MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007

The directors (the "Directors") of Mongolia Energy Corporation Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group" or "MEC") for the six months ended September 30, 2007 together with the comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Unaudited Six Months ended September 30,	
		2007	2006
	Note	***HK$'000***	*HK$'000*
Turnover	*2*	**15,406**	19,790
Other charges		**(212)**	(8,064)
Staff cost, depreciation and other operating expenses		**(58,569)**	(27,526)
Reversal of impairment losses of long term receivables		**–**	11,179
Gain on disposal of other investments		**45,462**	–
Gain on disposal of subsidiaries		**15,954**	2,703
Fair value (loss)/gain – financial assets at fair value through profit or loss		**(4,907)**	7,413
Operating profit	*3*	**13,134**	5,495
Finance costs	*4*	**(7,661)**	(8,952)
Share of profit of an associated company		**–**	67
Share of loss of jointly controlled entity		**(688)**	–
Profit/(loss) before income tax		**4,785**	(3,390)
Income tax (expense)/credit	*5*	**(393)**	673
Profit/(loss) for the period attributable to equity holders of the Company		**4,392**	(2,717)
Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the Company during the period	*6*		
– basic (HK cents)		**0.17**	(0.16)
– diluted (HK cents)		**0.17**	0.11

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited At September 30, 2007 HK$'000	Audited At March 31, 2007 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**235,834**	139,897
Investment properties		**350,000**	350,000
Intangible assets		**53,928**	–
Associated companies		**40,717**	9,246
Jointly controlled entity		**–**	48,567
Other asset		**1,150**	1,150
		681,629	548,860
Current assets			
Accounts receivable	*7*	**2,567**	2,075
Other receivables, prepayments and deposits		**133,546**	46,489
Assets held for sale – associated companies		**–**	52,402
Financial assets at fair value through profit or loss		**74,864**	125,098
Amounts due from related companies		**470**	445
Tax prepaid		**245**	–
Cash and cash equivalents		**357,559**	67,710
		569,251	294,219
Current liabilities			
Accounts payable	*8*	**6,934**	7,883
Other payables and accruals		**17,946**	27,950
Short-term loans		**537,900**	126,800
Tax payable		**671**	671
		563,451	163,304
Net current assets		**5,800**	130,915
Total assets less current liabilities		**687,429**	679,775
Non-current liabilities			
Deferred income tax liabilities		**38,774**	38,381
Net assets		**648,655**	641,394
Financed by:			
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**52,327**	52,327
Reserves		**596,271**	589,010
		648,598	641,337
Minority interests		**57**	57
Total equity		**648,655**	641,394

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

These unaudited condensed consolidated interim accounts (the "Interim Accounts") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

In preparing the Interim Accounts, the Directors of the Company have given careful consideration to the future liquidity of the Group. As detailed in the Company's circulars dated March 22, 2007 and June 25, 2007, the Group will acquire certain coal mines in western Mongolia (the "Acquisition") which is to be settled by (a) the issue of 1,125,000,000 new shares of the Company; (b) convertible bond of HK$142.5 million of the Company; and (c) loan note of HK$787.5 million of the Company. Pursuant to special resolutions passed at a special general meeting held on April 18, 2007, the Acquisition, the proposed subscriptions of 1,180,000,000 new shares and the proposed placing of 1,100,000,000 new shares (together the "Transactions") were approved by the shareholders of the Company. The Transactions are subject to fulfillments of certain conditions and therefore, have not been completed as at the date of this Interim Accounts.

The Directors consider that in preparing the Interim Accounts they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the Interim Accounts on a going concern basis. This assumes that the Transactions are successful and a profitable mining operation can be attained in future. The Interim Accounts do not include any adjustments that might be necessary should the Group be unable to operate as a going concern.

The Interim Accounts should be read in conjunction with the annual accounts for the year ended March 31, 2007.

The accounting policies and basis of preparation used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended March 31, 2007. The Group has also adopted the following new accounting policies for the exploration and evaluation expenditure and development expenditure during the period:

1.1 Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for coal and mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs related to an area of interest are written off as incurred except they are carried forward as an asset in the balance sheet where the rights of tenure of an area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area of interest, or alternatively by its sale.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest. License costs paid in connection with a right to explore in an existing exploration area are capitalized and amortised over the term of the permit.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

All capitalized exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist.

