LEEPORT (HOLDINGS) LIMITED
力 豐 (集 團) 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 387)

PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER 2007

The Board of Directors (the "Directors") of Leeport (Holdings) Limited (the "Company") are pleased to present the consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December 2007, together with the comparative figures for the year ended 31st December 2006. The annual results have been reviewed by the Audit Committee of the Company.

FINANCIAL PERFORMANCE

The turnover of the Group in 2007 amounted to HK$846,236,000 (2006: HK$881,172,000), representing a decrease of 4.0% as compared with 2006. The profit attributable to equity holders was HK$23,406,000 (2006: HK$30,858,000), representing a decrease of 24.1% compared with 2006.

The basic earnings per share amounted to HK$11.15 cents (2006: HK$15.03 cents) representing a decrease of 25.8% compared with 2006.

The turnover in 2007 was lower than in 2006, mainly due to Japanese Government's ban on exports of Mitutoyo measuring instruments, and also the delivery problems of certain Japanese and European suppliers. The value of total contract order bookings in 2007, however, was about HK$1,160,000,000, i.e., 38% higher than in 2006. The increase derived from business relating to machine tools, cutting tools and electronics equipment. Outstanding contracts to the value of HK$480,000,000 have been carried forward to year 2008.

The selling and distribution costs were reduced by HK$4,250,000, i.e., 11.9% less than in 2006. The decrease was mainly due to commissions paid to sales staff, and expenses related to advertising, promotion and logistics.

Administrative expenses in the year 2007 increased by about HK$9,676,000, i.e., 7.9% higher than in 2006. The major increases derived from staff costs and travel expenses, and also the Group's rental expenses.

DIVIDENDS

An interim dividend of HK4.5 cents per ordinary share was paid to the shareholders of the Company on 12th October 2007.

The Directors recommended a final dividend of HK4.5 cents per ordinary share, totalling HK$9,446,000 (2006: HK4.5 cents per ordinary share). This recommendation is subject to the approval by shareholders at the forthcoming Annual General Meeting to be held on 26th May 2008. Upon the approval by shareholders, the final dividend will be payable on or before 30th July 2008 to shareholders of the Company whose names appear on the register of members on 26th May 2008 (the "Record Date"). This proposed final dividend, together with the interim dividend paid by the Company, will make a total dividend of HK9 cents per ordinary share for the year ended 31st December 2007 (2006: HK12 cents per ordinary share).

The Directors has proposed that the final dividend will be payable in cash but shareholders will be given an option to elect to receive the final dividend in the form of new shares in lieu of cash in respect of all or part of such dividend. The market value of the shares to be issued under the scrip dividend proposal will be fixed by reference to the average of the closing prices of the Company's shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") for the five consecutive trading days up to and including the Record Date. The proposed scrip dividend is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the new shares. Further announcement with details of the scrip dividend scheme will be published in due course. It is expected that the final dividend warrants and shares certificates will be dispatched to shareholders on or about 30th July 2008.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2007

	Notes	2007 HK$'000	2006 HK$'000
Sales	2	**846,236**	881,172
Cost of goods sold	4	**(666,051)**	(691,899)
Gross profit		**180,185**	189,273
Other gains-net	3	**21,316**	15,550
Selling and distribution costs	4	**(31,525)**	(35,775)
Administrative expenses	4	**(132,303)**	(122,627)
Operating profit		**37,673**	46,421
Finance costs		**(11,042)**	(10,806)
Profit before income tax		**26,631**	35,615
Income tax expense	5	**(3,548)**	(4,376)
Profit for the year		**23,083**	31,239
Attributable to:			
Equity holders of the Company		**23,406**	30,858
Minority interests		**(323)**	381
		23,083	31,239
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents per share)			
– basic	7	**HK 11.15 cents**	HK15.03 cents
Dividends	6	**18,892**	24,737

