

NATIONAL ELECTRONICS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 213)

Interim Results for the six months ended 30 September 2007

UNAUDITED INTERIM RESULTS

The board (“Board”) of directors (“Directors”) of National Electronics Holdings Limited (“Company”) would like to present the interim results of the Company and its subsidiaries (together, “Group”) for the six months ended 30 September 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2007

		Six months ended	
		30 September	
		2007	2006
		<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	570,707	565,002
Cost of sales		<u>(501,604)</u>	<u>(501,375)</u>
Gross profit		69,103	63,627
Other income	4	37,940	19,471
Increase in fair value of investment properties	9	21,798	—
Distribution costs		(4,510)	(5,535)
Administrative expenses		(42,475)	(48,904)
Finance costs	5	(14,114)	(9,746)
Gain on disposal of subsidiaries		—	64,595
Gain on disposal of an investment property		8,929	—
Share of results of associates		<u>—</u>	<u>(37)</u>
Profit before taxation	6	76,671	83,471
Income tax expenses	7	<u>(3,958)</u>	<u>(2,541)</u>
Profit for the period		<u>72,713</u>	<u>80,930</u>
Dividend:		<u>20,638</u>	<u>15,967</u>
2007 final dividend paid of 2.0 HK cents (2006: 1.5 HK cent) per ordinary share			
Earnings per share — Basic	8	<u>7.05 cents</u>	<u>7.59 cents</u>

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 September 2007

		30 September 2007 (unaudited) HK\$'000	31 March 2007 (audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Investment properties	9	661,000	345,000
Property, plant and equipment		77,307	72,074
Prepaid lease payments		42,527	42,458
Deposits paid for acquisition of investment properties		18,880	18,000
Interests in associates		16,441	13,428
Available-for-sale investments		<u>17,820</u>	<u>17,820</u>
		<u>833,975</u>	<u>508,780</u>
CURRENT ASSETS			
Inventories		164,798	155,892
Prepaid lease payments		674	639
Investment held for trading		3,989	3,937
Inventory of unsold properties		103,413	100,739
Properties under development for sale		1,078,676	830,940
Deposits held in trust for property under development for sale		16,011	5,704
Bills receivables	10	12,000	11,000
Trade receivables, deposits and prepayments	10	128,384	100,817
Amounts due from associates		139,567	17,464
Tax recoverable		—	1,273
Bank balances and cash		<u>118,843</u>	<u>188,642</u>
		<u>1,766,355</u>	<u>1,417,047</u>

		30 September 2007 <i>(unaudited)</i> <i>HK\$'000</i>	31 March 2007 <i>(audited)</i> <i>HK\$'000</i>
	<i>Notes</i>		
CURRENT LIABILITIES			
Trade payables and accrued expenses	11	119,207	164,309
Bills payables	11	93,245	88,402
Amount due to a related party		—	2,216
Taxation payable		896	1
Derivative financial instruments		334	841
Obligations under finance leases		2,973	2,548
Deposits received from sale of properties under development		244,812	162,637
Deposits received for disposal of inventory of unsold properties		18,735	—
Bank loans		<u>1,027,680</u>	<u>660,304</u>
		<u>1,507,882</u>	<u>1,081,258</u>
NET CURRENT ASSETS		<u>258,473</u>	<u>335,789</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,092,448</u>	<u>844,569</u>
CAPITAL AND RESERVES			
Share capital		102,642	103,351
Reserves		<u>443,855</u>	<u>402,265</u>
		<u>546,497</u>	<u>505,616</u>
NON-CURRENT LIABILITIES			
Provision for long service payments		3,779	3,779
Obligations under finance leases		3,897	3,041
Bank loans		530,997	325,656
Deferred tax liabilities		<u>7,278</u>	<u>6,477</u>
		<u>545,951</u>	<u>338,953</u>
		<u>1,092,448</u>	<u>844,569</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2007

(1) BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

(2) PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the preparation of this interim condensed consolidated financial statements are consistent with those used in the the Group’s annual financial statements for the year ended 31 March 2007, except that the Group has adopted all the new or revised standards, amendment or interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year commencing on 1 April 2007. The adoption of these new HKFRSs did not have material impact on the results and financial position of the Group.

