



ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 328)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

PERFORMANCE HIGHLIGHTS

	2007	2006
– Turnover (HK\$)	5,096m	4,877m
– Profit attributable to equity holders (HK\$)	306m	283m
– Final and special dividends per share	HK24 cents	HK22 cents
– Full year dividends per share	HK33 cents	HK32 cents

The Directors of Alco Holdings Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2007

	<i>Note</i>	2007 HK\$'000	2006 HK\$'000
Turnover	3	5,095,894	4,876,788
Cost of goods sold	5	(4,548,098)	(4,359,738)
Gross profit		547,796	517,050
Other gains	4	50,430	46,226
Selling expenses	5	(136,291)	(123,208)
Administrative expenses	5	(100,061)	(96,296)
Other operating expenses	5	(6,240)	(4,924)
Operating profit		355,634	338,848
Finance costs		(19,584)	(21,833)
Profit before income tax		336,050	317,015
Income tax expense	6	(30,266)	(33,540)
Profit attributable to equity holders of the Company		<u>305,784</u>	<u>283,475</u>
Earnings per share attributable to equity holders of the Company			
– basic	7	<u>HK54.5 cents</u>	<u>HK50.6 cents</u>
– diluted	7	<u>HK54.5 cents</u>	<u>HK50.6 cents</u>
Dividends	8	<u>185,115</u>	<u>179,600</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2007

	<i>Note</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		312,799	320,262
Investment properties		46,830	36,060
Leasehold land and land use rights		59,189	56,497
Deferred development costs		6,184	6,797
Held-to-maturity financial assets		111,400	110,887
		<u>536,402</u>	<u>530,503</u>
Current assets			
Inventories		401,844	618,405
Trade receivables, prepayments and deposits	9	305,278	413,510
Cash and cash equivalents		892,794	1,028,572
		<u>1,599,916</u>	<u>2,060,487</u>
Current liabilities			
Trade payables, other payables and accruals	10	545,669	796,816
Trust receipt loans		–	139,978
Current income tax liabilities		3,474	18,768
Borrowings		648	103,545
		<u>549,791</u>	<u>1,059,107</u>
Net current assets		<u>1,050,125</u>	<u>1,001,380</u>
Total assets less current liabilities		<u>1,586,527</u>	<u>1,531,883</u>
Capital and reserves attributable to equity holders of the Company			
Share capital		56,084	56,125
Reserves		1,499,679	1,369,912
Total equity		<u>1,555,763</u>	<u>1,426,037</u>
Non-current liabilities			
Borrowings		2,905	77,682
Deferred income tax liabilities		27,859	28,164
		<u>30,764</u>	<u>105,846</u>
Total equity and non-current liabilities		<u>1,586,527</u>	<u>1,531,883</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The consolidated financial statements of the Group 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 investment properties, 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 judgement in the process of applying the Group’s accounting policies.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in Note 2 below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. The adoption of new/revised HKFRS

The following amendments to standards and interpretation are relevant to the Group’s operation and are mandatory for financial year ended 31st March 2007:

HKAS 21 Amendment	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts
HKFRS – Interpretation 4	Determining whether an Arrangement contains a Lease

These amendments to standards and interpretation had no material effect on the Group’s accounting policies.

The following new standard, amendment to standard and interpretations are relevant to the Group’s operation but are not effective for the year ended 31st March 2007 and have not been early adopted:

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Interpretation 8	Scope of HKFRS 2
HK(IFRIC)-Interpretation 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Interpretation 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Interpretation 11	HKFRS 2 – Group and Treasury Share Transactions

The Group believes that the adoption of the above new standard, amendment to standard and interpretations will not result in substantial changes to the Group’s accounting policies except that there will be additional disclosures required by HKAS 1 Amendment and HKFRS 7.

3. Segment information

The Group is principally engaged in the design, manufacture and sale of consumer electronic products and plastic products.

