



VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

2007 FINAL RESULTS ANNOUNCEMENT

Financial Highlights:

- The Group recorded satisfactory results for the year 2007. Turnover reached HK\$2,618 million, an increase of 40% as compared to 2006. (2006: HK\$1,867 million)
- Profit attributable to shareholders was HK\$260 million, a 50% increase from 2006. (2006: HK\$173 million)
- Basic earnings per share was 80.5 HK cents (2006: 53.6 HK cents)
- Final dividend per share was 26 HK cents (2006: 24 HK cents). Total dividend per share for 2007 was 38 HK cents (2006: 33 HK cents)
- The operating environment is expected to be challenging in 2008, and the Group will take prudent steps to counteract this:
 - The Group will maintain a wide product portfolio and market coverage in order to diversify the risk factors.
 - It will further develop the high-value sector to maintain a reasonable profit level.
 - The Group will invest in new production facilities to enhance production technology, with the aim of reinforcing our standing in the market for high-end products.

CHAIRMAN'S STATEMENT

On behalf of Varitronix International Limited and its subsidiaries ("Varitronix" or the "Group"), I am pleased to present the Group's annual results for the year ended 31 December 2007.

During the year under review, the Group recorded a turnover of HK\$2,618 million as compared to the previous year's HK\$1,867 million, representing a surge of 40%. Profit from operations was HK\$285 million and profit attributable to shareholders was HK\$260 million, representing increases of 43% and 50%, respectively, as compared to 2006.

The Board of Directors has recommended a final dividend of 26 HK cents per share (2006: 24 HK cents). Combined with the interim dividend of 12 HK cents (2006: 9 HK cents), the total dividend for 2007 amounted to 38 HK cents per share (2006: 33 HK cents).

Business Review

Automotive Market

Sales of automotive displays recorded satisfactory growth during the year, mainly due to the fact that plentiful resources including manpower and technological expertise have been allocated to develop this sector in the past few years. This concentrated effort has contributed to the success of the automotive-related business.

The European market has always been the mainstay of our automotive display business. We have successfully built up a reputation in the European automotive market, with Varitronix products installed in the majority of sedan cars in the region. Moreover, as our clients' businesses have expanded to other parts of the world, our automotive related business has gradually extended to the United States, South Korea and Mainland China. In the past year, we also actively pursued opportunities to enter the Indian market with an aim of progressively extending the geographical reach of our automotive business.

Market for Industrial and Other Products

Sales from European clients in industrial products and home electrical appliances have risen compared with last year. Customers from these sectors have a continued demand for more LCD products, demonstrating their faith in Varitronix products. The Group has committed to extending the customer network in home electrical appliances during the year and has signed up new accounts. We look forward to carving our niche in the home electrical appliances sector, just as we have done in the automotive market, with both sectors realizing an advantage over our competitors.

Customers for home electrical appliances are much more demanding than those in the automotive sector, displaying exceptionally high requirements for product functions and safety performance. The Group's high-end products have proven to be able to fulfill the demands of this specific type of customer. There is a relative lack of suppliers in the market of such high-end products and Varitronix enjoys a competitive edge in this sector. In the year under review, the Group became a certified supplier to several new home electrical appliance manufacturers and large-scale industrial clients.

Mobile Phone Market in the Mainland

The Mainland boasts a vast market for mobile handsets, with numerous models making their way into cities and rural areas. Discounting the expansive domestic market, Chinese manufactured mobile handsets are also being exported to developing markets such as India, Eastern Europe and South America. With such promising conditions in both the domestic and foreign markets, the Group sustained business growth from its Mainland mobile phone manufacturers in 2007.

Prospects for 2008

Automotive Display Business

It is expected that the momentum for growth in automotive displays in 2008 will be driven by business in Europe, the United States, South Korea and emerging markets such as Shanghai and India.

