



# ASIA STANDARD INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code:129)

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

<b>FINANCIAL HIGHLIGHTS</b> <b>For the year ended 31st March</b> <i>(In HK\$ million, except otherwise indicated)</i>	<b>2007</b>	<b>2006</b>	<b>Change</b> <b>(%)</b>
Revenue	<b>1,374</b>	744	+85
Operating profit	<b>442</b>	288	+53
Profit attributable to shareholders of the Company	<b>288</b>	168	+71
Dividends per share (HK cents) – interim + final	<b>0.7</b>	0.6	+17
Net assets	<b>4,736</b>	4,095	+16
Equity attributable to shareholders of the Company	<b>4,004</b>	3,436	+17
Net debt	<b>1,510</b>	1,859	-19
Unaudited supplementary information with hotel properties at valuations:			
Revalued net assets	<b>6,205</b>	5,402	+15
Equity attributable to shareholders of the Company	<b>4,923</b>	4,291	+15
Equity attributable to shareholders of the Company per share (HK\$)	<b>0.71</b>	0.85	-16
Net debt to revalued net asset value (%)	<b>24%</b>	34%	-29

The Directors of Asia Standard International Group Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2007 together with the comparative figures for the year ended 31st March 2006 were as follows:

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2007

	<i>Note</i>	<b>2007</b> <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Revenue	3, 5	<b>1,374,113</b>	744,390
Cost of sales	5	<b>(908,980)</b>	(474,251)
Gross profit		<b>465,133</b>	270,139
Selling expenses		<b>(15,608)</b>	(11,510)
Administrative expenses	5	<b>(133,721)</b>	(112,656)
Other income and charges	4	<b>126,031</b>	141,809
Operating profit		<b>441,835</b>	287,782
Finance costs	6	<b>(111,727)</b>	(116,963)
Share of profits less losses of Jointly controlled entities Associated companies		<b>562</b> <b>28,437</b>	(6,372) 37,199
Profit before income tax		<b>359,107</b>	201,646
Income tax expense	7	<b>(58,463)</b>	(38,084)
Profit for the year		<b>300,644</b>	163,562
Attributable to:			
Shareholders of the Company		<b>287,596</b>	167,860
Minority interests		<b>13,048</b>	(4,298)
		<b>300,644</b>	163,562
Dividends	8	<b>49,095</b>	30,462
Earnings per share			
Basic	9	<b>HK 4.89 cents</b>	HK 3.21 cents
Diluted	9	<b>HK 4.72 cents</b>	HK 3.21 cents

# CONSOLIDATED BALANCE SHEET

As at 31st March 2007

	Note	2007 HK\$'000	2006 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		868,125	856,586
Investment properties		1,776,150	2,046,470
Leasehold land		1,765,542	1,378,106
Jointly controlled entities		228,900	134,817
Associated companies		504,997	473,867
Goodwill		8,651	8,651
Mortgage loans receivable		10,647	9,800
Deferred income tax assets		64,517	98,820
		<u>5,227,529</u>	<u>5,007,117</u>
<b>Current assets</b>			
Property held for/under development for sale		796,759	1,182,333
Completed properties held for sale		463,471	196,690
Mortgage loans receivable		339	420
Hotel and restaurant inventories		2,190	2,566
Trade and other receivables	10	178,148	156,460
Financial assets at fair value through profit or loss		67,318	84,458
Derivative financial instruments		6,156	5,716
Income tax recoverable		507	213
Bank balances and cash		221,346	348,220
		<u>1,736,234</u>	<u>1,977,076</u>
<b>Current liabilities</b>			
Trade and other payables	11	144,453	147,167
Amount due to an associated company		51,150	51,150
Deposits received on properties pre-sold		-	212,068
Short term bank loans and overdrafts, secured		186,000	50,000
Convertible bonds		-	218,265
Derivative financial instruments		2,717	459
Current portion of long term loans		14,073	58,312
Amounts due to minority shareholders		109,964	105,509
Income tax payable		21,067	23,896
		<u>529,424</u>	<u>866,826</u>
Net current assets		<u>1,206,810</u>	<u>1,110,250</u>
Total assets less current liabilities		<u>6,434,339</u>	<u>6,117,367</u>
<b>Non-current liabilities</b>			
Convertible notes		89,768	-
Long term loans		1,441,175	1,880,954
Deferred income tax liabilities		167,763	141,502
		<u>1,698,706</u>	<u>2,022,456</u>
Net assets		<u>4,735,633</u>	<u>4,094,911</u>
<b>Equity</b>			
Share capital		69,173	50,769
Reserves		3,935,050	3,385,251
Equity attributable to shareholders of the Company		<u>4,004,223</u>	<u>3,436,020</u>
Minority interests		731,410	658,891
		<u>4,735,633</u>	<u>4,094,911</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### 2 The adoption of new/revised HKFRS

During the year, the Group adopted the amendments and interpretation of HKFRS below, which are relevant to its operations.

HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HK(IFRIC) – Int 4	Determining whether an Arrangement contains a Lease

The Group has assessed the impact of the adoption of these amendments and interpretation and considered that there were no significant impact on the Group’s results and financial position nor any substantial changes in the Group’s accounting policies.

#### Standards, interpretations and amendments to existing standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published which are relevant to the Group’s operations and financial statements and are mandatory for the Group’s accounting periods beginning on or after 1st April 2007 or later periods as follows :

#### Effective from 1st January 2007

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

#### Effective from 1st January 2009

HKFRS 8	Operating Segments
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The Group has not early adopted the above standards, amendments and interpretations and is not expected to have substantial changes to the Group’s accounting policies and presentation of the financial statements.

### 3 Revenue and segment information

An analysis of revenue, results, assets and liabilities of the Group by business segments and geographical segments is set out below:

#### *Business Segments*

	Property sales	Property leasing	Hotel and travel	Other operations	Group
<b>2007 (in HK\$'000)</b>					
Segment revenue	<u>652,240</u>	<u>57,681</u>	<u>617,279</u>	<u>46,913</u>	<u>1,374,113</u>
Contribution to segment results	133,839	52,814	160,696	12,040	359,389
Other income / (charges)	(12,101)	191,365	(81,041)	27,808	126,031
Unallocated corporate expenses					<u>(43,585)</u>
Operating profit					441,835
Finance costs					(111,727)
Share of results of					
Jointly controlled entities	574	-	-	(12)	562
Associated companies	(5,936)	35,690	-	(1,317)	<u>28,437</u>
Profit before income tax					359,107
Income tax expenses					<u>(58,463)</u>
Profit for the year					<u><u>300,644</u></u>
<b>2006 (in HK\$'000)</b>					
Segment revenue	<u>74,531</u>	<u>55,332</u>	<u>569,792</u>	<u>44,735</u>	<u>744,390</u>
Contribution to segment results	(8,200)	50,582	135,703	3,426	181,511
Other income/(charges)	(11,052)	257,535	(108,757)	4,083	141,809
Unallocated corporate expenses					<u>(35,538)</u>
Operating profit					287,782
Finance costs					(116,963)
Share of results of					
Jointly controlled entities	(6,361)	-	-	(11)	(6,372)
Associated companies	(7,633)	45,832	-	(1,000)	<u>37,199</u>
Profit before income tax					201,646
Income tax expenses					<u>(38,084)</u>
Profit for the year					<u><u>163,562</u></u>

	Property sales	Property leasing	Hotel and travel	Other operations	Group
<b>2007 (in HK\$'000)</b>					
Segment assets	1,354,892	1,909,314	2,634,044	138,708	6,036,958
Jointly controlled entities and associated companies	380,046	352,637	-	1,214	733,897
Unallocated assets					<u>192,908</u>
					<u>6,963,763</u>
Segment liabilities	450,791	713,180	751,397	26,093	1,941,461
Unallocated liabilities					<u>286,669</u>
					<u>2,228,130</u>
Capital expenditure	-	-	13,927	396	14,323
Depreciation	-	-	52,273	667	52,940
Amortisation of leasehold land	9,321	-	21,088	316	30,725
<b>2006 (in HK\$'000)</b>					
Segment assets	1,277,064	2,316,675	2,250,307	158,297	6,002,343
Jointly controlled entities and associated companies	290,702	316,947	-	1,035	608,684
Unallocated assets					<u>373,166</u>
					<u>6,984,193</u>
Segment liabilities	754,788	911,835	940,679	26,027	2,633,329
Unallocated liabilities					<u>255,953</u>
					<u>2,889,282</u>
Capital expenditure	-	-	22,656	344	23,000
Depreciation	-	-	51,287	2,364	53,651
Amortisation of leasehold land	8,977	-	20,040	316	29,333