1.2 Development expenditure

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the development expenditure and classified under non current asset as "development properties".

A development property is reclassified as a "mining property" at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

No depreciation is recognized in respect of development properties until they are reclassified as "mining properties".

Development properties are tested for impairment in accordance with the policy in note 2.7 of the annual accounts for the year ended March 31, 2007.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRS" which term collectively includes HKASs and Interpretations) that are effective for accounting periods beginning on or after January 1, 2007. The adoption of these new and revised HKFRSs has no material impact on the Group's accounting policies.

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

HKAS 23 (Revised)	Borrowing costs[1]
HKFRS 8	Operating segments[1]
HK (IFRIC) – INT 12	Service concession arrangements[2]
HK (IFRIC) – INT 13	Customer loyalty programmes[3]
HK (IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction[2]

1 Effective for annual periods beginning on or after January 1, 2009

2 Effective for annual periods beginning on or after January 1, 2008

3 Effective for annual periods beginning on or after July 1, 2008

2 Segment information

Primary reporting format – business segments

For the period ended September 30, 2007, the Group operates in three main business segments:

Exploration and evaluation
Property investments
Charter flight services

There are no sales or other transactions between business segments.

	For the six months ended September 30, 2007			
	Exploration and evaluation	**Property investments**	**Charter flight services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	–	13,178	2,228	15,406
Segment results	(10,275)	10,953	(5,936)	(5,258)
Unallocated corporate expenses				(37,905)
Other charges				(212)
Unallocated operating income/(expenses)				
– Gain on disposal of other investments				45,462
– Gain on disposal of subsidiaries				15,954
– Fair value loss – financial assets at fair value through profit or loss				(4,907)
Operating profit				13,134
Finance costs				(7,661)
Share of loss of jointly controlled entity				(688)
Profit before income tax				4,785
Income tax charge				(393)
Profit for the period				4,392
Depreciation	837	–	3,589	4,426
Unallocated depreciation				743
				5,169
Capital expenditure	100,143	–	–	100,143
Unallocated capital expenditure				963
				101,106

The segment results for the period ended September 30, 2006 are as follows:

	For the six months ended September 30, 2006		
	Property investments	**Charter flight services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Turnover	10,473	9,317	19,790
Segment results	6,576	(7,630)	(1,054)
Unallocated corporate expenses			(3,979)
Other charges, net			(8,064)
Unallocated operating income			
– Reversal of impairment losses of long term receivable			11,179
– Fair value gain – financial assets at fair value through profit or loss			7,413
Operating profit			5,495
Finance costs			(8,952)
Share of profit of an associated company			67
Loss before income tax			(3,390)
Income tax credit			673
Loss for the period			(2,717)
Depreciation	–	3,666	3,666
Unallocated depreciation			50
			3,716
Capital expenditure	–	229	229
Unallocated capital expenditure			411
			640

The segment assets and liabilities at September 30, 2007 are as follows:

	Exploration and evaluation	Property investments	Charter flight services	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets	155,755	352,696	175,231	567,198	1,250,880
Liabilities	195	7,031	3,700	591,299	602,225

The segment assets and liabilities at March 31, 2007 are as follows:

	Property investments	Charter flight services	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets	362,099	198,056	282,924	843,079
Liabilities	6,046	2,834	192,805	201,685

Secondary reporting format – geographical segments

The Group's three business segments are operating in three main geographical areas:

Hong Kong:	Property investments and charter flight services
Mainland China:	Exploration and evaluation
Mongolia:	Exploration and evaluation

There are no sales or other transactions between geographical segments.