(3) SEGMENT INFORMATION

The following is an analysis of the Group's revenue and result by principal activities and geographical segments for the six months ended 30 September 2007 and 2006:

Business Segments

2007

	Manufacture, assembly and sale of electronic watches HK\$'000	Trading of watch movements and watch parts HK\$'000	Property development HK\$'000	Property investment HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE						
External sales	171,580	396,234	327	2,566	—	570,707
Inter-segment sales	—	1,490	—	—	(1,490)	—
Total revenue	<u>171,580</u>	<u>397,724</u>	<u>327</u>	<u>2,566</u>	<u>(1,490)</u>	<u>570,707</u>

Inter-segment sales are charged at cost.

RESULT						
Segment result	<u>8,682</u>	<u>15,206</u>	<u>5,252</u>	<u>22,756</u>	<u>—</u>	51,896
Interest income						2,480
Unallocated other income (corporate expenses)						27,480
Finance costs						(14,114)
Gain on disposal of an investment property						<u>8,929</u>
Profit before taxation						76,671
Income tax expenses						<u>(3,958)</u>
Profit for the period						<u><u>72,713</u></u>

2006

	Manufacture, assembly and sale of electronic watches HK\$'000	Trading of watch movements and watch parts HK\$'000	Property development HK\$'000	Property investment HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE						
External sales	188,595	332,828	245	43,334	—	565,002
Inter-segment sales	—	2,070	—	—	(2,070)	—
Total revenue	<u>188,595</u>	<u>334,898</u>	<u>245</u>	<u>43,334</u>	<u>(2,070)</u>	<u>565,002</u>

Inter-segment sales are charged at cost.

RESULT						
Segment result	<u>790</u>	<u>10,064</u>	<u>60,528</u>	<u>14,552</u>	<u>—</u>	85,934
Interest income						2,771
Unallocated other income (corporate expenses)						4,549
Finance costs						(9,746)
Share of results of associates	—	—	(37)	—	—	<u>(37)</u>
Profit before taxation						83,471
Income tax expenses						<u>(2,541)</u>
Profit for the period						<u><u>80,930</u></u>

Geographical Segments

The Group's main operations are located in Hong Kong, North America and Europe.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong and other regions in the People's Republic of China	404,430	380,953
North America	77,059	112,290
Europe	87,318	70,845
Others	<u>1,900</u>	<u>914</u>
	<u><u>570,707</u></u>	<u><u>565,002</u></u>

(4) OTHER INCOME

	Six months ended 30 September	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	2,480	2,771
Gain on disposal of property, plant and equipment	219	1,279
Gain on fair value changes of investment held for trading	52	172
Management fee income received from an associate	636	636
Exchange gain, net	31,287	11,803
Sundry income	<u>3,266</u>	<u>2,810</u>
	<u><u>37,940</u></u>	<u><u>19,471</u></u>

(5) FINANCE COSTS

	Six months ended	
	30 September	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:		
Amount due to a related party	25	174
Bank loans and overdrafts		
— wholly repayable within five years	31,218	15,281
— not wholly repayable within five years	3,272	5,853
Obligations under finance leases	<u>212</u>	<u>219</u>
Total borrowing costs	34,727	21,527
Less: Amount capitalised to properties under development for sale	<u>(20,613)</u>	<u>(11,781)</u>
	<u>14,114</u>	<u>9,746</u>

Borrowing costs capitalised during the period are calculated by applying a capitalisation rate of 7% (2006: 6%) to expenditure on properties under development for sale.

(6) PROFIT BEFORE TAXATION

	Six months ended	
	30 September	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Allowance for inventories	12,114	11,443
Depreciation of property, plant and equipment	7,668	8,391
Less: Amount capitalised to properties under development for sale	<u>(129)</u>	<u>(145)</u>
	<u>7,539</u>	<u>8,246</u>
Amortisation of prepaid lease payments	334	313
Loss on fair value changes of derivative financial instruments	334	1,735
Staff costs including directors' emoluments	47,687	48,686
Less: Amount capitalised to properties under development for sale and an investment property	<u>(5,372)</u>	<u>(298)</u>
	<u>42,315</u>	<u>48,388</u>
Cost of inventories recognised as an expense	489,489	489,932
and after crediting:		
Exchange gain, net	31,287	11,803
Gain on fair value changes of investment held for trading	52	172
Gross rental income from properties	<u>2,893</u>	<u>3,619</u>

(7) TAXATION

	Six months ended 30 September	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
Hong Kong profits tax	3,157	1,901
Deferred tax	<u>801</u>	<u>640</u>
	<u>3,958</u>	<u>2,541</u>

Hong Kong profits tax has been provided for at 17.5% (2006 — 17.5%) on the estimated assessable profit for the six months ended 30 September 2007.