## Geographical segments

	Segment revenue	Operating profit	Total assets	Capital expenditure
<b>2007 (in HK\$'000)</b>				
Hong Kong	1,272,026	423,171	6,597,170	11,627
Mainland China	9,296	2,455	56,533	44
Canada	92,791	16,209	310,060	2,652
	<u>1,374,113</u>	<u>441,835</u>	<u>6,963,763</u>	<u>14,323</u>
2006 (in HK\$'000)				
Hong Kong	657,403	276,936	6,620,027	20,216
Mainland China	9,412	2,327	56,190	57
Canada	77,575	8,519	307,976	2,727
	<u>744,390</u>	<u>287,782</u>	<u>6,984,193</u>	<u>23,000</u>

## 4 Other income and charges

	2007 HK\$'000	2006 HK\$'000
Surplus on revaluation of investment properties	184,125	252,540
Depreciation	(52,940)	(53,651)
Amortisation of leasehold land	(30,725)	(29,333)
Net fair value (losses)/gains on financial assets at fair value through profit or loss	(12,957)	9,380
Write-back of provision for diminution in value of properties held for/under development for sale	4,460	2,920
Provision for doubtful debts	(3,137)	(2,618)
Share option expense of a listed subsidiary	(7,680)	(17,500)
Negative goodwill/(loss) on acquiring additional/deemed disposal of interest in a listed subsidiary	44,885	(19,929)
	<u>126,031</u>	<u>141,809</u>

## 5 Income and expenses by nature

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
<b>Income</b>		
Interest income	9,889	13,055
Dividends from listed financial assets at fair value through profit or loss	671	1,976
Net realised gains on financial assets at fair value through profit or loss	972	-
	<u>          </u>	<u>          </u>
<b>Expenses</b>		
Net realised losses on financial assets at fair value through profit or loss	-	12,286
	<u>          </u>	<u>          </u>

## 6 Finance costs

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Interest expense		
Long term bank loans	101,079	109,886
Convertible bonds	10,898	29,750
Convertible notes	4,880	-
Loans from minority shareholders of subsidiaries	4,454	3,928
Short term bank loans and overdrafts	1,103	1,576
Fair value loss/(gain) on interest rate swaps	7,373	(5,257)
	<u>129,787</u>	<u>139,883</u>
Capitalised as cost of properties under development		
Interest expense	<u>(18,060)</u>	<u>(22,920)</u>
	<u>111,727</u>	<u>116,963</u>

To the extent funds are borrowed generally and used for the purpose of financing certain properties under development, the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation as part of the costs of these properties under development is 5.9% (2006: 7.3%) per annum.



## 7 Income tax expense

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current income tax		
Hong Kong profits tax	587	3,980
Overprovisions in prior years	<u>(2,688)</u>	<u>-</u>
	(2,101)	3,980
Deferred income tax	<u>60,564</u>	<u>34,104</u>
	<u><u>58,463</u></u>	<u><u>38,084</u></u>

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

Shares of income tax of jointly controlled entities and associated companies for the year of HK\$1,000 (credit) (2006: HK\$17,000 (charge)) and HK\$7,593,000 (charge) (2006: HK\$9,861,000 (charge)) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

## 8 Dividends

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Interim, paid, of HK0.35 cent (2006: nil) per share	23,947	-
Final, proposed, of HK0.35 cent (2006: HK0.60 cent) per share	<u>25,148</u>	<u>30,462</u>
	<u><u>49,095</u></u>	<u><u>30,462</u></u>

*Note:*

At a meeting held on 18th July 2007, the Board has proposed a final dividend of HK0.35 cent per share with a scrip option. This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2008.

## 9 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$287,596,000 (2006: HK\$167,860,000) and divided by the weighted average of 5,883,550,830 (2006: 5,234,219,004 shares, adjusted for the effect of the rights issue in November 2006) shares in issue during the year.

The calculation of diluted earnings per share for the year ended 31st March 2007 is based on HK\$291,622,000 equalling to the profit attributable to shareholders of the Company of HK\$287,596,000 plus after tax interest saving of HK\$4,026,000 and 6,177,875,683 shares equalling to the weighted average number of 5,883,550,830 shares in issue during the year plus 294,324,853 potential shares deemed to be in issue assuming the convertible notes had been converted. The Company's outstanding share options did not have a dilutive effect on the earnings per share.

