SMART UNION GROUP (HOLDINGS) LIMITED
合俊集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2700)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

RESULTS

The board of directors (the "Directors") of Smart Union Group (Holdings) Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 with comparative figures for the year ended 31 December 2006 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Notes	**2007** *HK$'000*	2006 *HK$'000*
Sales	*3 & 4*	**953,623**	727,225
Cost of sales	*6*	**(839,734)**	(604,952)
Gross profit		**113,889**	122,273
Other income	*5*	**12,320**	1,906
Other (losses)/gains, net	*5*	**(1,893)**	1,804
Administrative expenses	*6*	**(96,704)**	(78,973)
Operating profit		**27,612**	47,010
Finance costs	*7*	**(19,035)**	(11,242)
Profit before tax		**8,577**	35,768
Income tax expense	*8*	**(3,134)**	(5,136)
Profit for the year		**5,443**	30,632
Attributable to:			
Equity holders of the Company		**4,680**	30,025
Minority interest		**763**	607
		5,443	30,632
Earnings per share for profit attributable to the equity holders of the Company during the year			
– basic *(HK$)*	*9*	**0.02**	0.15
– diluted *(HK$)*	*9*	**0.02**	0.15
Dividends	*10*	**–**	14,400

CONSOLIDATED BALANCE SHEET
As at 31 December 2007

	Note	2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**66,408**	43,245
Land use rights		**4,849**	4,516
Intangible assets		**2,967**	632
Available-for-sale financial assets		**2,342**	5,120
Prepayments, deposits and other receivables		**11,261**	276
Deferred income tax assets		**749**	134
		88,576	53,923
Current assets			
Inventories		**379,440**	240,322
Trade receivables	*11*	**165,438**	104,029
Prepayments, deposits and other receivables		**19,022**	12,857
Derivative financial instruments		**213**	1,247
Convertible bonds		**40,000**	–
Current income tax recoverable		**1,046**	737
Pledged bank deposits		**5,234**	5,267
Cash and cash equivalents		**101,584**	64,882
		711,977	429,341
Total assets		**800,553**	483,264
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**34,248**	24,000
Share premium		**177,137**	30,742
Other reserves		**29,293**	25,830
Retained earnings		**76,112**	85,832
		316,790	166,404
Minority interest		**1,370**	607
Total equity		**318,160**	167,011

CONSOLIDATED BALANCE SHEET *(CONTINUED)*
As at 31 December 2007

	Note	2007 HK$'000	2006 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**201**	2,749
Provision for long service payment		**1,104**	–
		1,305	2,749
Current liabilities			
Trade payables	*12*	**195,631**	158,837
Other payables and accruals		**43,333**	24,113
Borrowings		**239,768**	130,554
Derivative financial instruments		**2,356**	–
		481,088	313,504
Total liabilities		**482,393**	316,253
Total equity and liabilities		**800,553**	483,264
Net current assets		**230,889**	115,837
Total assets less current liabilities		**319,465**	169,760

Notes:

1. **General information**

Smart Union Group (Holdings) Limited was incorporated in the Cayman Islands on 8 March 2006 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 29 September 2006.

The Group is principally engaged in the manufacturing and trading of recreational and educational toys and equipment.

Pursuant to an agreement dated 1 September 2006, the Company acquired the entire issued capital of Smart Union Investments Limited through a share swap, and became the holding company of the companies now comprising the Group.

The Directors regard Smart Place Investments Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company of the Company.

2. **Basis of preparation and principal accounting policies**

The consolidated financial statements of Smart Union Group (Holdings) Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(a) *Standard, amendment to standard and interpretations that have become effective in 2007*

The following standard, amendment and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 and are relevant to the Group's operations:

- HKFRS 7, Financial Instruments: Disclosures, and a Complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures;
- HK(IFRIC) – Int 8, Scope of HKFRS 2; and
- HK(IFRIC) – Int 10, Interim Financial Reporting and Impairment.

(b) *Interpretations to existing standards that have become effective in 2007 but not relevant to the Group's operations*

The following interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

- HK(IFRIC) – Int 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies; and
- HK(IFRIC) – Int 9, Reassessment of Embedded Derivatives.