CONSOLIDATED BALANCE SHEET
As at 31st December 2007

	Notes	2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**99,577**	81,164
Leasehold land		**44,468**	34,191
Available-for-sale financial assets		**–**	–
		144,045	115,355
Current assets			
Inventories		**172,211**	147,793
Trade receivables and bills receivables	*9*	**196,349**	179,084
Other receivables, prepayments and deposits		**30,566**	27,513
Derivative financial instruments	*8*	**270**	145
Restricted bank deposits, secured		**110,121**	72,464
Cash and cash equivalents		**65,700**	65,463
		575,217	492,462
Total assets		**719,262**	607,817
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	*10*	**20,992**	20,992
Other reserves	*10*	**88,193**	67,053
Retained earnings			
– Proposed final dividend	*6*	**9,446**	9,446
– Others		**127,477**	121,649
		246,108	219,140
Minority interests		**7,569**	7,888
Total equity		**253,677**	227,028
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**10,886**	8,159
Current liabilities			
Trade payables and bills payables	*11*	**166,607**	127,757
Other payables, accruals and deposits received		**60,561**	52,291
Current income tax liabilities		**3,692**	2,663
Derivative financial instruments	*8*	**–**	227
Borrowings, secured	*12*	**223,839**	189,692
		454,699	372,630
Total liabilities		**465,585**	380,789
Total equity and liabilities		**719,262**	607,817
Net current assets		**120,518**	119,832
Total assets less current liabilities		**264,563**	235,187

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements of the Company 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 buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss which are carried at fair value.

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

Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued the following new/revised standards and interpretations that are not yet effective and have not been early adopted by the Group. The Group has considered the potential effect of these standards and interpretations.

- HKAS1 (Revised), "Presentation of Financial Statements", effective for annual periods beginning on or after 1st January 2009.
- HKAS23 (Revised), "Borrowing Cost", effective for annual periods beginning on or after 1st January 2009.
- HKFRS 8, "Operating Segments", effective for annual periods beginning on or after 1st January 2009.
- HK(IFRIC) – Int 11, "HKFRS 2-Group and Treasury Share Transactions", effective for annual periods beginning on or after 1st March 2007.
- HK(IFRIC) – Int 12, "Service Concession Arrangements", effective for annual periods beginning on or after 1st January 2008.
- HK(IFRIC) – Int 13, "Customer Loyalty Programmes", effective for annual periods beginning on or after 1st July 2008.
- HK(IFRIC) – Int 14 "HKAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction", effective for annual periods beginning on or after 1st January 2008.
- HKAS 27 (Revised) "Consolidated and Separate Financial Statements", effective from annual period beginning on or after 1st July 2009. The Group will apply HKAS 27 (Revised) from 1st January 2010.
- 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 1st July 2009. The Group will apply HKFRS 3 (Revised) from 1st January 2010.
- IFRS/HKFRS 2 Amendment "Share-based Payment Vesting Conditions and Cancellations", effective from 1st January 2009. The Group will apply HKFRS 2 Amendment from 1st January 2009.

The Group has already commenced an assessment of the import of the new standards, amendments and interpretations to existing standards but is not yet in a position to state whether these new standards, amendments and interpretations to existing standards would have a significant impact to its results of operation and financial position.

2. SEGMENT INFORMATION

(a) Primary reporting format – business segments

No business segment analysis is presented as the Group has been operating in a single business segment, which is the trading, installation and provision of after-sales service of metalworking machinery, measuring instruments, cutting tools and electronics equipment, throughout the year.

(b) Secondary reporting format – geographical segments

The Group is principally engaged in the trading, installation and provision of after-sales service of metalworking machinery, measuring instruments, cutting tools and electronics equipment in three main geographical areas, namely the People's Republic of China (the "PRC"), Hong Kong and Southeast Asia and other countries (principally Singapore). The PRC, for the purpose of these financial statements, excludes Hong Kong, the Republic of China ("Taiwan") and Macau.

The Group principally operates in Hong Kong and the PRC. The Group's turnover by geographical location is determined by the country in which the customer is located.

	For the year ended 31st December	
	2007	2006
	HK$'000	*HK$'000*
Turnover:		
The PRC	**514,917**	513,065
Hong Kong	**221,317**	281,330
Southeast Asia and other countries[1]	**110,002**	86,777
	846,236	881,172

Notes:

1. Other Asia Pacific countries mainly include Taiwan, Singapore, United States, Macau, Greece, United Kingdom, Japan and Malaysia.

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

Segment assets consist primarily of property, plant and equipment, leasehold land and inventories, derivative financial instruments, operating cash and restricted cash.

2. SEGMENT INFORMATION (CONTINUED)

(b) Secondary reporting format – geographical segments (continued)

	As at 31st December	
	2007	2006
	HK$'000	*HK$'000*
Total assets:		
The PRC	**290,402**	244,248
Hong Kong	**358,200**	324,135
Southeast Asia and other countries	**70,660**	39,434
	719,262	607,817

Capital expenditure is allocated based on where the assets are located.

Capital expenditure comprises mainly additions to property, plant and equipment, leasehold land and intangible assets.