(8) EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to shareholders of HK\$72,712,822 (2006 — HK\$80,930,000) and on the weighted average number of 1,030,831,218 ordinary shares (2006 — 1,066,604,748 ordinary shares) in issue during the six months ended 30 September 2007.

(9) INVESTMENT PROPERTIES

	<i>HK\$'000</i>
FAIR VALUE	
At 1 April 2006	166,000
Additions	143,492
Increase in fair value recognised in the consolidated income statement	<u>35,508</u>
At 31 March 2007 and 1 April 2007	345,000
Additions	<u>419,202</u>
	764,202
Less: Disposals	<u>(125,000)</u>
	639,202
Increase in fair value recognised in the consolidated income statement	<u>21,798</u>
At 30 September 2007	<u>661,000</u>

The fair value of the Group's investment properties at 30 September 2007 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group. DTZ Debenham Tie Leung Limited is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of properties in the relevant locations. The valuation, which conforms to Valuation Standards on Properties of the Hong Kong Institute of Surveyors, was arrived at by reference to market evidence of transaction prices for similar properties.

(10) BILLS RECEIVABLES, TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in bills receivables is discounted bills receivables with full recourse of HK\$12,000,000 (31 March 2007: HK\$11,000,000) which is aged within 30 days.

The Group has a policy of allowing an average credit period of 30-60 days to its trade customers.

Included in trade receivables, deposits and prepayments are trade receivables of HK\$69,052,621 (31 March 2007: HK\$67,367,839) with an aged analysis as follows:

	At 30 September 2007 HK\$'000	At 31 March 2007 HK\$'000
Within 30 days	49,076	39,396
31 to 90 days	18,039	27,063
91 to 180 days	1,049	613
Over 180 days	<u>889</u>	<u>296</u>
	<u>69,053</u>	<u>67,368</u>

(11) BILLS PAYABLES, TRADE PAYABLES AND ACCRUED EXPENSES

Included in bills payables, trade payables and accrued expenses are payables in respect of trade of HK\$134,040,246 (31 March 2007: HK\$129,345,872) with an aged analysis as follows:

	At 30 September 2007 HK\$'000	At 31 March 2007 HK\$'000
Within 30 days	85,910	111,333
31 to 90 days	42,095	13,822
91 to 180 days	3,257	1,942
Over 180 days	<u>2,778</u>	<u>2,249</u>
	<u>134,040</u>	<u>129,346</u>

(12) CONTINGENT LIABILITIES AND COMMITMENTS

	At 30 September 2007 HK\$'000	At 31 March 2007 HK\$'000
Contingent liabilities:		
Other guarantees	<u>247</u>	<u>247</u>
Capital commitments:		
Contracted for but not provided:		
Property development costs	6,461	—
Acquisition of property, plant and equipment	—	19
Acquisition of investment properties	<u>169,920</u>	<u>73,130</u>
	<u>176,381</u>	<u>73,149</u>

(13) RELATED PARTY TRANSACTIONS

- (1) Transactions with an associate

	Six months ended	
	30 September	
	2007	2006
	HK\$'000	HK\$'000
Nature of transaction		
Management fee income received by the Group	<u>636</u>	<u>636</u>

- (2) The Group's balances with related parties are set out in the condensed consolidated balance sheet.
- (3) Directors' remuneration of 6,627,714 (2006: 5,735,772) has been paid during the six months ended 30 September 2007.

(14) POST BALANCE SHEET EVENTS

- (a) On 4 October 2007, Sinoway Enterprises Limited ("Sinoway"), a wholly owned subsidiary of the Company, entered into the agreement with Tipau Hong Kong Limited for the disposal of a property located at Unit 1 to 8, 6th Floor, Citicorp Centre, No. 18 Whitfield Road, Hong Kong (with carpark no. 28, 29 and 57 on the 2nd floor) (the "Property A"). The consideration for the disposal of Property A to be received by Sinoway is HK\$57,000,000 with a gain on disposal of approximately HK\$500,000.
- (b) On 5 October 2007, Rever Limited ("Rever"), a wholly owned subsidiary of the Company, entered into the agreement with Cantic Limited for the disposal of a property located at Unit 3201, 32nd Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong (the "Property B"). The consideration for the disposal of Property B to be received by Rever is HK\$37,934,900 with a gain on disposal of approximately HK\$14,300,000.
- (c) On 7 November 2007, Clare Limited ("Clare"), a wholly owned subsidiary of the Company, entered into the agreement with Top Best Investments Limited, for the sale and purchase of the property located at House 6, Double Bay, No. 46 Island Road, Hong Kong (the "Property C"). The consideration for the acquisition of the Property C to be paid by Clare is HK\$160,000,000.
- (d) On 10 December 2007, Rexel Limited ("Rexel"), a wholly owned subsidiary of the Company, entered into the agreement with Century Glory Investments Limited for the disposal of a property located at No. 59 Shouson Hill Road, Bay Villas, Hong Kong (the "Property D"). The consideration for the disposal of Property D to be received by Rexel is HK\$160,200,000 with a gain on disposal of approximately HK\$38,800,000.

