yuk Ching Jenny, Double Assets Investments Limited, Profitone Agents Limited, Universal Chinese Limited, Ever Perform Technology Limited and Fabulous On Services Limited (the "Sellers"), and Mr. Samuel Lin Jr. as guarantor in relation to the acquisition of the entire issued share capital of Grand Panorama Limited at a total consideration of HK$30,000,000, and the supplemental agreement to the Sale and Purchase Agreement dated 17 November 2006 entered into among Technology Venture Investments Limited, the Sellers and Mr. Samuel Lin Jr in relation to the extension of time for fulfilment of profit guarantees under the Sale and Purchase Agreement;

(iv) the conditional placing agreement dated 22 January 2007 entered into between the Company and VC Brokerage Limited for the placing on a best endeavour basis of up to 110,000,000 new Shares at the price of HK$0.22 each;

(v) the sale and purchase agreement dated 12 February 2007 entered into between Technology Venture Investments Limited, a wholly-owned subsidiary of the Company, as purchaser and Mr. Lau Siu Hung, Ricky as vendor in relation to the acquisition of the entire share capital of Huge Value Development Limited at a consideration of HK$78 million;

(vi) the sale and purchase agreement dated 29 March 2007 entered into between Massive Right International Limited as purchaser and Technology Venture Investments Limited, a wholly-owned subsidiary of the Company, as vendor in relation to the disposal of the remaining 1,551,771 shares in ChinaCast Education Corporation at a total consideration of HK$55,000,000;

(vii) the placing and subscription agreement dated 15 June 2007 entered into between the Company, CITIC Securities Corporate Finance (HK) Limited, Mr. Chan Tze Ngon, and Mr. Tse Michael Nam, Universal Chinese Limited and Mr. Samuel Lin Jr for the placing, on a best effort basis, of up to 160,000,000 Shares held by Mr. Chan Tze Ngon, Mr. Tse Michael Nam and Universal Chinese Limited (collectively the "Placing Shares Vendors") at the price of HK$0.72 each, and the subscription by the Placing Shares Vendors of the number of the Shares placed at the price of HK$0.72 each;

(viii) the sale and purchase agreement dated 20 July 2007 entered into between Technology Venture Investments Limited, a wholly-owned subsidiary of the Company, as purchaser, Adonia Development Limited as vendor, and Lee Cheong Fu, Tse Hoi Chau and Mui Kin Si as guarantors in relation to the acquisition of the entire issued share capital of Quest Asia Development Limited at a total consideration of HK$190 million;

(ix) the agreement dated 12 September 2007 entered into between China Bioenergy Holdings Limited, a wholly-owned subsidiary of the Company, and 四川大學生物技術研究開發中心 (Sichuan University Bio-technology Research and Development Centre*) in relation to building a Jatropha nursery in Hainan Province, PRC, under which the Group would pay RMB300,000 per annum for technological research conducted by the other party for a term of 5 years;

(x) the joint venture agreement dated 5 October 2007 entered into between 北京東方正科科技有限公司(Beijing Oriental Zhengke Technology Company Limited*) and Global Bioenergy Group Limited, a wholly-owned subsidiary of the Company, with respect to the formation of an equity joint venture enterprise with a registered capital of RMB50,000,000 (equivalent to approximately HK$56,000,000) in Hainan Province, the PRC, under which the Group would contribute RMB45,000,000 (equivalent to approximately HK$50,400,000) for the registered capital of the joint venture enterprise;

(xi) the subscription agreement dated 25 February 2008 entered into between the Company, Integrated Asset and Mr. Yam in respect of the subscription of 199,000,000 new Shares at the price of HK$0.25 each by Integrated Asset;

(xii) the sale and purchaser agreement dated 3 March 2008 entered into between Technology Venture Investments Limited, a wholly-owned subsidiary of the Company, as vendor, 上海星脉計算機科技發展有限公司(Shanghai XingMai Computer Technology Development Company Ltd.*) as purchaser and Wang Zhengpin as guarantor in relation to the disposal of the entire issued share capital of Grand Panorama Limited at a total consideration of RMB4,000,000 (equivalent to approximately HK$4,480,000);

(xiii) the agreement dated 5 March 2008 entered into between the Company and 內蒙古天蘭科技治沙產業有限公司 (Inner Mongolia Tian Lan Technology Sand Control Estate Limited*), in relation to a project for the planting of 5,000,000 Chinese mu of salix psammophila over the next 5 years and 200,000 Chinese mu of licorice roots over the next 3 years in Hang Jin Qi, Ordos, Inner Mongolia, the PRC (內蒙古鄂爾多斯市杭錦旗), under which the Company had a sole discretion to inject at the maximum of RMB70,000,000 (equivalent to approximately HK$78,400,000) for implementation of such project;