	For the year ended 31st December	
	2007	2006
	HK$'000	*HK$'000*
Capital expenditure:		
The PRC	**412**	5,910
Hong Kong	**15,889**	5,184
Southeast Asia and other countries	**105**	46
	16,406	11,140

3. OTHER GAINS – NET

	2007	2006
	HK$'000	*HK$'000*
Derivative instruments – forward contracts:		
– net fair value gain/(loss), (realised and unrealised)	**352**	(405)
Interest income	**1,391**	1,136
Investment income	**1,743**	731
Service income	**14,491**	13,221
Commission income	**2,499**	852
Other income	**2,583**	746
	21,316	15,550

4. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and distribution costs and administrative expenses are analysed as follows:

	2007	2006
	HK$'000	*HK$'000*
Auditor's remuneration	**2,443**	1,980
Cost of inventories sold	**656,407**	685,158
Depreciation of property, plant and equipment	**11,046**	11,767
Amortisation of leasehold land	**546**	456
Operating lease rentals in respect of land and buildings	**7,489**	6,436
Provision for slow moving inventories	**2,354**	1,587
Provision for impairment of trade receivables and bills receivables	**1,366**	1,064
Employee benefits expenses (including directors' remuneration)	**79,273**	71,673
Other expenses	**68,955**	70,180
Total cost of goods sold, selling and distribution costs and administrative expenses	**829,879**	850,301

5. **INCOME TAX EXPENSE**

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on other 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 subsidiaries of the Group operate. The amount of income tax expense charged to the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**3,098**	3,230
– Overseas taxation	**688**	643
Under-provision in previous years		
– Hong Kong profits tax	**481**	175
Deferred income tax	**(719)**	328
	3,548	4,376

6. **DIVIDENDS**

The dividends paid during the year ended 31st December 2007 and 2006 were HK$18,892,000 (HK4.5 cents per share for 2006 final dividends and HK4.5 cents for 2007 interim dividends) and HK$33,640,000 (HK9 cents per share for 2005 final dividends and HK7.5 cents per share for 2006 interim dividends) respectively. A final dividend in respect of 2007 of HK4.5 cent per share, amounting to a total dividend of HK$9,446,000 was proposed at the board meeting held on 21st April 2008.

	2007	2006
	HK$'000	*HK$'000*
Interim, paid, of HK4.5 cents (2006: HK7.5 cents) per ordinary share (note a)	**9,446**	15,291
Final, proposed, of HK4.5 cents (2006: HK4.5 cents) per ordinary share	**9,446**	9,446
	18,892	24,737

Note (a): During the year ended 31st December 2006, HK$10,397,000 of the total interim dividend paid were settled by the issue of scrip.

7. EARNINGS PER SHARE

(a) Basic

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

	2007	2006
Profit attributable to equity holders of the Company (HK$'000)	**23,406**	30,858
Weighted average number of ordinary shares in issue (in thousands)	**209,918**	205,319
Basic earnings per share (HK cents per share)	**11.15**	15.03

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the year ended 31st December 2007 and 2006.

8. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2007		2006	
	Assets	**Liabilities**	Assets	Liabilities
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Forward foreign exchange contracts – non-hedge instruments	**270**	**–**	145	(227)

9. TRADE RECEIVABLES AND BILLS RECEIVABLES

At 31st December 2007 and 2006, the ageing analysis of trade receivables and bills receivables was as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current	**118,849**	111,055
1 – 3 months	**52,959**	27,774
4 – 6 months	**11,862**	21,075
7 – 12 months	**4,399**	10,102
Over 12 months	**17,066**	16,853
	205,135	186,859
Less: provision for impairment of receivables	**(8,786)**	(7,775)
	196,349	179,084

9. TRADE RECEIVABLES AND BILLS RECEIVABLES (CONTINUED)

The Group generally grants credit terms of 30 to 120 days to its customers. Longer payment terms of approximately 180 days might be granted to those customers who have good payment history and long-term business relationship with the Group.

10. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2007

	Attributable to equity holders of the Company				
	Share capital	**Other reserves**	**Retained earnings**	**Minority interest**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st January 2006	20,388	50,449	132,805	7,507	211,149
Depreciation transfer on buildings	–	(1,072)	1,072	–	–
Currency translation	–	2,033	–	–	2,033
Revaluation surplus of buildings, net of tax	–	5,850	–	–	5,850
Net income recognised directly in equity	–	6,811	1,072	–	7,883
Profit for the year	–	–	30,858	381	31,239
Total recognised income in 2006	–	6,811	31,930	381	39,122
Issue of shares	604	9,793	–	–	10,397
Dividend paid relating to 2005	–	–	(18,349)	–	(18,349)
Dividend paid relating to 2006	–	–	(15,291)	–	(15,291)
Balance at 31st December 2006	20,992	67,053	131,095	7,888	227,028
Balance at 1st January 2007	20,992	67,053	131,095	7,888	227,028
Depreciation transfer on buildings	–	(1,314)	1,314	–	–
Currency translation	–	2,743	–	4	2,747
Revaluation surplus of buildings, net of tax	–	19,711	–	–	19,711
Net income recognised directly in equity	–	21,140	1,314	4	22,458
Profit for the year	–	–	23,406	(323)	23,083
Total recognised income in 2007	–	21,140	24,720	(319)	45,541
Dividend paid relating to 2006	–	–	(9,446)	–	(9,446)
Dividend paid relating to 2007	–	–	(9,446)	–	(9,446)
Balance at 31st December 2007	20,992	88,193	136,923	7,569	253,677