In Europe, the Group already enjoys a sizeable customer base of automotive clients, yet the market has not reached saturation and still presents room for expansion. Our marketing staff endeavors to make contact with new clients to develop more business opportunities. The Group conducted a workshop in Munich, Germany at the beginning of 2008 for automotive customers and established contact with new prospective clients who have expressed interest in the Group's LCD products.

The Group has gradually established a client network in Shanghai, where clients are mostly branch offices or joint venture companies of major international automotive manufacturers located in the city. As we enter 2008, most projects in China will reach the mass production stage, and it is therefore envisaged that sales in this region will continue to grow.

The Group made preparations for expansion into the Indian automotive market in 2007. At the end of the year, the Group entered into a strategic distribution agreement with Toyota Tsusho (Singapore) and Toyota Tsusho (India) to tap into the fast-growing Indian automotive market. According to a survey by IBM Global Business Services, the number of cars manufactured in India will reach 4.2 million by 2015. This will make India one of the top ten countries in the world in terms of vehicle production. Toyota Tsusho is a prestigious global automotive parts supplier. Leveraging on their vast experience in India, Varitronix can secure a foothold in this exciting market in a timely and efficient manner. At present, a few projects from India have started mass production and it is anticipated that the Group's business in India will enter a whole new phase of development in 2008.

Home Electrical Appliances Display Business

In the year under review, the Group held a White Goods Workshop in Italy to introduce our LCD products to prospective and existing customers in a bid to extend the business network. The workshop was well received and successfully displayed the Group's technological strength, laying the groundwork for new strides into the home electrical appliance sector.

Apart from mono-color displays, several home electrical appliances customers have already adopted the use of TFT solutions, a testament to the speedy development of this sector. With a demand for a widening range of LCD products in the market, the Group is determined to dedicate more resources to developing this business segment and establishing a solid business base in this niche market.

Mainland China Electronic Consumer Product Displays

As far as business on the Mainland is concerned, the Group will continue to focus on the mobile handset market in 2008. Due to the fact that mobile phone customers mainly favor TFT and CSTN displays, the Group must consider the need to secure a reliable and steady supply of TFT and CSTN panels while actively pursuing new orders.

Strategies targeting the Mainland will center around handset manufacturers, branching out from a steady business base towards other applications in electronic consumer and industrial products. The aim is to develop this market into one involving multiple application solutions.

Acquisition of BOE Hydis

Orders for mobile handsets and other electronic consumer products are noted for their volume and short delivery time, which often require an urgent bulk delivery of related parts. In 2007 there was a shortage in the supply of TFT panels, which put considerable pressure on sales orders related to TFT displays. During the year, Varitronix formed a Consortium with both Prime View International Co., Ltd., one of the leading small to medium sized TFT-LCD panel manufacturers in Taiwan, and Alco Holdings Limited, a major provider of Electronics Manufacturing Services (EMS) in Hong Kong. The Consortium has signed a binding memorandum of understanding to acquire South Korean based BOE Hydis (“Hydis”). Varitronix will contribute HK\$240 million approximately in this acquisition.

Hydis currently operates three TFT-LCD manufacturing lines comprising Gen 2.5, Gen 3 and Gen 3.5, with monthly capacities of 16K, 14K and 67K, respectively. Due to its proprietary AFFS (Advanced Fringe Field Switching) wide viewing angle technology, Hydis is one of the leading suppliers to top tier display companies worldwide.

This transaction is near completion, with Varitronix acquiring an 11% stake in Hydis when it is finalized. This acquisition bears strategic significance to the Group, providing a stable source of supply of TFT panels in times of shortage and giving our sales staff the ease of mind to work towards acquiring a bigger market share and signing more orders.

With the investment in TFT manufacturer Hydis finalized, sales in the Mainland will benefit from an abundant supply of key parts. In addition, by securing a steady supply of TFT panels, a significant amount of potential new business targeting high-margin color products can be developed with our solid network of automotive customers. By proposing more color display projects for this particular customer base, the product range and revenue sources within the automotive sector will be further diversified, widening our scope with bright prospects for our automotive business.