2. **Basis of preparation and principal accounting policies (coutinued)**

(c) *New standard, amendments to standards and interpretations that are not yet effective and have not been early adopted by the Group*

The following new standard, amendments to standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods, but the Group has not early adopted them:

- HKAS 1 (Revised), Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009);
- HKAS 23 (Amendment), Borrowing Costs (effective for annual periods beginning on or after 1 January 2009);
- HKAS 27 (Revised), Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009);
- HKFRS 2 (Amendment), Share-based Payment Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009);
- HKFRS 3 (Revised), Business Combination (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009);
- HKFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009); and
- HK(IFRIC) – Int 11, HKFRS 2 – Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007).

The Group has commenced, but not yet completed, an assessment of the impact of the new standard, amendments to standards and interpretations on its results of operations and financial position. The directors are of the view that the impact on the consolidated financial statements will not be significant.

(d) *Interpretations to existing standards that are not yet effective and not relevant to the Group's operations*

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant to the Group's operations:

- HK(IFRIC) – Int 12, Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008);
- HK(IFRIC) – Int 13, "Customer loyalty programmes" (effective for annual periods beginning on or after 1 July 2008); and
- HK(IFRIC) – Int 14, HKAS19 – "The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective for annual periods beginning on or after 1 January 2008).

3. **Turnover**

	2007	2006
	HK$'000	*HK$'000*
Sales of goods	**953,623**	727,225

4. Segment information

Primary reporting format – business segments

The products and services provided by the Group are all related to the manufacturing and trading of recreational and educational toys and equipment and subject to similar business risk. No business segment information has been prepared by the Group for the year ended 31 December 2007.

Secondary reporting format – geographical segments

The Group primarily operates in Hong Kong and the People's Republic of China (the "PRC"). Sales are mainly made to customers in America and Europe.

The Group's sales are delivered to customers located in the following geographical areas:

	2007	2006
	HK$'000	*HK$'000*
America	**638,708**	503,866
Europe	**208,916**	154,419
Others	**105,999**	68,940
	953,623	727,225

Sales are allocated based on the places/countries in which goods are delivered.

The Group's total assets are located in the following geographical areas:

	2007	2006
	HK$'000	*HK$'000*
Hong Kong	**264,356**	177,027
The PRC	**536,197**	306,237
	800,553	483,264

Total assets are allocated based on where the assets are located.

The Group's capital expenditures are located in the following geographical areas:

	2007	2006
	HK$'000	*HK$'000*
Hong Kong	**952**	481
The PRC	**28,153**	21,469
	29,105	21,950

Capital expenditures are allocated based on where the assets are located.

5. Other income and other (losses)/gains, net

	Group	
	2007	2006
	HK$'000	*HK$'000*
Other income:		
– Sales of scrap materials	**7,294**	1,142
– Interest income on bank deposits	**1,345**	764
– Compensation income from a customer	**3,600**	–
– Sundry income	**81**	–
	12,320	1,906
Other (losses)/gains, net:		
– Unrealised (losses)/gains on derivative financial instruments	**(3,390)**	1,247
– Realised gains on derivative financial instruments	**1,497**	557
	(1,893)	1,804

6. Expenses by nature

	Group	
	2007	2006
	HK$'000	*HK$'000*
Auditor's remuneration	**1,500**	1,080
Depreciation of property, plant and equipment	**8,784**	7,158
Amortisation of intangible assets	**567**	254
Impairment of intangible assets	**350**	–
Amortisation of land use rights	**69**	77
Raw materials used	**597,359**	449,104
Changes in inventories of finished goods and work in progress	**(81,431)**	(48,272)
Employee benefit expenses	**232,642**	140,267
Operating lease rentals for land and buildings	**11,024**	8,576
Exchange losses, net	**5,511**	5,577
Impairment of trade receivables	**335**	147
Inventory write-down	**3,781**	756
Others	**155,947**	119,201
Total cost of sales and administrative expenses	**936,438**	683,925

7. Finance costs

	Group	
	2007	2006
	HK$'000	*HK$'000*
Interest expense:		
– Bank borrowings and overdrafts	**14,678**	10,443
– Factoring facilities	**4,664**	2,051
– Finance lease liabilities	**110**	16
	19,452	12,510
Less: interest capitalised	**(417)**	(1,268)
	19,035	11,242

8. Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit during the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Pursuant to the processing agreements entered into with Dongguan City Zhangmutou Town Economic Development General Company on 26 November 1996 (as extension agreement dated 29 April 2002) and 18 August 2004 (the "Processing Agreements") , Smart Union Industrial Limited ("SUI") subcontracted certain processing work to 東莞樟木頭合俊玩具廠 ("Zhang Yang factory") and 東莞樟木頭俊領玩具廠 ("Po Shan factory") in the PRC. Pursuant to the settlement basis as agreed with the Inland Revenue Department of Hong Kong (the "IRD"), 50% of SUI's assessable profits arising from the manufacturing activities carried out by Zhang Yang factory and Po Shan factory under the Processing Agreements are considered as offshore in nature and are not subject to Hong Kong profits tax in accordance with the Departmental Interpretation and Practice Notes No.21 (Revised) – Locality of Profits issued by the IRD in March 1998.

Such offshore treatment is not applicable to the assessable profits arising from the processing activities subcontracted to other PRC sub-contractors, which are fully subject to Hong Kong profits tax. The portion of SUI's assessable profits allowable for the 50% offshore treatment is calculated by reference to the proportion of the direct labour, manufacturing overheads, mould costs and administrative expenses of Zhang Yang factory and Po Shan factory (collectively "Manufacturing Costs") to the aggregation of the Manufacturing Costs and the sub-contracting fees paid to other PRC sub-contractors. For the year ended 31 December 2007, the effective portion of SUI's assessable profits allowed as offshore and not subject to Hong Kong profits tax was 36.63% (2006: 37.06%).

The amounts of income tax expense charged to the consolidated income statement represent:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current taxation:		
– Hong Kong profits tax	**2,315**	3,899
– PRC enterprise income tax	**1,497**	534
– (Over)/under-provision in prior years	**(63)**	239
Deferred income tax relating to the origination and reversal of temporary differences	**(615)**	464
	3,134	5,136

The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the profits tax rate in Hong Kong as follows:

	2007	2006
	HK$'000	*HK$'000*
Profit before tax	**8,577**	35,768
Calculated at a tax rate of 17.5%	**1,501**	6,259
Effect of different taxation rates in other countries	**1,497**	251
Income not subject to tax	**(435)**	(1,696)
Expenses not deductible for tax purposes	**375**	317
Unrecognised tax losses	**341**	369
Utilisation of previously unrecognised tax losses	**(82)**	(603)
(Over)/under-provision in prior years	**(63)**	239
Income tax expense	**3,134**	5,136

9. Earnings per share

Basic

The calculation of basic earnings per share is based on the consolidated profit attributable to equity holders of the Company of approximately HK$4,680,000 (2006: HK$30,025,000) and on the weighted average number of 265,157,000 (2006: 195,452,000) ordinary shares in issue during the year.

	2007	2006
Profit attributable to equity holders of the Company *(HK$'000)*	**4,680**	30,025
Weighted average number of ordinary shares in issue *(thousands)*	**265,157**	195,452
Basic earnings per share *(HK$)* per share	**0.02**	0.15

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2007	2006
Profit attributable to equity holders of the Company *(HK$'000)*	**4,680**	30,025
Weighted average number of ordinary shares in issue *(thousands)*	**265,157**	195,452
Adjustments for share options *(thousands)*	**3,564**	–
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**268,721**	195,452
Diluted earnings per share *(HK$)* per share	**0.02**	0.15

10. Dividends

	Group	
	2007	2006
	HK$'000	*HK$'000*
Proposed special dividend of HK$Nil (2006: HK$0.022) per ordinary share	**–**	5,280
Proposed final dividend of HK$Nil (2006: HK$0.038) per ordinary share	**–**	9,120
	–	14,400

The dividends paid in 2007 and 2006 were HK$14,400,000 (HK$0.06 per share) and HK$23,000,000 (HK$5.75 per share) respectively. No dividend in respect of the year ended 31 December 2007 is to be proposed at the Annual General Meeting on 22 May 2008.

11. Trade receivables

	Group	
	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**166,445**	104,701
Less: provision for impairment of receivables	**(1,007)**	(672)
Trade receivables – net	**165,438**	104,029

The Group's trade receivables from its customers are generally with credit periods of less than 75 days. The sales to large or long-established customers with good repayment history comprise a significant proportion of the Group's sales. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history to minimise the credit risk.

The carrying amounts of trade receivables approximate their fair values.