INTERIM DIVIDEND

The Directors resolved to declare an interim dividend of 0.8 HK cent per share (2006 — 0.5 HK cent per share).

BUSINESS REVIEW

The Group's turnover for the six months ended 30 September 2007 was HK\$570,706,881 which was increased by 1% over the same period last year (HK\$565,001,689).

Net profit for the six months ended 30 September 2007 was HK\$72,712,822 which was 90% of the same period last year.

During the period under review, the performance of the Group's watch manufacturing division has improved.

As for the Group's Watch Component Trading Division, both turnover and profit have surpassed the previous year's interim results.

On 25 May 2007, the Group disposed of its investment property at 45th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong at a profit.

On the other hand, the Group acquired the following properties during the period under review:

1. No. 87 and 89, Jervois Street, Hong Kong for development purposes;
2. No. 59 Shouson Hill Road, Bay Villas, Hong Kong for investment purposes;
3. 22nd floor (including the roof thereof) and car parking space no. 9 on level 1, Century Tower II, Nos. 1 and 1A Tregunter Path, Hong Kong for investment purposes;
4. Nos. 99, 101 and 103 Bonham Strand and No. 127 Wing Lok Street, Hong Kong for development purposes; and
5. 5, 7, and 9 Sultan Street, Toronto, Canada for development purposes.

In addition, the following sale and purchase agreements were entered into but not yet completed:

1. an acquisition agreement dated 10 September 2007 in relation to an acquisition of a property located at Ground, 1st, 2nd and 3rd Floors and The Roof, No. 459 Lockhart Road, Causeway Bay, Hong Kong; and
2. an acquisition agreement dated 10 September 2007 in relation to an acquisition of a property located at No. 461 Lockhart Road, Hong Kong.

PROSPECTS

On 2 December 2007, the Group laid its foundation and started the first phase of the construction of its manufacturing plant at Nanning, Capital of Guangxi Province. It is a phased process that will take 3 to 5 years to relocate all our manufacturing facilities from Shenzhen.

The occupancy programme of the Group's "One St.Thomas" residential project in Toronto is expected to be completed by Autumn of 2008.

"The Putman", the Group's Luxurious Boutique Hotel at 202 Queen's Road Central, Hong Kong which is a Joint Venture Project with Citi Property Investors, enjoyed 100% booking. "Maison", the café on the G/F opened its door to the public in October 2007 and received excellent reviews on the quality of food and service. The Group expects the rental income from this investment property will continue to increase.

With regard to the Group's second Joint Venture project with Citi Property Investors at 137-138 Connaught Road West, Hong Kong, the super-structure work has commenced and the building is expected to be completed by the end of 2008.

The Group's third project with Citi Property Investors at Nos. 50 to 59 Connaught Road Central, Hong Kong for the development of an A-Grade office building is also on schedule. All the tenants of the existing buildings have vacated and the demolition work of these buildings has commenced.

The demolition work of the existing old building at 21 Whitfield Road, Causeway Bay, Hong Kong was completed and the foundation work has commenced. We aim to complete this new boutique hotel by the beginning of 2010.

The Group has commenced the foundation work of its project at 87 and 89 Jervois Street, Hong Kong. The completion of this new boutique hotel is expected to be the beginning of 2010.

For the development site at Nos. 99, 101 & 103 Bonham Strand and No. 127 Wing Lok Street, Hong Kong, the Group intends to construct a new boutique hotel on this site and the planning process is underway.

The Group has entered into a disposal agreement dated 5 October 2007 in relation to a sale of a property located at Unit 3201, 32nd Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong as per our announcement on 8 October 2007.

The Group has entered into an acquisition agreement dated 7 November 2007 in relation to an acquisition of a property located at House 6, Double Bay, No. 46 Island Road, Hong Kong as per our announcement on 9 November 2007.

The Group has disposed of its investment property located at Unit 1 to 8, 6th Floor, Citicorp Centre, No. 18 Whitfield Road, Hong Kong (with carpark nos. 28, 29 and 57 on the 2nd floor) on 16 November 2007 with profit as per our announcement on 5 October 2007.