(a) Business segments

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong in two main business segments:

Consumer electronic products – Design, manufacture and sale of consumer electronic products

Plastic products – Manufacture and sale of plastic and packaging products

The Group's inter-segment transactions mainly consist of plastic products between subsidiaries. The transactions were entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, deferred development costs, held-to-maturity financial assets, inventories, receivables and operating cash.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment, investment properties, leasehold land and land use rights and deferred development costs.

The segment results and other segment items included in the income statement for the years ended 31st March 2007 and 2006 are as follows:

	2007				2006			
	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000
Turnover								
External sales	5,090,793	5,101	–	5,095,894	4,866,005	10,783	–	4,876,788
Inter-segment sales	–	173,863	(173,863)	–	–	206,005	(206,005)	–
	<u>5,090,793</u>	<u>178,964</u>	<u>(173,863)</u>	<u>5,095,894</u>	<u>4,866,005</u>	<u>216,788</u>	<u>(206,005)</u>	<u>4,876,788</u>
Segment results	355,876	(242)		355,634	338,460	388		338,848
Finance costs				(19,584)				(21,833)
Profit before income tax				336,050				317,015
Income tax expense				(30,266)				(33,540)
Profit attributable to equity holders of the Company				<u>305,784</u>				<u>283,475</u>
Capital expenditure	66,520	27,943		94,463	56,471	23,620		80,091
Depreciation of property, plant and equipment	53,651	14,189		67,840	54,608	10,788		65,396
Amortisation of leasehold land and land use rights	368	12		380	326	12		338
Amortisation and write-off of deferred development costs	10,573	–		10,573	12,194	–		12,194
Write-off/impairment of property, plant and equipment	17,907	1,279		19,186	16,308	573		16,881

The segment assets and liabilities as at 31st March 2007 and 2006 are as follows:

	2007				2006			
	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000
Segment assets	2,042,336	93,982	-	<u>2,136,318</u>	2,504,701	86,289	-	<u>2,590,990</u>
Segment liabilities	534,364	11,305	-	<u>545,669</u>	915,317	21,477	-	<u>936,794</u>
Unallocated corporate liabilities				<u>34,886</u>				<u>228,159</u>
Total liabilities				<u>580,555</u>				<u>1,164,953</u>

(b) *Geographical segment*

The segment turnover for the years ended 31st March 2007 and 2006 are as follows:

	2007 HK\$'000	2006 HK\$'000
North America	3,556,457	3,764,034
Europe	1,099,795	610,575
Asia	268,456	364,300
Others	171,186	137,879
	<u>5,095,894</u>	<u>4,876,788</u>

The analysis of turnover by geographical segment is based on the destination to which the shipments are made. No analysis of the contribution by geographical segment has been presented as the ratios of profit to turnover achieved for the above geographical segments are not substantially out of line with the Group's overall ratio of profit to turnover. Most of its assets and capital expenditure for the years ended 31st March 2007 and 2006 were located or utilised in the PRC and Hong Kong.

4. **Other gains**

	2007 HK\$'000	2006 HK\$'000
Interest income	32,791	35,299
Rental income from investment properties	3,643	3,232
Fair value gains on investment properties	10,770	1,800
Sale of moulds	941	3,053
Others	2,285	2,842
	<u>50,430</u>	<u>46,226</u>

5. Expenses by nature

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

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Amortisation of deferred development costs	6,386	7,147
Depreciation of property, plant and equipment	67,840	65,396
Amortisation of leasehold land and land use rights	380	338
Employee benefit expenses	<u>326,557</u>	<u>303,600</u>

6. 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 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.

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	30,876	36,767
– (Over)/under-provision in prior years	(305)	3,187
Deferred income tax	<u>(305)</u>	<u>(6,414)</u>
	<u>30,266</u>	<u>33,540</u>

7. Earnings per share

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.

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.

	2007	2006
Profit attributable to equity holders of the Company (HK\$'000)	<u>305,784</u>	<u>283,475</u>
Weighted average number of ordinary shares in issue (thousands)	<u>561,152</u>	<u>559,967</u>
Basic and diluted earnings per share (HK cents)(Note)	<u>54.5</u>	<u>50.6</u>

Note: There were no dilutive potential ordinary shares during the years ended 31st March 2007 and 2006.