In 2006, the exercise of subscription rights attached to the share options and the conversion of convertible bonds would not have a dilutive effect on the earnings per share. The diluted earnings per share are equal to the basic earnings per share in 2006.

## 10 Trade and other receivables

Trade receivables of the Group amounted to HK\$44,847,000 (2006: HK\$43,779,000). The credit terms given to the customers 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.

Aging analysis of trade receivables net of provision for impairment of doubtful debts is as follows:

	<b>Group</b>	
	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
0 day to 60 days	<b>42,126</b>	41,656
61 days to 120 days	<b>2,071</b>	2,001
More than 120 days	<b>650</b>	122
	<b>44,847</b>	43,779

## 11 Trade and other payables

Trade payables of the Group amounted to HK\$30,360,000 (2006: HK\$18,407,000).

Aging analysis of trade payables is as follows:

	<b>Group</b>	
	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
0 day to 60 days	<b>29,656</b>	17,309
61 days to 120 days	<b>406</b>	32
More than 120 days	<b>298</b>	1,066
	<b>30,360</b>	18,407

## 12 Subsequent events

- (a) In April 2007, certain subsidiaries of the Company converted HK\$150,000,000 convertible bonds issued by Asia Standard Hotel Group Limited (“Asia Standard Hotel”), a total of 1,428,574,427 shares were issued. The Group’s interest in Asia Standard Hotel increased from 62.78% to 67.03% and a gain of HK\$33,098,000 arising from the conversion was resulted.
- (b) In May and June 2007, a total of HK\$75,000,000 convertible notes issued by Asia Standard International Capital Limited, a subsidiary of the Company were exercised and converted into 267,857,140 shares of the Company. The remaining HK\$19,000,000 was repurchased with accrued interest.

The figures in this preliminary announcement have been agreed by PricewaterhouseCoopers (“PwC”) to those in the Group’s consolidated financial statements for the year ended 31st March 2007. The work performed by PwC in this respect was limited and did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC for this announcement.

## **DIVIDENDS**

The Directors recommend a final dividend for the year ended 31st March 2007 of HK0.35 cent (2006: HK0.60 cent) per share to shareholders whose names appear on the Company's Register of Members on 31st August 2007 ("Record Date"). Total dividend for the year, including interim dividend of HK0.35 cent (2006: nil) per share amounts to HK0.70 cent (2006: HK0.60 cent) per share which representing 17% increase from last year. The final dividend is subject to approval of the shareholders in the 2007 annual general meeting to be held on 31st August 2007 ("2007 AGM"), and is expected to be paid on or around 2nd October 2007. The shareholders will be given an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed final dividend ("Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2007 AGM; and (ii) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company in the Stock Exchange for the three trading days prior to and including the Record Date less a discount of 6% of such average price or the par value of share, whichever is the higher. Full details of the Scrip Dividend Scheme will be set out in a circular to shareholders.

## **PROPOSAL FOR BONUS WARRANT ISSUE**

On 18th July 2007, the Board proposes a conditional bonus warrant issue (the "Bonus Warrant Issue") to the shareholders on the basis of one warrant for every five shares of the Company. The initial subscription price was determined at HK\$0.29 per share, subject to adjustment, and the bonus warrants are exercisable at any time during the period of one year from the date of issue. No listing will be sought for the bonus warrants to be issued under the Bonus Warrant Scheme. The Bonus Warrant Issue will be subject to inter alia, (i) approval of the shareholders of the Company at a special general meeting of the Company to be held immediately after the conclusion of the 2007 AGM on 31st August 2007; (ii) the Stock Exchange granting approval for the listing of and permission to deal in the new shares which may fall to be issued pursuant to any exercise of the subscription rights attaching to such warrants. Further details of the Bonus Warrant Issue will be separately published in an announcement and the subsequent circular.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS**

Revenue amount to HK\$1,374 million as opposed to last year's HK\$744 million. Profit attributable to shareholders increase by 71% to HK\$288 million compared to HK\$168 million of last year.

### **BUSINESS REVIEW**

#### **Properties sales, leasing and development**

Property sales revenue for the year increased to HK\$652 million from last year's HK\$75 million. The increase is mainly due to recognition of HK\$573 million revenue for two residential developments completed during the year. Sale for these developments is continuing after the financial year end.

Rental income attributable to the Group for the year was approximately HK\$71 million, an increase of 6% from previous year. During the year, we have sold an office tower out of investment portfolios.