The ageing analysis of trade receivables as at 31 December 2007 and 2006 are as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**112,063**	78,737
31 – 60 days	**19,890**	5,670
61 – 90 days	**15,201**	11,394
91 days – 1 year	**17,226**	8,633
1 – 2 years	**2,065**	267
	166,445	104,701

12. Trade payables

The ageing analysis of trade payables as at 31 December 2007 and 2006 are as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**79,381**	83,478
31 – 60 days	**39,323**	35,128
61 – 90 days	**40,624**	17,913
91 days – 1 year	**28,420**	18,862
1 – 2 years	**4,186**	2,405
Over 2 years	**3,697**	1,051
	195,631	158,837

The carrying amounts of trade payables approximate their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the year ended 31 December 2007, the Group recorded a turnover of approximately HK$953.6 million (2006: HK$727.2 million) representing approximately 31.1% increase. The increase was driven by the turnover contributed from the operation of our OEM business. The profit for the year was dropped to approximately HK$5.4 million (2006: HK$30.6 million).

The Group's gross profit margins were severely eroded by approximately 4.9% as the accelerating appreciation of the Renminbi ("RMB") against the United States dollar ("USD"), spikes in commodity prices and rising inflation in the PRC pushed up labour and material costs and other manufacturing overheads. In addition, in the second half year of 2007, the toy industry was greatly affected by several repeated high profile product recalls resulting from concerns over product safety. Despite the fact that the Group has always been in full compliance with the industry's standards and customers' testing requirements, as well as maintaining an excellent safety record, the Group's customers and certain government bodies in the US and the PRC have imposed more stringent testing requirements, standard and higher testing frequency. Accordingly, we have implemented additional testing procedures and are working with our suppliers to meet the demanding requirement and to provide high quality and safety toys.

Analysis of the Group's sales by product type for the year ended 31 December

	2003	2004	2005	2006	**2007**
Hard and electronic toys	50%	61%	57%	54%	**60%**
Educational and recreational products	26%	23%	19%	21%	**17%**
Soft toys	19%	9%	9%	9%	**9%**
Sports products	0%	1%	10%	15%	**12%**
Others	5%	6%	5%	1%	**2%**
	100%	100%	100%	100%	**100%**

Liquidity and Financial Resources

As at 31 December 2007, the Group had bank balances and cash of approximately HK$101.6 million (2006: HK$64.9 million) and pledged bank deposit of approximately HK$5.2 million (2006: HK$5.3 million) secured for banking facilities granted. As at 31 December 2007, the total amount of banking facilities granted to the Group was approximately HK$377 million being secured by fixed deposits, available-for-sale financial assets and corporate guarantee given by the Group. The Group's gearing ratio, representing total bank borrowing less bank balances and cash (including pledged bank deposits) and divided by shareholders' equity was approximately 41.9% (2006: 37.8%).

Assets and Liabilities

As at 31 December 2007, the Group had total assets of approximately HK$800.6 million (2006: HK$483.3 million), total liabilities of approximately HK$482.4 million (2006: HK$316.3 million). The net assets of the Group increased by approximately 90.5% to approximately HK$318.1 million at the year ended (2006: HK$167.0 million).

Exchange Rate Risk

The Group is exposed to foreign currency risk, most of the Group's assets and liabilities, revenues and expenditure are denominated in RMB, USD and HK dollars. The Group currently has foreign currency structured forward contracts to hedge against the above mentioned foreign currency exposure.

DIVIDENDS

The directors of the Group do not recommend any dividend for the year ended 31 December 2007. (2006: HK6 cent per share).

BUSINESS REVIEW

2007 was one of the most difficult years in toy industry. The toy recalls in the second half year aggravate the industry already harmed by the adverse conditions for manufacturers in China. Although the Group was not affected by the recalls, testing and associated administrative costs rose dramatically as the Chinese government and customers required more stringent controls and rigorous third-party testing to ensure product safety. In general, the Group's profit margins severely eroded by approximately 4.9% because of the appreciation in RMB and rising labour and material costs. The cost of doing business in the PRC will continue to rise with the implementation of new China labour law regulations on 1 January 2008 which requiring companies to offer lifelong employment to employees.

However, the Group believes that the PRC will continue to be the most efficient hub for toy manufacturing with the well-established supply chain and higher labour efficiency as compared with that of other countries. Furthermore, the labour shortages in the year of 2008 have eased as smaller manufacturers are forced out of business or move further inland. To control costs, the Group has launched an aggressive program to reduce working capital requirement and control of inventory banking. To further improve profit margins, the Group had further consolidated the business to concentrate serving those customers with higher profit margin.