	For the six months ended September 30,			
	Turnover		**Capital expenditure**	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**15,406**	19,790	**963**	640
Mainland China	**–**	–	**6,430**	–
Mongolia	**–**	–	**93,713**	–
	15,406	19,790	**101,106**	640

	At September 30, 2007 HK$'000	At March 31, 2007 HK$'000
Total assets		
Hong Kong	**1,055,604**	781,950
Mainland China	**47,091**	61,129
Mongolia	**148,185**	–
	1,250,880	843,079

3 Operating profit

Operating profit is stated after crediting and charging the following:

	Six months ended September 30, 2007 HK$'000	2006 HK$'000
Crediting		
Gross rental income and management fee from investment properties	**13,178**	10,473
Charging		
Depreciation	**5,169**	3,716
Operating lease rentals in respect of land and buildings	**2,804**	428
Direct outgoings in respect of investment properties	**1,598**	3,381
Provision for amounts due from associated companies	**2,229**	13,291
Staff costs	**17,339**	5,489

4 Finance costs

	Six months ended September 30, 2007 HK$'000	2006 HK$'000
Interest expense:		
– short-term bank loan	**4,773**	3,583
– other short-term loans	**2,888**	–
– convertible notes wholly repayable within five years	**–**	5,369
	7,661	8,952

5 Income tax (expense)/credit

Hong Kong profits tax and overseas profits tax have not been provided for as the Group has no estimated assessable profit for the period. (2006: Nil).

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

	Six months ended September 30, 2007 HK$'000	2006 HK$'000
Current income tax	**–**	–
Deferred income tax (charge)/credit	**(393)**	673
	(393)	673

6 Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings/(loss) per share is based on profit/(loss) for the period attributable to the equity holders of the Company, interest expense on convertible notes and the weighted average number of ordinary shares in issue during the period, as used in the calculation of basic earnings/(loss) per share and the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Six months ended September 30, 2007 HK$'000	2006 HK$'000
Earnings/(loss)		
Profit/(loss) from operations attributable to the equity holders of the Company, as used in the calculation of basic earnings/(loss) per share	**4,392**	(2,717)
Interest expense on convertible notes	**–**	5,369
Adjusted profit attributable to the equity holders of the Company, as used in the calculation of diluted earnings per share	**4,392**	2,652

	Number of shares Six months ended September 30, 2007 '000	2006 '000
Weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue for basic earnings/(loss) per share	**2,616,362**	1,654,908
Effect of dilutive potential ordinary shares:		
Convertible notes	**–**	827,778
Share options	**11,933**	2,559
Weighted average number of ordinary shares in issue for diluted earnings per share	**2,628,295**	2,485,245

7. Accounts receivable

The Group's credit terms on provision of services range from 30 to 90 days. The ageing analysis of accounts receivable is as follows:

	At September 30, 2007 ***HK$'000***	At March 31, 2007 *HK$'000*
Current to 30 days	**276**	618
31 to 60 days	**350**	174
61 to 90 days	**176**	442
Over 90 days	**1,765**	841
	2,567	2,075
Denominated in:		
HK$	**487**	858
US$	**2,080**	1,217

The carrying value of accounts receivable approximates their fair values due to the short term maturity.

8 Accounts payable

The ageing analysis of accounts payable is as follows:

	At September 30, 2007 *HK$'000*	At March 31, 2007 *HK$'000*
Current to 30 days	3,003	1,848
31 to 60 days	127	720
61 to 90 days	781	374
Over 90 days	3,023	4,941
	6,934	7,883

The carrying value of the accounts payable approximates their fair values due to the short term maturity and are denominated in Hong Kong dollars.

9 Subsequent event

On December 5, 2007, the Company announced that a subsidiary of the Company entered into a conditional sale and purchase agreement to dispose of its entire equity interest of 40.1% in BAA Jet Management Limited ("BAA Jet"), an associated company, at a consideration of approximately HK$6.0 million. BAA Jet is engaged in the business of aircraft management and provision of charter flight services.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended September 30, 2007. (2006: Nil)

MANAGEMENT DISCUSSION AND ANALYSIS

Results Analysis

For the six months ended September 30, 2007, the Group's turnover was HK$15.4 million (2006: HK$19.8 million), representing a drop of 22.2% to the comparable period in 2006. Turnover from property investments rose 25.8% to HK$13.2 million during the period under review, principally as a result of continuing strong demand for retail and office space. Turnover from charter flight services dropped 76.1% to HK$2.2 million during the period under review because of the frequent internal use of the Group's private jet in business trips. Such business related travel arrangement were appropriate and in the best interest of the Group in terms of efficiency, flexibility and security.

The segment profit of property investments rose 66.6% to HK$11.0 million (2006: HK$6.6 million) during the period, principally as a result of continuing strong demand for rental and office space. The segment loss of aircraft charter was around HK$5.9 million because of declined in chargeable charter time. During the period, the Group's new coal and energy related business was at the exploration and evaluation stages. The Group has established a new operating subsidiary in Mongolia and recruited many professionals such as geologists to focus on the exploration business.