(xiv) the cooperation agreement dated 25 March 2008 entered into between 海南東方林昌生物能源發展有限公司(Hainan Oriental Linchang Bioenergy Development Limited*) and 海南宏昌正科生物能源發展有限公司 (Hainan Venture Zhengke Bioenergy Development Company Limited*), a non-wholly owned subsidiary, in relation to their cooperation for the planting of Jatropha curcas, under which the Group would sell Jatropha curcas saplings from its nursery to the other party for planting in an area of approximately 1.3 million Chinese mu in Hainan, the PRC, and the other party would sell all qualified seeds harvested from the Jatropha curcas trees in the above land area exclusively to the Group for 30 years;

(xv) the cooperation agreement dated 26 March 2008 entered into between The National Authority for Science and Technology and Laos Agro-Promotion Limited, a non-wholly-owned subsidiary of the Company, in relation to their cooperation in the establishment of three fully-equipped centres to carry out in-depth research and development of the Jatropha curcas plant for the production of commercially and environmentally sustainable bio-energy as an alternative and renewable energy source, under which the Group would invest a total of US$3,000,000 in both equipment and cash for such project;

(xvi) the Underwriting Agreement; and

(xvii) the loan agreement dated 23 June 2008 entered into between the Company and the Underwriter, under which the Underwriter would grant a term loan of HK$25,000,000 to the Company.

* *For identification purpose only*

DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to under the heading "Expert and consent" in this appendix, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). A copy of each of the Prospectus Documents has been filed with the Registrar of Companies in Bermuda in accordance with the Companies Act 1981 of Bermuda.

PARTICULARS OF DIRECTORS

The brief biographies of the Directors are set out below:

Executive Directors

Mr. Tse Michael Nam, aged 50, is the Chairman and Chief Executive Officer of the Company. Mr. Tse has had over 20 years of experience in the agricultural, cultivation and farming industry. Mr. Tse has held key management positions in several agricultural companies as well as being a technical advisor to various organizations and governmental bureaus such as Hawaiian Agronomic (International) Inc., the Thai Trade Commission and projects funded by multinational organizations such as the Asian Development Bank ("ADB"). Mr. Tse holds a Bachelor of Science degree in Biological Science & Marine Biology from the University of California, Berkeley and a Master of Business Administration degree from the University of San Francisco. Mr. Tse is responsible for the Group's overall performance and strategic direction.

Mr. Puongpun Sananikone, aged 63, is an Executive Director of the Company. Mr. Sananikone is an experienced international development economist and business executive whose career has spanned many countries throughout the Asia-Pacific region. Mr. Sananikone has been professionally active in China and Southeast Asia for over two decades. Mr. Sananikone was recently elected the Chairman of the East-West Center's Board of Governors. The East-West Centre is an education and research organisation established by the U.S. Congress in 1960 to strengthen relations and understanding among the peoples and nations of Asia, the Pacific and the United States. Mr. Sananikone is also the president of Pacific Management Resources ("PacMar, Inc.") (1987-present), a Hawaiian-based multinational consulting group assisting international funding agencies and private sector clients in project identification, planning and development. Under his guidance, PacMar Inc. completed a large number of projects in the agriculture and rural development sectors for the ADB, the World Bank, and the United States Agency for International Development (USAID) in various Asian countries, and major public and private sector enterprises in China and other Asia-Pacific nations. Mr. Sananikone, a recipient of the 2003 University of Hawaii Distinguished Alumni Award, holds a Bachelor or Arts in Economics from the University of Hawaii, a Master Of Arts in Economics from the University of Colorado, and has completed specialised post-graduate training in macro and natural resource economics at Colorado State University.

Independent non-executive Directors

Mr. Lim Yew Kong, John, aged 46, is an independent non-executive Director of the Company. He is currently a director of AXIA Equity Pte. Ltd., a firm which provides business and financial advisory services to companies in Singapore and the region. Prior to this and since 1991, Mr Lim has been involved in the private equity and venture capital industry in Asia as a director of an investment advisory firm engaged in direct investment in the region. From 1989 to 1991, Mr Lim worked in Dowell Schlumberger in the United Kingdom, where he was UK division controller. Between 1984 and 1988, he was with Arthur Andersen & Co, London. Mr. Lim graduated with a Bachelor's Degree in Economics in 1984 from the London School of Economics and Political Science in the United Kingdom. He qualified as a chartered accountant in 1987 from the Institute of Chartered Accountants in England and Wales.