Investment in Production Facilities

The second half of 2007 saw new policies put into force in the Mainland, such as the 100% standing book deposits levied on certain materials, the increase in export tax, new labor contract laws, and the appreciation of the RMB, which all combined to put a significant amount of pressure on Hong Kong enterprises that operate production facilities in China.

The Group will on the one hand seek ways to mitigate the impact of these measures on our operations. For instance, the Group will forge long-term cooperation with solid material suppliers, modify our export policies, study the feasibility of sourcing and selling our products locally, enforce the implementation of our human resources system and control headcount. On the other hand, we will counter the effects of rising production costs with active measures, one of which is to enhance the technological content of our products, producing high-end products with advanced technology that are of a high level of precision, thereby improving the competitiveness of our products and elevating their position in the market, as well as securing a higher profit margin to maintain the profit level of the Group as a whole.

In the past few years, the Group has relied on research and development to raise the technological standard of our products, such as improving the performance of current products and developing value-added products based on current technology that are suited to the demands of the market. At the same time, we have ensured that the design and all the links in the production process meet with our customers' stringent requirements for performance and quality. In order to significantly raise our competitiveness to meet with market demand, the Group has decided to invest HK\$200 million approximately in expanding the advanced LCD production line and strengthening existing assembly facilities. It is estimated that the new equipment will be in operation by the beginning of 2009.

The new equipment will benefit the Group in three ways:

- 1) To further enhance and optimize the production of existing products, raise the percentage of passing yield so as to improve production efficiency, and enable the Group to deploy resources in a more flexible manner.
- 2) To improve the production capability for high precision and high value-added products, making them more suitable to increasing customer demand while maintaining respectable profit margins.
- 3) To develop new products corresponding to market trends and to identify new sources of revenue.

Customers for the Group's LCD panels include those from the automotive, industrial, home electrical appliance and even aircraft technology sectors. As demands for quality in these categories of products are very strict, the Group is working to optimize our production facilities so as to maintain our standing in the market for high-end products. This is also an important move to sharpen the Group's competitive edge in a competitive market.

Summary and Acknowledgement

During the fourth quarter of 2007, adverse effects brought on by the sub-prime mortgage crisis in the United States began to surface as the American economy started to show signs of a recession. It is feared that this will have a negative impact on the world's economic growth. In this uncertain environment, the Group is endeavoring to sustain diversified market coverage in order to reduce the risk level. It is expected that the Group's own future growth will mainly derive from the European, Asian and Mainland China markets, which are comparatively less affected by the downturn in the American economy. Despite this, the Group will closely follow the global adjustments and be cautious in its moves. We aim to defend and strike with a two-pronged strategy: by adding value to our products and actively developing new business on the one hand and by ensuring our supply lines and strictly controlling our production costs on the other, to improve our readiness for any business opportunity or challenge ahead.

During the year, the Group's operation has faced different pressures arising from shortage of critical materials, the rise in the number of orders and the strain on human resources. The Board of Directors is grateful to the management and staff whose responsible and timely actions in difficult times, doing everything within their power to cooperate with each other in order to find solutions for the problems encountered, took the Group over each and every hurdle.

The Group's management team has taken shape after a series of preparations. The members of our management team are young and enthusiastic, bringing with them a wealth of operational and management experience. Daring to experiment with new concepts, this new generation of management will help to sustain the growth of the enterprise. We look forward to another year with the Group working together even more effectively as a team, so as to better prepare ourselves for the challenges ahead.

Varitronix is well into its 30th year of operation. Throughout the years, we have been through the ups and downs together with the Hong Kong community. Today, we have developed into an enterprise possessing a manufacturing base in Mainland China and a business portfolio that serves companies in Europe, America and Asia. In the future, we have our vision set on a more expansive market for our products and we pledge to make it our mission to bring a Hong Kong LCD brand to all the four corners of the world.

