BEP INTERNATIONAL HOLDINGS LIMITED
百靈達國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2326)

FINAL RESULTS, DIVIDEND OR DISTRIBUTION, CLOSURE OF BOOKS OR CHANGE OF BOOK CLOSURE PERIOD

For the year ended 31 March 2007

The board of directors (the "Board") of BEP International Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2007, together with the comparative figures for 2006, as follows:

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
	2007	2006	Percentage change
	HK$'000	*HK$'000*	
Turnover	**385,393**	280,876	37.2%
Gross profit	**45,111**	14,382	213.7%
Gross profit margin	**11.7%**	5.1%	6.6%
Net profit/(loss)	**13,483**	(18,323)	N/A
Net profit/(loss) margin	**3.5%**	(6.5%)	N/A
Earnings/(loss) per share	**5.62 cents**	(7.63) cents	N/A

* *For identification purpose only*

CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 31 March 2007 HK$'000	2006 HK$'000
Turnover	2	**385,393**	280,876
Cost of sales		**(340,282)**	(266,494)
Gross profit		**45,111**	14,382
Other operating income		**393**	1,801
Selling and distribution costs		**(7,778)**	(8,498)
Administrative expenses		**(20,798)**	(23,209)
Operating profit/(loss)	3	**16,928**	(15,524)
Finance costs	4	**(3,081)**	(2,799)
Profit/(Loss) before taxation		**13,847**	(18,323)
Income tax	5	**(364)**	–
Profit/(Loss) for the year attributable to the equity holders of the Company		**13,483**	(18,323)
Dividends		**–**	–
Earnings/(Loss) per share			
Basic	6	**5.62 cents**	(7.63) cents
Diluted	6	**N/A**	N/A

CONSOLIDATED BALANCE SHEET

		At 31 March	
		2007	**2006**
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**26,019**	31,098
Current assets			
Inventories		**54,960**	52,075
Trade and other receivables	*7*	**37,216**	26,923
Tax recoverable		**–**	379
Derivative financial instruments		**–**	180
Bank balances and cash		**9,639**	4,610
		101,815	84,167
Current liabilities			
Trade and other payables	*8*	**57,264**	54,410
Short-term bank borrowings – due within one year		**19,428**	25,369
		76,692	79,779
Net current assets		**25,123**	4,388
Total assets less current liabilities		**51,142**	35,486
Non-current liabilities			
Deferred tax liabilities		**446**	461
Net assets		**50,696**	35,025
Capital and reserves			
Share capital		**2,400**	2,400
Reserves		**48,296**	32,625
Equity attributable to the equity holders of the Company		**50,696**	35,025

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for accounting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006. The adoption of the new HKFRSs had no material impact on the results and the financial position of the Group. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

		Notes
HKAS 1 (Amendment)	Capital Disclosures	*1*
HKFRS 7	Financial Instruments: Disclosures	*1*
HKFRS 8	Operating Segments	2
HK(IFRIC)-Int 8	Scope of HKFRS 2	*3*
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives	*4*
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment	*5*
HK(IFRIC)-Int 11	HKFRS 2-Group and Treasury Share Transactions	*6*
HK(IFRIC)-Int 12	Service Concession Arrangements	*7*

Notes:

1. *Effective for annual periods beginning on or after 1 January 2007.*
2. *Effective for annual periods beginning on or after 1 January 2009.*
3. *Effective for annual periods beginning on or after 1 May 2006.*
4. *Effective for annual periods beginning on or after 1 June 2006.*
5. *Effective for annual periods beginning on or after 1 November 2006.*
6. *Effective for annual periods beginning on or after 1 March 2007.*
7. *Effective for annual periods beginning on or after 1 January 2008.*

2. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has determined that geographical segments be presented as the primary reporting format and business segments as the secondary reporting format. In determining the Group's geographical segments, revenue is attributed to the segments based on the destination of delivery of products, and assets and liabilities are attributed to the segments based on the location of the assets and liabilities.