Mr. Albert Theodore Powers, aged 55, is an independent non-executive Director of the Company. Mr. Powers is the Chairman and Chief Executive Officer of the Allied Pacific Group, a diversified investment and advisory group based in Hong Kong. Mr. Powers has over 30 years of business and legal experience in a wide range of corporate, commercial, hospitality, gaming and real estate activities. Mr. Powers has particular experience in investment transactions in Greater China and Asia, where he has resided and worked for the past 25 years. Prior to joining the Allied Pacific Group, Mr. Powers practiced law in New York City, San Francisco and Hong Kong and was the Hong Kong senior and managing partner for several of the world's leading law firms, including Shearman & Sterling and Gibson, Dunn & Crutcher. Mr. Powers is licensed to practice law in New York, California, Colorado, and Hong Kong. Mr. Powers holds a Bachelors of Arts degree from the University of Denver; a Master of Business Administration degree from Imperial College London; a Juris Doctor degree from the University of Pennsylvania Law School; and a Master of Laws in Taxation degree from the New York University Law School.

Mr. Pang Seng Tuong, aged 42, is an independent non-executive Director of the Company. Mr. Pang has more than 10 years of experience in investment banking and investments. Mr. Pang is the founder and managing partner of Pinetree Capital Partners Pte Ltd, a private equity fund management company. Prior to setting up Pinetree Capital Partners in mid-2006, Mr. Pang co-founded Westcomb Financial Group Ltd in 2000, one of the first boutique investment banks in Singapore, which is listed on the Singapore Stock Exchange. Mr. Pang holds a Bachelor of Science degree (Highest Honours) in Astro & Aeronautical Engineering from the University of Illinois at Urbana-Champaign under a scholarship from a Singapore Government-linked company and subsequently under a double scholarship from the University, he obtained a Master of Science degree in Mechanical Engineering. He was the winner of the prestigious Sword-of-Honour as well as the Letter of Commendation, and held the rank of Major while in military service in Singapore.

PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

Head office and principal place of business	9th Floor, Wincome Centre Nos. 39-41 Des Voeux Road Central Hong Kong
Registered office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Financial adviser	Optima Capital Limited Unit 3618, 36th Floor Bank of America Tower 12 Harcourt Road Central Hong Kong

Underwriter	Integrated Capital (Asia) Limited Room 02, 11th Floor Wealthy Plaza 138 Shau Kei Wai Road Sai Wan Ho Hong Kong
Legal advisers	*On Hong Kong Law* Michael Li & Co. 14/F Printing House 6 Duddell Street, Central Hong Kong *On Bermuda Law* Conyers Dill & Pearman 2901, One Exchange Square 8 Connaught Place Central Hong Kong
Auditors	SHINEWING (HK) CPA Limited *Certified Public Accountants* 16/F United Centre 95 Queensway Hong Kong
Principal bankers	Bank of China (Hong Kong) Limited 2A Des Voeux Road Central Hong Kong
Principal share registrar and transfer office	The Bank of Bermuda Limited Bank of Bermuda Building 6 Front Street Hamilton HM 11 Bermuda
Hong Kong branch share registrar and transfer office	Tricor Tengis Limited 26/F Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Authorised representatives	Mr. Tse Michael Nam Ms. Ng Bee Ching, Jenna
Company secretary and qualified accountant	Ms. Ng Bee Ching, Jenna, *HKICPA*

EXPERT AND CONSENT

(a) The following are the qualifications of the expert who has given its opinions which are included in this prospectus:

Name	Qualification
SHINEWING (HK) CPA Limited	Certified Public Accountants

(b) As at the Latest Practicable Date, SHINEWING (HK) CPA Limited had no shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(c) SHINEWING (HK) CPA Limited has not withdrawn its written consent to the issue of this prospectus, with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.

(d) As at the Latest Practicable Date, SHINEWING (HK) CPA Limited had no direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2007, the date to which the latest published audited financial statements of the Group were made up.

EXPENSES

The expenses in connection with the Rights Issue including underwriting commission, professional fees, printing charges and sundry expenses are estimated to be approximately HK$6.9 million and will be payable by the Company.

BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any week day, except Saturdays, Sundays and public holidays at the principal place of business of the Company in Hong Kong at 9th Floor, Wincome Centre, Nos.39-41 Des Voeux Road, Central, Hong Kong, up to and including 4 August 2008:

(a) the memorandum of association and bye-laws of the Company;

(b) the 2006 and 2007 annual reports of the Company containing audited consolidated financial statements of the Group for the two years ended 31 December 2006 and 2007;

(c) the written consents referred to in the paragraph headed "Expert and consent" in this appendix;

(d) the letter from SHINEWING (HK) CPA Limited in respect of the pro forma financial information following completion of the Rights Issue, the text of which is set out in appendix II to this prospectus;

(e) the service contracts referred to in the paragraph headed "Service contracts" in this appendix;

(f) a copy of each of the circulars issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules which have been issued by the Company since 31 December 2007 (the date to which the latest published audited consolidated financial statements of the Group were made up);

(g) the material contracts referred to in the paragraph headed "Material contracts" in this appendix; and

(h) the circular of the Company dated 2 July 2008 in relation to, among others, the Rights Issue.

MISCELLANEOUS

In the event of inconsistency, the English text of the Prospectus Documents shall prevail over the Chinese text.