Ko Chun Shun, Johnson
Chairman

Hong Kong, 9 April 2008

Consolidated income statement

For the year ended 31 December 2007

	<i>Note</i>	2007	2006
		HK\$'000	HK\$'000
Turnover	2	2,618,199	1,867,075
Other revenue	3	39,174	48,968
Other net income	4	31,741	29,320
Change in inventories of finished goods and work in progress		54,614	55,394
Raw material and consumables used		(1,847,899)	(1,284,973)
Staff costs		(294,434)	(228,405)
Depreciation		(83,511)	(80,815)
Other operating expenses		<u>(232,631)</u>	<u>(206,565)</u>
Profit from operations		285,253	199,999
Finance costs	5	(3,422)	(3,297)
Share of loss of associate		<u>(40)</u>	<u>-</u>
Profit before taxation	6	281,791	196,702
Income tax	7	<u>(27,312)</u>	<u>(33,358)</u>
Profit for the year		254,479	163,344
		=====	=====
Attributable to:			
Equity shareholders of the Company		260,367	173,228
Minority interests		<u>(5,888)</u>	<u>(9,884)</u>
Profit for the year		254,479	163,344
		=====	=====
Dividends	8	122,901	106,729
Earnings per share			
Basic	9	80.5 cents	53.6 cents
Diluted	9	80.5 cents	53.6 cents

Consolidated balance sheet
At 31 December 2007

	<i>Note</i>	2007	2006
		HK\$'000	HK\$'000
Non-current assets			
Fixed assets			
- Investment properties		7,777	10,166
- Other property, plant and equipment		385,781	305,984
- Interest in leasehold land held for own use		<u>19,516</u>	<u>19,469</u>
		413,074	335,619
Interest in an associate		2,306	-
Loan receivable		52,048	-
Other financial assets		105,077	73,534
Deferred tax assets		<u>3,983</u>	<u>4,957</u>
		576,488	414,110
Current assets			
Trading securities		127,269	164,184
Inventories		545,323	337,137
Trade and other receivables	10	541,126	464,697
Current taxation recoverable		1,794	888
Cash and cash equivalents		<u>544,987</u>	<u>498,688</u>
		1,760,499	1,465,594
Current liabilities			
Bank loans and overdrafts		149,160	45,144
Trade and other payables	11	660,151	478,036
Current taxation payable		<u>4,308</u>	<u>14,214</u>
		813,619	537,394
Net current assets		<u>946,880</u>	<u>928,200</u>
Total assets less current liabilities		<u>1,523,368</u>	<u>1,342,310</u>
Non-current liabilities			
Deferred tax liabilities		<u>195</u>	<u>240</u>
		195	240
NET ASSETS		<u>1,523,173</u>	<u>1,342,070</u>
CAPITAL AND RESERVES			
Share capital		80,856	80,856
Reserves		<u>1,428,622</u>	<u>1,241,598</u>
Total equity attributable to equity shareholders of the Company		1,509,478	1,322,454
Minority interests		<u>13,695</u>	<u>19,616</u>
TOTAL EQUITY		<u>1,523,173</u>	<u>1,342,070</u>

Notes-

1. Basis of preparation

The consolidated income statement and consolidated balance sheet have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, the requirements of the Hong Kong Companies Ordinance and also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies used in preparation of the consolidated income statement and consolidated balance sheet are consistent with those adopted in 2006, except that the Group has changed some of its accounting policies following its adoption of the new and revised HKFRS that are first effective or available for early adoption for the current accounting period. The adoption of these new and revised HKFRS has not resulted in any significant impact on the Group’s results from operations for the year and financial position as at 31 December 2007.