Geographical segments

	Europe		North America		Australia and New Zealand		Asia and Middle East		Others		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER	**205,340**	157,838	**109,246**	70,243	**19,943**	15,990	**34,065**	16,320	**16,799**	20,485	**385,393**	280,876
RESULTS												
Segment results	**12,607**	(9,770)	**1,782**	(1,632)	**1,355**	(1,005)	**1,124**	(2,134)	**60**	(983)	**16,928**	(15,524)
Finance costs											**(3,081)**	(2,799)
Profit/(Loss) before taxation											**13,847**	(18,323)
Income tax											**(364)**	–
Profit/(Loss) for the year											**13,483**	(18,323)
ASSETS												
Segment assets	–	–	–	–	–	–	**127,834**	115,265	**–**	–	**127,834**	115,265
LIABILITIES												
Segment liabilities	–	–	–	–	–	–	**77,138**	80,240	**–**	–	**77,138**	80,240
OTHER INFORMATION												
Capital expenditure	–	–	–	–	–	–	**6,014**	9,736	**–**	–	**6,014**	9,736
Depreciation of property, plant and equipment	–	–	–	–	–	–	**11,093**	12,075	**–**	–	**11,093**	12,075

The Group's operations, and assets and liabilities are located in the People's Republic of China (the "PRC") including Hong Kong.

Business segments

The Group's turnover and assets are substantially attributable to the design, manufacture and sale of home electrical appliances. Accordingly, no analysis by business segment is presented.

3. OPERATING PROFIT/(LOSS)

	For the year ended 31 March	
	2007	2006
	HK$'000	*HK$'000*
Operating profit/(loss) has been arrived at after charging:		
Staff costs		
– Directors' emoluments	**3,288**	3,814
– Staff salaries and wages	**32,176**	31,968
– Staff retirement benefits schemes contributions	**344**	462
	35,808	36,244
Depreciation of owned property, plant and equipment	**11,093**	12,075
Operating lease rentals in respect of land and buildings	**3,695**	3,560
Auditors' remuneration	**310**	310
Cost of inventories expensed	**340,282**	266,494
Fair value losses on derivative financial instruments		
– transactions not qualifying as hedges	**131**	–
Net foreign exchange losses	**463**	203

4. FINANCE COSTS

	For the year ended 31 March	
	2007	2006
	HK$'000	*HK$'000*
Bank charges	**1,180**	1,060
Interest on short-term bank borrowings and bank overdrafts wholly repayable within five years	**1,901**	1,739
	3,081	2,799

5. INCOME TAX

Hong Kong profits tax is calculated at a rate of 17.5% (2006: 17.5%) on the estimated assessable profit arising in Hong Kong for the year. No provision for Hong Kong profits tax has been made in the financial statements as the companies operating in Hong Kong have estimated taxation losses to offset estimated assessable profits arising in Hong Kong for the year (2006: Nil).

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates. No provision for PRC enterprise income tax has been made as the subsidiary operating in the PRC incurred a taxation loss for the year (2006: Nil).

	For the year ended 31 March	
	2007	2006
	HK$'000	*HK$'000*
Current tax		
Under provision in prior years – Hong Kong	**379**	–
Deferred tax	**(15)**	–
	364	–

6. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to the equity holders of the Company is based on the profit for the year attributable to the equity holders of the Company of approximately HK$13,483,000 (2006: loss for the year of approximately HK$18,323,000) and on the weighted average of 240,000,000 ordinary shares (2006: 240,000,000) in issue during the year.

The diluted earnings/(loss) per share for the years ended 31 March 2006 and 2007 have not been disclosed as the exercise of the Company's outstanding share options will have an anti-dilutive effect on the basic earnings/(loss) per share.

7. TRADE AND OTHER RECEIVABLES

	At 31 March 2007	At 31 March 2006
	HK$'000	*HK$'000*
Trade receivables, with aged analysis *(based on payment due date) (Note (i)):*		
0-30 days	**22,038**	16,801
31-60 days	**4,508**	73
61-180 days	**289**	264
Trade receivables	**26,835**	17,138
Bills receivable *(Note (ii))*	**815**	764
Deposits paid	**3,454**	3,248
Sundry debtors and prepayments	**6,112**	5,773
	37,216	26,923

Notes:

(i) Trade debts which were settled by letters of credit were due at sight or in accordance with the respective terms of the letters of credit normally ranging from 30 to 120 days. For other trade debts, the Group provided a credit period normally ranging from 14 to 60 days to its customers.

(ii) Bills receivable were due at sight or in accordance with the respective terms of the bills normally ranging from 30 to 120 days.