8. Dividends

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Interim dividend, paid, of HK9 cents (2006: HK6 cents) per ordinary share	50,513	33,675
No interim special dividend paid (2006: HK4 cents per ordinary share)	–	22,450
Final dividend, proposed, of HK16 cents (2006: HK16 cents) per ordinary share	89,735	89,800
Final special dividend, proposed, of HK8 cents (2006: HK6 cents) per ordinary share	44,867	33,675
	<u>185,115</u>	<u>179,600</u>

9. Trade receivables, prepayments and deposits

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Trade receivables	291,006	395,911
Prepayments and deposits	14,272	17,599
	<u>305,278</u>	<u>413,510</u>

The credit terms given vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

The fair value of the trade receivables, prepayments and deposits approximate to their carrying value.

At 31st March 2007 and 2006, the ageing analysis of the trade receivables based on invoiced date is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
0 – 30 days	209,323	211,571
31 – 60 days	79,160	144,560
61 – 90 days	48	38,427
Over 90 days	2,475	1,353
	<u>291,006</u>	<u>395,911</u>

10. Trade payables, other payables and accruals

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Trade payables	288,436	513,900
Other payables and accruals	257,233	282,916
	<u>545,669</u>	<u>796,816</u>

At 31st March 2007 and 2006, the ageing analysis of the trade payables based on invoiced date is as follows:

	2007	2006
	HK\$'000	HK\$'000
0 – 30 days	214,665	366,391
31 – 60 days	48,979	122,511
61 – 90 days	23,904	22,109
Over 90 days	888	2,889
	288,436	513,900

DIVIDENDS

The Board of Directors has recommended the payment of a final dividend of HK16 cents (2006: HK16 cents) per ordinary share and a final special dividend of HK8 cents (2006: HK6 cents) per ordinary share for the year ended 31st March 2007 to the shareholders whose names appear on the register of members of the Company on 21st August 2007.

Subject to shareholders approval at the forthcoming Annual General Meeting, the final and final special dividends are expected to be paid on 5th September 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 17th August 2007 to Tuesday, 21st August 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final and final special dividends, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 16th August 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Results

The Board of Directors is pleased to report that the Group achieved steady growth for the year ended 31st March 2007. During the review period, the Group recorded turnover of HK\$5.10 billion, up from HK\$4.88 billion year on year. Profit attributable to shareholders was up by 8% to HK\$306 million as compared with HK\$283 million in FY2006. Earnings per share rose by 8% to HK54.5 cents, up from HK50.6 cents.

Consistent with our dividend policy in which an emphasis on stable returns is placed, the Board of Directors recommended the payment of a final dividend of HK16 cents per share (2006: HK16 cents) and a final special dividend of HK8 cents per share (2006: HK6 cents) for the year ended 31st March 2007. Including the interim dividend of HK9 cents per share previously paid during the year, total dividend per share amounted to HK33 cents (2006: HK32 cents) for the financial year.

Review of Operations

The year under review continued to pose challenges for all participants in the audio-visual (AV) manufacturing segment. The operating environment was characterized by intensified competition and rise in production costs. For AV manufacturers operating in southern China, all were further confronted with the rise in labor costs which rose upwards by as much as 20% as manufacturers in southern China all vied for a limited number of skilled workers. This was partly aggravated by rapid development in the Yangtze River Delta and inner provinces which resulted in less workers traveling to the Pearl River Delta.