2. Segmental information

The analysis of the geographical locations of the customers of the Company and its subsidiaries during the financial year is as follows:

Turnover

	2007 HK\$'000	2006 HK\$'000
France	195,647	176,939
United Kingdom	93,578	118,023
Germany	174,032	156,069
Other European countries	307,767	252,272
North America	127,755	109,667
Hong Kong and PRC	1,368,112	743,609
Rest of Asia	317,226	260,653
Others	<u>34,082</u>	<u>49,843</u>
	<u>2,618,199</u>	<u>1,867,075</u>
	=====	=====

There is no major disparity in the ratios between turnover and profit in relation to the above geographical locations, hence no analysis is given of the profit contributions from the above geographical locations.

As all of the Group's turnover and profits were derived from the design, manufacture and sale of liquid crystal displays and related products, accordingly no separate business segment analysis is presented for the Group.

3. Other revenue

	2007	2006
	HK\$'000	HK\$'000
Dividend income from listed equity securities	258	7,526
Interest income from listed debt securities	963	1,648
Interest income from unlisted debt securities	1,325	287
Interest income from unlisted investment funds	429	852
Other interest income	16,439	9,362
Rental income under operating leases	7,098	429
Commission income	-	5,667
Consultancy fee income	-	17,246
Other income	12,662	5,951
	39,174	48,968
	=====	=====

4. Other net income

	2007	2006
	HK\$'000	HK\$'000
Profit on disposal of fixed assets	4,342	2,276
Transfer from equity on disposal of available-for-sale securities	(7,676)	28,909
Realised and unrealised gains/(losses) on trading Securities	26,797	(14,508)
Unrealised loss on derivative financial instruments	(2,366)	-
Exchange gain	10,644	17,113
Discount on redemption of convertible notes	-	3,740
Impairment loss on available-for-sale securities	-	(8,210)
	31,741	29,320
	=====	=====

5. Finance costs

	2007 HK\$'000	2006 HK\$'000
Interest on bank advances and other borrowings repayable within five years	3,422	3,146
Interest on convertible notes	<u>-</u>	<u>151</u>
	<u>3,422</u>	<u>3,297</u>
	=====	=====

6. Profit before taxation is arrived at after charging

	2007 HK\$'000	2006 HK\$'000
Cost of inventories	<u>1,983,387</u>	<u>1,394,137</u>
	=====	=====

7. Income tax

	2007 HK\$'000	2006 HK\$'000
Current tax - Provision for Hong Kong Profits Tax		
Provision for Hong Kong Profits Tax for the year	12,927	14,998
Under-provision in respect of prior years	<u>4,108</u>	<u>3,967</u>
	<u>17,035</u>	<u>18,965</u>
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Current tax - Overseas		
Tax for the year	9,381	12,039
Over-provision in respect of prior years	(33)	(281)
	<u>9,348</u>	<u>11,758</u>
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Deferred tax		
Reversal of temporary differences	929	2,635
	<u>27,312</u>	<u>33,358</u>
	=====	=====

Taxation is calculated at the rate of 17.5% (2006: 17.5%) on Hong Kong assessable profits and at the appropriate rates on overseas assessable profits.

8. Dividends

	2007 HK\$'000	2006 HK\$'000
Interim dividend declared and paid of 12.0 cents (2006: 9.0 cents) per share	38,811	29,108
Final dividend proposed after the balance sheet date of 26.0 cents (2006: 24.0 cents) per share	<u>84,090</u>	<u>77,621</u>
	<u>122,901</u> =====	106,729 =====

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of HK\$260,367,000 (2006: HK\$173,228,000) and the weighted average of 323,422,204 shares (2006: 322,928,481 shares) in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2007 was based on the profit attributable to equity shareholders of the Company of HK\$260,367,000 and the weighted average number of shares of 323,608,859 shares after adjusting for the effects of all dilutive potential shares.