Despite the overall loss in the Group's business segments, the Group during the period earned a one-off gain of HK$45.4 million and HK$16.0 million on disposal of listed investments and some non-core investments respectively.

Profit attributable to the shareholders of the Company for the first half of the financial year 2007/2008 was HK$4.4 million (2006: Loss of HK$2.7 million).

Business review

During the first six months of the fiscal year, the Group spent much effort on the newly acquired mining business, with focus upon the exploration work.

Following the sanction by the Company's shareholders in April, 2007 of the initial acquisition of around 34,000 hectares (around 1/3rd the size of Hong Kong SAR) of mining and exploration concession areas in western Mongolia, the Group arranged to commence exploration. This was for the initial purpose of demonstrating 300 million tonnes of coal resources to close the initial acquisition. The old Russian estimates are that there are around 2.4 billion tonnes of coal resources, which is subject to exploration.

In June, 2007, the Group, with the help of Team 129 of the China Coal Geology Bureau, as exploration company, John T. Boyd Company, as overall technical advisers, and along with MEC's own in-house team of geologists and mining engineers, commenced exploration work at Khushuut, Khovd Province, western Mongolia. In August, 2007, the Group was provided with the initial work progress report of Team 129 of China Coal Geology Bureau. This stated that there were approximately 340 million tonnes of coal resources with some coking coal characteristics over the explored areas of around 3 sq. km. The final report of over 5.8 sq. km. of the concession areas is being prepared for the purpose of closing the initial acquisition on or prior to January 30, 2008.

In July, 2007, the Company closed the further acquisition of around 32,000 hectares (around 1/3rd the size of Hong Kong SAR) of exploration concession areas in western Mongolia. This was for coal, ferrous and non-ferrous resources. The old Russian estimates are that there are around 1 to 2 billion tonnes of coal resources, which is subject to exploration.

In August, 2007 the Group entered into a joint venture agreement for identifying energy and related projects in Xinjiang, PRC with value of at least HK$1 billion based on a HK$12.00 per tonne of coal resources and 3% of international prevailing market price for other resources. The joint venture agreement calls for the project to be identified within 6 months.

In the meantime, the Group continues to look for suitable business partners for its eventual mining business development. In September, the Group entered into a letter of intent with China Ocean Shipping (Group) Company for strategic co-operation in relation to its transportation and logistics needs both within and outside of China for the Group's coal and non-ferrous goods and products.

The Group's investment properties in Bank of America Tower continue to contribute a stable rental income to the Group. The Group disposed of Beaubourg Holdings Inc. in September. The sole asset of Beaubourg Holdings Inc. is an indirect 50% interest in a Gulf Stream G450 model private jet. After the disposal, the Group still wholly owns a G200 private jet for aircraft charter business.

During this period, the Group had disposed of almost all its investment shares in New World Mobile Holdings Limited. The Group will continue to look for suitable investments when they arise.

Future outlook

The Group is at feasibility/planning stage for its initial 2 to 3 million tonnes coal mining operations scheduled for by the end of the second quarter of 2008 and for its 2x600 megawatts power plants scheduled for by the end of the second quarter of 2010. On December 7, 2007, the Group has engaged China Railway No.1 Engineering Group Company Limited to study the feasibility for a railway design and construction in western Mongolia, to the border of Xinjiang. The Group will also commence further exploration work at Khushuut, Khovd Province, western Mongolia from the end of the first quarter of 2008.

The Group will continue its aircraft charter and management business and property investment. The Group will continue to look for new opportunities and act decisively to create value for its shareholders.

Financial resources

1. *Liquidity and financial resources*

   As at September 30, 2007, the Group's shareholders' fund amounted to HK$648.6 million (March 31, 2007: HK$641.3 million) and the net asset value per share was HK$0.25 (March 31, 2007: HK$0.25).