Despite the tough environment, the Group was able to achieve steady growth, overcoming the various troughs through prudent business planning and execution. Among the measures taken included minimizing costs and reducing the line-up of lower-end products, the costs of which are more susceptible to fluctuations in raw material prices such as plastic and metal. Moreover, we have maintained efforts to strengthen automation in order to combat escalating labor costs in China. The greater use of Automatic Optical Inspection (AOI) equipment has helped to further reduce our reliance on workers while at the same time raising the quality of our PCB assemblies and products. We also substantially expanded our automatic spraying facilities by 80% which has helped to save cost and further eased the demand for skilled labor. From these and other measures, we have been able to reduce our staff count at roughly 10% to 15% annually. We have duly deployed the present workforce most effectively; running double shifts during peak seasons to ensure customers' orders are always punctually met.

As the best means of combating cost is by raising profitability, our strategy of migrating to high value-added products has continued in earnest. Thanks to the decrease in panel prices during the year which led to higher affordability and greater demand, the Group was able to penetrate the LCD TV market quite successfully. Having incorporated LCD TVs with screens of various sizes into our product line-up in FY2006, we introduced models with up to 32-inch screens in FY2007 and envisage moving up to 40-inch models by FY2008. In line with such objectives, we have increased our "clean zone" areas by 40% with the inclusion of Class 10,000 grade clean room to facilitate assembly of backlights for TFT-LCD panels, including those for LCD TVs. Reflecting the success of this strategy, we were able to maintain the Group's gross profit margin for the review period despite an increasingly difficult business environment.

To address the concern of power shortages – a persistent problem – we continued to utilize solar energy to run non-critical areas of our operations, while for production facilities, some 50 power generators serve as an important safety net for achieving nonstop operations.

Prospects

Having set in motion the processes for developing our high-end, high value-added AV product portfolio, we are cautiously optimistic about the Group's future prospects. Despite growing competition, our long established ties with mass market retailers have placed us in good stead. Moreover, selling directly to these retailers has allowed us to have a highly efficient supply chain as well as fast response to changing market trends and demands. Our strong financial position and scale of production further allow us to meet large orders while excelling in the execution of new products.

Fueled by the increasing popularization of digital TV broadcasts and affordability of flat panel TVs, the LCD TV market has seen worldwide shipments double to 46 million units in 2006, and is expected to breach the 128 million threshold by 2010 – a compound annual growth rate of roughly 30%. We are well set to capitalize on such growth. With still larger LCD TVs to be introduced by the Group in the pipeline, we can look towards increasing our share of this burgeoning market.

That said, supply of LCD panels, especially that of smaller sizes, did see some tightening in the second quarter of 2007 as suppliers adjusted their product mix to cater to increasing demand for mobile phones and digital cameras. In addition, as larger screen models command higher margins, certain TFT LCD plants that were utilized to manufacture small to medium size panels have switched to the production of panels for notebook computers and monitors. Despite the potential effect of tight supply and rebounding prices for LCD panels, the Group is able to maintain a stable source of panels from a handful of suppliers in Taiwan, Korea and Mainland China. Our purchase volume also gives us reasonable bargaining power in terms of sourcing.

To cope with increasing production needs, specifically, a higher level of precision required in the manufacture of LCD TVs, we recently purchased super high speed and high precision SMT machines, which have boosted our total production capacity of surface mount components to 32 million placements a day. In addition to bolstering assembly processes, the new equipment has allowed the Group to further reduce its reliance on labor.

Along with our attention on LCD TV products, we will also keep a close eye on further developing the Group's DVD business. In particular, growing public interest for next generation DVD technologies such as high-definition (HD) DVD players are potential business avenues that the Group will explore. Our HD-DVD players produced on OEM basis will be introduced later in the year. Furthermore, we are also developing several new models to be introduced in FY2008 that are specifically designed for products for music and video download. We are also constantly looking at other display technologies that will allow the Group to develop products for home video entertainment other than LCD TVs.

With regards to geographical coverage, we will further explore fresh markets so as to bolster sales. North America continues to receive a majority of our products. Due to solid LCD TV sales to western Europe, this market has contributed 22% of our total sales, as compared to only 13% during the previous financial year. To maintain this upward trend, our LCD TVs will incorporate even more distinctive features that are developed specifically for western European markets. Our LCD TVs have also been warmly received in markets such as South America and eastern Europe. We expect to start shipments of our LCD TVs to these two markets within FY2008.