8. TRADE AND OTHER PAYABLES

	At 31 March 2007 *HK$'000*	At 31 March 2006 *HK$'000*
Trade payables, with aged analysis *(based on payment due date):*		
0-30 days	**48,238**	42,362
31-60 days	**43**	3,316
61-180 days	**308**	1,579
Total trade payables	**48,589**	47,257
Bills payable	**682**	619
Trade deposits received	**3,377**	2,528
Other payables and accruals	**4,616**	4,006
	57,264	54,410

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2007 (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

Despite rising raw material costs, labour cost and Renminbi, the Group returned to profitability for the year ended 31 March 2007 after three consecutive years of losses. It achieved sales of approximately HK$385,393,000 (2006: HK$280,876,000) which broke all sales records in the history of the Group. Gross profit margin improved from approximately 5.1% to approximately 11.7%. Net profit attributable to equity holders of the Company was approximately HK$13,483,000 (2006: net loss of approximately HK$18,323,000).

The Group's product rationalization strategy was key to the turnaround of the previous loss-making situation. By focusing on high-end products, the Group was able to improve its profit margin while avoiding the cut-throat competition at the low-end market.

The Group relentlessly pursued its cost-cutting initiatives during the year. It kept a close watch on expenses such as electricity usage, overtime costs, welfare costs and freight charges. As a result, selling and distribution costs decreased from approximately HK$8,498,000 to approximately HK$7,778,000 despite an approximately 37.2% increase in sales. Administrative expenses also decreased from approximately HK$23,209,000 to approximately HK$20,798,000.

The Group's products mainly consisted of kettles, irons, coffee makers and grinders, and fan heaters. Geographically, Europe continued to be our largest market, accounting for approximately 53.3% of our total sales in the year, followed by North America which accounted for approximately 28.3%. During the year we signed a supply contract with a major electrical appliance brand in Europe. Sales to this customer are expected to begin in the third quarter of 2007.

Prospects

We maintain an optimistic outlook for the Group's business. Rising manufacturing costs in China is an inexorable trend, and there are no signs that raw material prices will decline soon. To survive and thrive in this business environment, we must emphasize innovation in our products.

Liquidity and financial resources, gearing and foreign currency exposures

As at 31 March 2007, the Group had total bank borrowings of approximately HK$19,428,000 (2006: HK$25,369,000). Cash and bank balances amounted to approximately HK$9,639,000 (2006: HK$4,610,000). The gearing ratio, expressed as a percentage of bank borrowings to total equity, was approximately 38.3% (2006: 72.4%). The Group also made use of factoring and export bills discount facilities to finance its operations during the year.

Current ratio was approximately 1.33 as at 31 March 2007 (2006: 1.06). Average stock turnover period decreased to approximately 57 days as compared to 62 days in the previous year. Average debtor turnover period increased from approximately 16 days to approximately 22 days as more customers changed their trade terms from letters of credit to open account.

The Group continues to adopt a prudent approach in funding and treasury policies. Transactions of the Group are mainly denominated in US dollar, Sterling Pound, HK dollar and Renminbi. All borrowings are denominated in HK dollar and US dollar. During the year, the Group used forward exchange contracts to hedge its exposure to the Sterling Pound. Furthermore, since the Group's revenues and expenditures were predominantly denominated in US dollar and HK dollar respectively, the Group entered into an option contract under which the Group would exchange US dollar to HK dollar at predetermined rates.

Charge of Group's Assets

During the year, the Group executed a debenture, which was essentially a pledge of all assets of the Group, in favour of a bank to secure banking facilities.

Employees and remuneration policies

As at 31 March 2007, the Group employed approximately 1,955 full time staff in Hong Kong and PRC.

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 March 2007.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company complied with the provisions of the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 March 2007 except for Code Provision A4.2 which stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. In addition, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

At the annual general meeting held on 25 August 2006, the Company passed resolutions amending the bye-laws of the Company to ensure compliance with the above Code Provision.

AUDIT COMMITTEE

The audit committee has reviewed and discussed with management the Company's annual report and audited financial statements for the year ended 31 March 2007 and provided advice and recommendation to the Board.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 25 July 2007 to 27 July 2007 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar, Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 24 July 2007.

As at the date of this announcement, the Board comprises Mr. Chan Tat, Mr. Poon Tat Hang, Mr. Chan Man Kei and Mr. Lee Kam Hung as executive directors, Madam Hong Jing Yu as non-executive director and Mr. Hong Yee Kwong, Paul, Mr. Lam King Pui and Mr. Wu Tai Cheung as independent non-executive directors.

On behalf of the Board
BEP International Holdings Limited
Chan Tat
Chairman

Hong Kong, 26 June 2007