For the mining business, the Group had successfully acquired a silver mine in the PRC (the "Acquisition") in January 2008. For the details of the Acquisition, please refer to the circular of the Company of 10 December 2007. The Group considers that the Acquisition represents an excellent investment opportunity. In view of the continuous economic growth in the PRC and the worldwide growing demand for natural resources as a result of the development of the global economy, the Directors believe that there will be sustainable demand for precious metals including silver. Silver has long been valued as a precious metal and used in currency, ornaments and jewellery, as well as utensils. It is also used in photographic film, electrical contacts and mirrors. The spot price of silver quoted on the London Metal Exchange has almost tripled since 2001, rising from an average of US$4.37 per ounce in 2001 to an average of US$11.57 per ounce in 2006, and the average of which for the seven months ended 31 July 2007 is US$13.27 per ounce. The current market price of silver is rising to approximately US$18 per ounce, which is approximately 35% increase compared with our acquisition values. The Group intends to hold the Sale Shares, representing 45.51% shareholding in China Mining Corporation Limited and the Conversion Shares representing 3.45% shareholding in China Mining Corporation Limited upon the conversion of the Convertible Bonds as long term investment. The Directors consider that the value of investments in a company lies in its future potential growth. In view of the growing demand for precious metals in the PRC, the Directors are of the view that the upside potential for the investment in the silver mine will be promising.

Employees and remuneration polices

As at 31 December 2007, the Group had a total of approximately 9,100 full-time employees based in Hong Kong and the PRC. Remuneration packages of the Group's employees are generally structured by reference to market terms and individual qualifications. Employees may also participate in the share option scheme of the Company. The Group operates a defined contribution benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) as well as medical insurance for all its employees in Hong Kong. Also, the Group provides its employees in the PRC with welfare schemes covering various insurance and social benefits.

Future plan and prospects

Looking ahead, with the RMB appreciating continuously and raw material and labour costs climbing in high rocket rate, and the Chinese government cutting export value-added tax refund and introducing new labour laws, the operational environment in China is expected to remain stern in the coming year. This, together with the downturn of the US economy affecting consumption sentiment worldwide, will create testing times for the toy industry. However, as more and more small manufacturers are ousted by the tough market environment, sizeable players like the Group will benefit. The fact that the Group has been able to transfer certain rising costs to customers is a clear sign of its growing bargaining power in the market. With the overall industry trend taken into consideration, the Group is prudently optimistic about its business in the future.

On the other hand, the Group had received substantial orders from renowned customers for the production of Wall. E and Bakugan toys. The movie of Wall. E is expected to be released worldwide in June 2008. In addition, the sales of summer outdoors toys such as bouncers and watergun are still in healthy growth in our Group.

In the coming year, the Group will continue to adjust its marketing strategies to tie in the changing market, aiming at sustaining steady growth in core business, exploring markets and opportunities for the OBM business in the PRC and the U.S., developing new manufacturing process for the niche market and enhancing collaboration with other industries for further business growth.

For the mining business, the value of the silver mine is increasing as the silver price is rising. The Group will work close to the business partner and make sure the exploitation license is granted and the exploitation work can start as earlier as possible to contribute to the profit of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year. Other than the issue of 102,480,000 shares by the Company during the year, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provision set out in the Code on Corporate Governance Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group has complied with the Code for the year ended 31 December 2007.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2007.

APPRECIATION

We would like to express my deepest gratitude to all our shareholders, customers, business partners and suppliers, for their continuous support and confidence in the Group. Our sincere appreciation also goes to the management and all our staff's indispensable and enthusiastic contributions and their commitment to enabling us to encounter every challenge faced by the Group for the year. We look forward to the continuous returns generated by the Group to all shareholders in the future.

GENERAL INFORMATION

As at the date of this announcement, the Board comprises of five executive Directors: Mr. Wu Kam Bun, Mr. Lai Chiu Tai, Mr. Lo Kwok Choi, Mr. Ho Wai Wah and Mr. Wong Wai Chuen; and three independent non-executive Directors: Dr. Lui Sun Wing, Mr. Li Chak Hung and Mr. Tang Koon Yiu, Thomas.

By order of the Board
Smart Union Group (Holdings) Limited
Wu Kam Bun
Chairman

Hong Kong, 23 April 2008