11. TRADE PAYABLES AND BILLS PAYABLES

At 31st December 2007 and 2006, the ageing analysis of trade payables and bills payables was as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current	**135,033**	101,513
1 – 3 months	**27,499**	9,521
4 – 6 months	**2,103**	11,433
7 – 12 months	**281**	4,833
Over 12 months	**1,691**	457
	166,607	127,757

12. BORROWINGS, SECURED

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current		
Bank overdrafts	**–**	370
Collateralised borrowings	**5,411**	599
Trust receipt loans	**89,603**	82,888
Short-term bank loans	**128,825**	105,835
Total borrowings	**223,839**	189,692

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 22nd May 2008 (Thursday) to 26th May 2008 (Monday), both days inclusive, during which period no transfer of shares will be affected. In order to qualify for the entitlement of the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar at Hong Kong, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on 21st May 2008 (Wednesday).

BUSINESS REVIEW

China's economic growth in 2007 remained very strong. The GDP growth rate was 11.4% in 2007, and the value of industrial production increased by 13.5%. This shows that the manufacturing industry is still growing fast. The value of exports increased by 25.7%. The growth of certain major manufacturing industries also benefited the Group's business in 2007. For example, the production volume of automobiles amounted to 8.88 million units, an increase of 22.1% over the 2006 figure; the growth rate of mobile phones was 14.3%, and the growth rate of computers was 29.3%.

China continues to be the biggest consumer of machine tools in the world. Chinese consumption represented about 23% of the world production of machine tools in 2007. The value of consumption in China in 2007 was USD15.4 billion, i.e. a 17% increase over the 2006 figure. The value of machine tools imported in 2007 was USD6.9 billion, representing 45% of the total Chinese consumption.

The demand for most of the Group's products was very strong in 2007. However, the Japanese government's ban on the export of all Mitutoyo products in the second half of 2007, and also the delivery problems of certain Japanese and European suppliers, meant that the invoice sales were unable to reflect the Group's actual business in 2007. The turnover in machine tools was about the same as in 2006. The turnover in cutting tools increased by 10% compared with 2006. The electronics equipment business increased by 27%, but business in measuring instruments decreased by 43% compared with 2006.

In terms of geographical segments, sales from China represented 60.8% of the Group's turnover (2006: 58.2%); sales from Hong Kong represented 26.2% of the Group's turnover (2006: 31.9%), and sales from South East Asia and other countries represented 13.0% of the Group's turnover (2006: 9.9%).

LIQUIDITY AND FINANCIAL RESOURCES

The cash net of bank overdrafts at the end of year were HK$65,700,000 compared with HK$65,093,000 in year 2006.

As at 31st December 2007, the Group had net tangible assets of approximately HK$253,677,000, comprising non-current assets of approximately HK$144,045,000, net current assets of approximately HK$120,518,000, and non-current liabilities of approximately HK$10,886,000. On the same date, the total liabilities of the Group amounted to approximately HK$465,585,000. On the other hand, the total assets of the Group were HK$719,262,000. The net gearing ratio of the Group was approximately 62.3% (2006: 54.7%).

The Group generally finances its operations with internally generated resources and banking facilities provided by banks. As at 31st December 2007, the Group had aggregate banking facilities of approximately HK$697,230,000 of which approximately HK$340,213,000 was utilised, bearing interest at prevailing market rates and were secured by certain leasehold land, buildings and restricted bank deposits of the Group in Hong Kong and Singapore with an aggregate carrying amount of HK$147,658,000 (2006: HK$95,504,000). The directors are confident that the Group is able to meet its operational and capital expenditure requirements.

FUTURE PLANS AND PROSPECTS

In 2008, it is expected that China's economy will continue to grow significantly. The GDP growth rate is expected to be about 10.8%.