(c) Weighted average number of share (diluted)

	2007 Number of Shares
Weighted average number of shares used in calculating basic earnings per share	323,422,204
Effect of deemed issue of shares for no consideration arising from the Company's share option scheme	<u>186,655</u>
Weighted average number of shares used in calculating diluted earnings per share	323,608,859 =====

10. Trade and other receivables

Included in trade and other receivables are trade debtors and bills receivable (net of impairment losses for bad and doubtful debts) with the following ageing analysis:

	2007	2006
	HK\$'000	HK\$'000
Within 60 days of the invoice issue date	304,848	278,040
61 to 90 days after the invoice issue date	19,445	47,915
91 to 120 days after the invoice issue date	8,459	9,114
More than 120 days but within 12 months after the invoice issue date	3,856	12,049
More than 12 months after the invoice issue date	-	1
	336,608	347,119

Debts are due within 90 days from the date of the invoice.

11. Trade and other payables

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis:

	2007	2006
	HK\$'000	HK\$'000
Within 60 days of supplier invoice date	311,477	275,516
61 to 120 days after supplier invoice date	153,094	36,040
More than 120 days but within 12 months after supplier invoice date	6,495	5,626
More than 12 months after supplier invoice date	1,652	-
	472,718	317,182

12. Capital commitments

Capital commitments representing purchase of property, plant and equipment not provided for in the Group's financial results were as follows:

	2007	2006
	HK\$'000	HK\$'000
Contracted for	125	9,663

13. Contingent liabilities

As at the balance sheet date, the Company has issued guarantees to banks in respect of a banking facility granted to certain subsidiaries.

As at the balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at the balance sheet date under the guarantees issued and the facility drawn down by the subsidiaries was HK\$154,954,000 (2006 : HK\$50,692,000).

DIVIDEND

The Directors now recommend the payment of a final dividend of 26.0 cents (2006: 24.0 cents) per share for the year ended 31 December 2007 to all registered shareholders whose names appear on the register of members of the Company on 2 June 2008. It is expected that cheques for the final dividend will be dispatched on or about 9 July 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 2 June 2008 to Friday, 6 June 2008 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. Friday, 30 May 2008.

OTHERS

Staff

As at 31 December 2007, the Group employed approximately 5,664 persons around the world, of whom approximately 205 were in Hong Kong, 5,405 in PRC and 54 overseas. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group operates an employee share option scheme and provides rent-free quarters to certain of its employees in the PRC.

Liquidity and Financial Resources

The Group maintains a strong financial position. As at 31 December 2007, the total shareholders' equity of the Group was HK\$1.5 billion (2006: HK\$1.3 billion). The Group's current ratio, being the proportion of total current assets against total current liabilities, was 2.16 as at 31 December 2007 (2006: 2.73).

At the year end, the Group held a liquid portfolio of HK\$777 million (2006: HK\$737 million) of which HK\$545 million (2006: HK\$499 million) was in cash and cash equivalents and HK\$232 million (2006: HK\$238 million) in securities. The unsecured interest-bearing bank loans and overdrafts and bills payable amounted to HK\$149 million (2006: HK\$45 million).

Foreign Currency Exposure

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Euros, United States dollars, Japanese Yen and Renminbi.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2007.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2007.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the period under review.

APPOINTMENT OF QUALIFIED ACCOUNTANT

The Board hereby announces that Mr. Ho Te Hwai, Cecil has been appointed as the qualified accountant of the Group with effect from 9 April 2008.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the final results for the year ended 31 December 2007 of the Company now reported on.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for setting and monitoring the remuneration policy for all Directors and senior management. It is headed by Dr. Lo Wing Yan, William, an Independent Non-executive Director. The other members of the Remuneration Committee are Mr. Hou Ziqiang, an Independent Non-executive Director, and Mr. Ko Chun Shun, Johnson, an Executive Director.

**By order of the Board
Ko Chun Shun, Johnson
Chairman**

Hong Kong, 9 April 2008

As at the date of this announcement, the board of Directors comprises six Directors, of whom Mr. Ko Chun Shun, Johnson, Mr. Tsoi Tong Hoo, Tony and Mr. Ho Te Hwai, Cecil are Executive Directors and Dr. Lo Wing Yan, William J.P., Mr. Yuen Kin and Mr. Hou Ziqiang are Independent Non-executive Directors