Though remaining open minded to our business options, we remain firmly committed to a cautious course of action. Hence, we will continue to look at ways for enhancing automation thereby promoting greater efficiency. We will also seek to incorporate new features in our existing product mix for achieving better market differentiation. In addition, we will continue to phase out low-margin high-labor-intensive products in order to further insulate our business from fluctuations in raw material costs and increase in the costs of direct labor.

LIQUIDITY AND FINANCIAL RESOURCES

Total equity and total equity per share for the year were HK\$1,556 million and HK\$2.77 respectively.

The Group's cash position remained very strong. As at 31st March 2007, our cash on hand and deposits totaled at HK\$893 million. After deducting the interest bearing debts of HK\$4 million, net cash amounted to HK\$889 million (2006: HK\$708 million). The increase in net cash was attributable to profit generated from operations and the low capital expenditure.

The trade receivables balance as at 31st March 2007 was HK\$291 million (2006: HK\$396 million). We have been adopting a prudent credit policy, and credit terms granted are generally based on the financial strengths of individual customers.

We finance our operations using internal funds and banking facilities. As at 31st March 2007, we were granted banking facilities of HK\$1,720 million, of which HK\$4 million were utilised and repayable within five years.

Capital expenditure on fixed assets during the year was HK\$82 million (2006: HK\$69 million), which was spent mainly on enhancing various advanced production facilities. As at 31st March 2007, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery amounting to HK\$1 million (2006: HK\$8 million).

Our foreign exchange exposure is well managed, and, as nearly all of our sales, purchases and borrowings are denominated in either US dollar or HK dollar, there is a natural hedge against currency risks and it is our policy not to engage in speculative currency activities.

EMPLOYEES

As at 31st March 2007, the Group had approximately 11,000 employees in Hong Kong and the PRC. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. We also provide other benefits including medical insurance, provident fund and education subsidies to all eligible staff.

PURCHASE, SALE OR REDEMPTION OF SHARES

On 29th December 2006 and 2nd January 2007, respectively 210,000 and 100,000 shares of HK\$0.10 each of the Company were repurchased at a price of HK\$3.36 per share by the Company on The Stock Exchange of Hong Kong Limited and cancelled. Aggregate amount paid by the Company was HK\$1,041,600.

On 10th January 2007, 100,000 shares of HK\$0.10 each of the Company were repurchased at a price of HK\$3.46 per share by the Company on The Stock Exchange of Hong Kong Limited and cancelled. Aggregate amount paid by the Company was HK\$346,000.

Save as disclosed above, neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31st March 2007 and the Company has not redeemed any of its shares during the year ended 31st March 2007.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for deviation from the Code provision A.4.1.

Under the Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for a specific term. However, according to the Bye-laws of the Company, independent non-executive directors of the Company will retire by rotation every year and their appointments will be reviewed when they are due for re-election. In the opinion of the Company, this meets the same objective as the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of the directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code and its code of conduct regarding directors' securities transactions with the Company for the 12 months ended 31st March 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March 2007.

The Audit Committee comprises three independent non-executive directors of the Company, namely Mr WONG Po Yan, G.B.M., J.P., the Hon LI Wah Ming, Fred, J.P. and Mr LAU Wang Yip, Derrick.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is available for viewing on the website of Hong Kong Exchange and Clearings Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website at www.irasia.com/listco/hk/alco/index.htm. The annual report of the Company containing all the information required by the Listing Rules will be published on the above websites in due course.

LIST OF DIRECTORS

As at the date of this announcement, the Board of Directors comprises three executive directors, namely Mr LEUNG Kai Ching, Kimen, Mr LEUNG Wai Sing, Wilson and Mr KUOK Kun Man, Andrew and three independent non-executive directors, namely Mr WONG Po Yan, The Hon LI Wah Ming, Fred and Mr LAU Wang Yip, Derrick.

On behalf of the Board
LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 10th July 2007