The Group's order-taking at the beginning of 2008 has been satisfactory. The impact of the slow-down for the US economy has not yet become obvious, but manufacturers involved in the export business are hesitant about placing orders. We have received good orders, however, from manufacturers whose main market is China.

We expect our measuring instruments business to grow significantly in 2008, as the Japanese government's export ban on the majority of Mitutoyo products was lifted in January 2008. Furthermore, our partnership with our European supplier, Metris, will enable us to provide a wider range of measuring equipment and systems relating to the automobile and aerospace industries.

We plan to represent more new products in the metalforming machinery division. It is expected that this will make a significant contribution to the Group in 2008.

We will expand our business in Northern China in 2008, when we establish a new technology centre in Beijing to offer demonstrations of machines, technical training and after-sales service.

The Group will continue to invest in staff training and the enhancement of service quality. For many years, the Group has strictly followed China's labour laws, so the newly implemented labour laws, effective from early 2008, have had no significant impact on the Group. The inflation factor in China and Hong Kong, however, may affect staff costs in 2008. The Group will continue to upgrade the productivity and efficiency of all its staff.

We have complete confidence that the Group's results in 2008 will be encouraging and will show significant growth.

EMPLOYEES

As at 31st December 2007, the Group had 605 employees (2006: 541). Of these, 188 were based in Hong Kong, 382 were based in mainland China, and 35 were based in other offices around Asia. Competitive remuneration packages were structured to be commensurate with our employees' individual job duties, qualifications, performance and years of experience. In addition to basic salaries, MPF contributions and ORSO contributions, the Group offered staff benefits including medical schemes, educational subsidies and discretionary performance bonuses.

A share option scheme was adopted by the Company on 17th June 2003 for a period of 10 years for employees and other eligible participants so as to provide incentives and rewards for their continued contributions to the Group.

DETAILS OF THE CHARGES ON THE GROUP'S ASSETS

As at 31st December 2007, certain leasehold land and buildings and pledged bank deposits in Hong Kong and Singapore with an aggregate carrying value of approximately HK$147,658,000 (2006: HK$95,504,000) were pledged to secure the banking facilities of the Group by way of a fixed charge.

CONTINGENT LIABILITIES

As at 31st December 2007, the Group had contingent liabilities in respect of letters of guarantee given to customers of approximately HK$37,414,000 (2006: 9,962,000).

EXPOSURE OF FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

A substantial portion of the Group's sales and purchase were denominated in foreign currencies, which are subject to exchange rate risks. The Group will use the foreign exchange received from the customers to settle payment to overseas suppliers. In the event that any material payment which cannot be fully matched, the Group will enter into foreign currency forward contracts with its bankers to minimise the Group's exposure to foreign exchange rate risks.

As at 31st December 2007, the Group had commitments for foreign currency forward contracts amounting to approximately HK$30,179,000 (2006: HK$25,927,000).

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year under review.

CORPORATE GOVERNANCE

The Company has complied with code provisions of the Code on the Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31st December 2007 except the following deviation:–

Further Information about Chairman and Chief Executive Officer

The Board is of the view that although Mr. Lee Sou Leung, Joseph is the Chairman and the Managing Director of the Company, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company. The Company has no such title as the chief executive officer.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES ("MODEL CODE")

For the year ended 31st December 2007, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year ended 31st December 2007 under review and they all confirmed that they have fully complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee, comprised of three independent non-executive directors of the Company, namely Mr. PIKE, Mark Terence, Dr. LUI Sun Wing and Mr. NIMMO, Walter Gilbert Mearns, has reviewed the accounting principles and practices adopted by the Group with the management and has discussed internal controls and financial reporting matters, including a review of the condensed consolidated financial statements for the year ended 31st December 2007 with the directors.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31st December 2007. The figures in respect of the preliminary announcement of the Group's results for the year have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year 2007. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

2008 ANNUAL GENERAL MEETING

It is proposed that the 2008 Annual General Meeting of the Company will be held on 26th May 2008 (Monday). A notice convening the 2008 Annual General Meeting will be published on the websites of the Stock Exchange and the Company in due course and will be dispatched to the shareholders of the Company accordingly.

On behalf of the Board
Lee Sou Leung Joseph
Chairman

Hong Kong, 21st April 2008

As at the date of this announcement, the board of directors comprises 3 executive directors, namely Mr. Lee Sou Leung, Joseph, Ms. Tan, Lisa Marie and Mr. Chan Ching Huen, Stanley and 3 independent non-executive directors, namely Dr. Lui Sun Wing, Mr. Pike, Mark Terence and Mr. NIMMO, Walter Gilbert Mearns.