The Group has entered into a disposal agreement dated 10 December 2007 in relation to a sale of a property located at No. 59 Shouson Hill Road, Bay Villas, Hong Kong as per our announcement on 11 December 2007.

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 September 2007, the Group's total borrowings were HK\$1,559 million, representing an increase of HK\$573 million from 31 March 2007. The maturity profile spreads over a period of 30 years, with HK\$1,028 million repayable within one year, HK\$296 million within two to five years and HK\$235 million beyond five years.

As at 30 September 2007, the Group's gearing ratio was 0.97 (31 March 2007: 0.64) which is calculated based on the Group's long-term bank borrowings of approximately HK\$531 million and shareholders' funds of approximately HK\$546 million.

As at 30 September 2007, the Group's total bank balances and cash was approximately HK\$119 million (31 March 2007: HK\$189 million).

Similar to last period, the Group has maintained a reasonable level of cash resources and stand-by credit facilities to provide adequate liquid funds to finance its commitments and working capital requirements.

Treasury Policies

As at 30 September 2007, 44% of the Group's borrowings was in HK\$, 2% in US\$, 11% in JPY and 43% in CAD.

As at 30 September 2007, 31% of the Group's bank balances and cash was in HK\$, 57% in US\$, 10% in CAD and 2% in others.

All the Group's borrowings are variable-rate borrowings. The Group will carefully monitor its foreign exchange exposure and forward contracts have been used as hedging instruments.

Future plans for material investments

Other than the acquisitions mentioned above, the Group currently has no other plans for material investments. All the aforesaid acquisitions have been funded by bank borrowings and the internal resources of the Group.

Charges on assets

As at 30 September 2007, certain properties of the Group of approximately HK\$1,877 million (31 March 2007: HK\$1,326 million) were pledged to secure banking facilities for the Group.

Employees

As at 30 September 2007, the Group employed approximately 2,850 employees in Hong Kong, the PRC and other overseas countries. The staff costs for the period including director's emoluments amounted to HK\$48 million (2006: HK\$49 million). Remuneration is determined by reference to market terms as well as the qualifications and experiences of the staff concerned. Salaries are reviewed annually and discretionary bonuses may be paid depending on individual performance and the profitability of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 September 2007 the Company repurchased a total of 7,094,000 shares of HK\$0.10 each of the Company on The Stock Exchange of Hong Kong Limited, all of which shares were cancelled upon repurchase. Particulars of the shares repurchased are as follows:

Month of repurchase	Number of shares of HK\$0.1 each	Price per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
April 2007	400,000	0.405	0.390	160,495
May 2007	1,228,000	0.435	0.395	499,093
June 2007	—	—	—	—
July 2007	—	—	—	—
August 2007	5,466,000	0.485	0.455	2,572,852
September 2007	—	—	—	—
	<u>7,094,000</u>			<u>3,232,440</u>

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2007.

AUDIT COMMITTEE

The Company has established an Audit Committee and its members comprise Dr. Samson Sun, M.B.E., J.P., Mr. Chan Chak Cheung, William and Mr. Chan Kwok Wai who are all independent non-executive directors. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters. The interim results for the six months ended 30 September 2007, which have not been audited, have been reviewed by the Audit Committee.

MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries to all directors who have confirmed that, during the period under review, they have complied with the required standard set out in the Model Code.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 2 January 2008 to 7 January 2008 (both days inclusive) during which no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, should be lodged with the Company’s share registrar in Hong Kong, Tricor Standard Limited, 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 31 December 2007.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 September 2007 containing all applicable information required by Appendix 16 of the Listing Rules will be published on the Stock Exchange’s website (<http://www.hkex.com.hk>) and on the Company’s website (<http://www.irasia.com/listco/hk/national/index.htm>) in due course.

By Order of the Board
LEE YUEN CHING JIMMY
Chairman

Hong Kong, 12 December 2007

As at the date of this announcement, the executive Directors are Mr. Lee Yuen Ching, Jimmy, Mr. Lee Yuen Kui, James, Mr. Lee Bon Chi, Loewe, Mr. Lee Yuen Cheor, Edward and Mr. Wai Kwong Yuen, Ricky, the non-executive Director is Miss Lee Yuen Yu, Dorathy and the independent non-executive Directors are Dr. Samson Sun, M.B.E., J.P., Mr. Chan Chak Cheung, William and Mr. Chan Kwok Wai.