The Group's funding was derived from internal resources and corporate financing activities. Total net borrowings of the Group (total borrowings net of bank and cash balances) as at September 30, 2007 amounted to HK$180.3 million (March 31, 2007: HK$59.1 million). In respect of the secured bank loan of approximately HK$197.9 million as at September 30, 2007, it was subject to the usual annual review by the bank. Due to such commercial arrangement, the secured bank loan is classified as current liability in the financial statements. However, it does not represent that the total bank loan amount is required to be repaid within one year from September 30, 2007. Furthermore, the Group has always been able to repay principal balances plus interests on time and the carrying value of the Group's investment properties pledged to secure the bank loan amounted to HK$350.0 million as at September 30, 2007 is well in excess of the balance of the secured bank loan. Accordingly, the Directors consider that the Group does not face any immediate pressure to repay a large portion of the secured bank loan.

As at September 30, 2007, the cash and bank balances were HK$357.6 million (March 31, 2007: HK$67.7 million). Liquidity ratio was around 1.01 (March 31, 2007: 1.80).

2. *Gearing*

As at September 30, 2007, the gearing ratio of the Group was 0.43 (March 31, 2007: 0.15) which was calculated based on the Group's total borrowings to total assets.

3. *Financial risk management*

The key operations of the Group are located in Hong Kong, Mainland China and Mongolia. Therefore, the Group's assets and liabilities are mainly denominated in Hong Kong dollar, United States dollar, Renminbi and Mongolia Tugrik. The Group does not conduct any foreign currency hedging activities since no significant exposure to foreign currency risks are expected.

4. *Pledge of assets*

Investment properties with a carrying amount of HK$350.0 million (March 31, 2007: HK$350.0 million) were pledged to a bank as collateral for banking facilities granted to the Group.

The Group's private jet with carrying value amounted to HK$132.0 million was pledged to an independent third party for a short term loan of principal amount of HK$200.0 million.

5. *Contingent liabilities*

The Group has no material contingent liabilities as at September 30, 2007.

Employees

As at September 30, 2007, the Group employed 153 full-time employees in Hong Kong, Mainland China and Mongolia. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective geographical locations and businesses in which the Group operates. The remuneration policies of the Group are reviewed on periodic basis. Apart from retirement schemes, year-end bonuses and share options are awarded to the employees according to the assessment of individual performance and industry practice. Appropriate training programs are also offered for staff training and development.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended September 30, 2007.

CORPORATE GOVERNANCE

The board of directors of the Company (the "Board") recognizes the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles of the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

For the period ended September 30, 2007, the Company has complied with the code provisions of the CG Code with deviations from the code provision A.4.1, A.4.2 and E.1.2 of the CG Code as summarized below:

i. Under the code provision A.4.1 and A.4.2 of the Code, (a) non-executive directors should be appointed for a specific term and subject to re-election; and (b) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

   None of the existing non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, they are subject to the retirement by rotation under the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

ii. The code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting ("AGM") of the Company. The chairman did not attend the 2007 AGM due to an urgent business engagement. An executive director had chaired the 2007 AGM and answered questions from shareholders. The chairman of the Audit and Remuneration Committee was also available to answer questions at the 2007 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rules. The Model Code is sent to each director of the Company on his/her initial appointment. One month before the date of the Board meetings to approve the Group's half-year and annual results, the Company will sent a reminder to all the directors that they cannot deal in the securities and derivatives of the Company until after such results have been published, and that all their dealings must be conducted in accordance with the Model Code. Under the Model Code, directors of the Company are required to notify the chairman and receive a dated written acknowledgement before dealing in the securities and derivatives of the Company, and in the case of the chairman himself, he must notify the designated director and receive a dated written acknowledgement before any dealing. Upon specific enquiry by the Company, all directors of the Company have confirmed in writing that they have complied with the required standards set out in Model Code for the period ended September 30, 2007.

AUDIT COMMITTEE

The audit committee, which comprises three independent non-executive directors of the Company, has reviewed the unaudited Interim Accounts of the Group for the six months ended September 30, 2007.

By Order of the Board
Tang Chi Kei
Company Secretary

Hong Kong, December 13, 2007

As at the date hereof, the Board comprises six Directors, of which Mr. Lo Lin Shing, Simon and Ms. Yvette Ong are executive Directors, Mr. To Hin Tsun, Gerald is a non-executive Director and Mr. Peter Pun OBE. JP, Mr. Tsui Hing Chuen, William JP and Mr. Lau Wai Piu are independent non-executive Directors.