We have paid a land premium of HK\$190 million for the Aberdeen residential development, which is now engaged in superstructure construction and had applied for pre-sale consent. We have also awarded a superstructure contract in the sum of HK\$329 million for a residential development in Ting Kau with expected completion in year 2009.

Looking ahead in the coming year, sales prospect for the Aberdeen development is planned in the latter half of year 2007.

We are continuing our premium negotiation for residential developments in the New Territories with the prospect of some 670,000 sq. ft. residential development potential. Currently the Group holds approximately 1 million sq. ft. GFA of properties under development.

## **Hotel**

We have increased shareholdings in the hotel subsidiary from 56.9% to 62.8% during the year.

Revenue for Hong Kong based hotels increased to HK\$219 million from HK\$193 million, and that of Empire Landmark Hotel in Vancouver increased by 20%, taking into account effects of exchange rate appreciation. Total revenue for the hotel subsidiary is HK\$617 million and gross operating profit increase by 18% to HK\$161 million.

The Hotel group reduced its borrowings by 10% to HK\$792 million, finance cost was reduced by 18% as compared to last year, reporting net profit of HK\$28 million compared to last year's loss of HK\$21 million.

The hotel group has begun its conversion progress on a new acquisition situated in Causeway Bay, Hong Kong into a 280-keys hotel to be completed in year 2008.

## **FINANCIAL REVIEW**

At 31st March 2007, the Group's total assets stood at HK\$7.0 billion. Net assets increased to HK\$4.7 billion from last year's HK\$4.1 billion. Taking into account the market value of hotel properties, the revalued net assets of the Group would be increased by HK\$0.8 billion to HK\$6.2 billion (2006: HK\$5.4 billion)

The Group redeemed all the outstanding convertible bonds issued in 2002. Another convertible notes of HK\$94 million was issued in May 2006, and subsequent to financial year end, HK\$75 million was converted with the balance redeemed by the Group.

Net borrowing was reduced to HK\$1.5 billion (2006: HK\$1.9 billion) of which HK\$0.7 billion (2006: HK\$0.8 billion) belonged to the separately listed hotel group. Net debt to revalued net asset value was reduced to 24% (2006: 34%), partly by the increase in capital through a rights issue of HK\$295 million during the year.

The Group's borrowings are in Hong Kong dollar except the Empire Landmark Hotel in Vancouver which is Canadian dollar denominated. All the debts, except the convertible notes, were at floating rates. Interest rate swaps totaling HK\$650 million had been contracted as at 31st March 2007. The maturity of our debts spread over a period of up to eleven years, and approximate 49% were repayable after five years.

Assets with an aggregated net book value of HK\$5,351 million (2006: HK\$5,550 million) were pledged to secure banking facilities of the Group. The guarantees provided to financial institutions for jointly controlled entities, associated companies and third parties was HK\$235 million (2006: HK\$141 million) as at 31st March 2007.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group employed 398 employees and approximate 90% worked for the separately listed hotel subgroup as at 31st March 2007. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefit are commensurate with their job nature and experience level.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

## **CODE ON CORPORATE GOVERNMENT PRACTICES**

During the year, the Company has complied with the Code Provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules").

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted its own Code of Conduct for Securities Transactions by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix 10) of the Listing Rules. The Company has also made specific enquiry to the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its Code of Conduct for Securities Transactions by Directors.

## **AUDIT COMMITTEE**

The Audit Committee members are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung, Richard and Mr. Wong Chi Keung. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

The audited financial statements of the Group for the year ended 31st March 2007 have been reviewed by the Audit Committee.

## **BOOK CLOSURE**

The Register of Members will be closed from Wednesday, 29th August 2007 to Friday, 31st August 2007, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the final dividend, the Bonus Warrant Issue and to ascertain the right to attend the abovementioned meetings, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00p.m. on Tuesday, 28th August 2007.

By Order of the Board  
**Fung Siu To, Clement**  
*Chairman*

Hong Kong, 18th July 2007

*As of this announcement, the Board of the Company comprises Mr. Fung Siu To, Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan, Mr. Kwan Po Lam, Phileas, Mr. Nicholas James Loup as executive directors, Mr. Au Yat Chuen, Raymond, and Mr. Liang Shangli as non-executive directors and Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung, Richard and Mr. Wong Chi Keung as independent non-executive directors.*