CHEN HSONG HOLDINGS LIMITED
震 雄 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0057)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

FINANCIAL HIGHLIGHTS			
	2007	2006	Change
RESULTS HIGHLIGHTS *(HK$'000)*			
Revenue	**2,155,014**	1,955,334	10%
Profit before tax	**337,124**	299,094	13%
Profit attributable to equity holders of the Company	**312,276**	272,450	15%
Total assets	**2,661,539**	2,477,621	7%
Shareholders' funds	**2,077,378**	1,839,257	13%
Issued share capital	**62,416**	61,862	1%
Net current assets	**1,132,805**	900,864	26%
PER SHARE DATA			
Basic earnings per share *(HK cents)*	**50.2**	44.0	14%
Cash dividends per share *(HK cents)*	**24.0**	20.0	20%
Net assets per share *(HK$)*	**3.3**	3.0	10%
KEY FINANCIAL RATIOS			
Return on average shareholders' funds *(%)*	**15.9**	15.5	3%
Return on average total assets *(%)*	**12.2**	11.4	7%

SUMMARY OF RESULTS

The board of directors (the "Board") of Chen Hsong Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2007, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 March 2007

		Year ended 31 March	
		2007	2006
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**2,155,014**	1,955,334
Cost of sales		**(1,488,339)**	(1,371,498)
Gross profit		**666,675**	583,836
Other income and gains		**21,502**	27,122
Selling and distribution expenses		**(180,768)**	(164,507)
Administrative expenses		**(140,395)**	(130,660)
Other operating expenses, net		**(29,662)**	(9,373)
Finance costs		**(2,387)**	(7,139)
Share of profits less losses of associates		**2,159**	(185)
PROFIT BEFORE TAX	*4*	**337,124**	299,094
Tax	*5*	**(24,833)**	(26,826)
PROFIT FOR THE YEAR		**312,291**	272,268
ATTRIBUTABLE TO:			
Equity holders of the Company		**312,276**	272,450
Minority interests		**15**	(182)
		312,291	272,268
DIVIDENDS	*6*	**150,244**	123,767
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*7*		
Basic *(HK cents)*		**50.2**	44.0
Diluted *(HK cents)*		**49.8**	43.5

CONSOLIDATED BALANCE SHEET
As at 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**650,172**	661,423
Prepaid land lease payments		**52,950**	52,493
Goodwill		**94,931**	94,931
Interests in associates		**4,570**	3,135
Available-for-sale equity investments		**124,057**	124,057
Held-to-maturity investments		**-**	-
Deferred tax assets		**36,571**	24,218
Total non-current assets		**963,251**	960,257
CURRENT ASSETS			
Inventories		**578,089**	566,697
Trade and bills receivables	*8*	**675,640**	517,433
Deposits, prepayments and other receivables		**49,838**	43,455
Cash and bank balances		**394,721**	389,779
Total current assets		**1,698,288**	1,517,364
CURRENT LIABILITIES			
Trade and bills payables	*9*	**300,497**	262,500
Tax payable		**16,687**	16,662
Other payables and accruals		**215,245**	224,244
Bank loans, unsecured		**33,054**	113,094
Total current liabilities		**565,483**	616,500
NET CURRENT ASSETS		**1,132,805**	900,864
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,096,056**	1,861,121
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**10,711**	14,381
NET ASSETS		**2,085,345**	1,846,740
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**62,416**	61,862
Reserves	*10*	**2,014,962**	1,777,395
		2,077,378	1,839,257
Minority interests		**7,967**	7,483
Total equity		**2,085,345**	1,846,740

NOTES:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

The adoption of the new and revised HKFRSs, that are effective for annual periods beginning on or after 1 April 2006, has had no material impact on the accounting policies of the Group and the methods of computation in the Group's financial statements.

2. SEGMENT INFORMATION

(a) Geographical segments based on the location of customers

The following tables present revenue, results, assets, liabilities and certain expenditure information for the Group's geographical segments.

	Segment revenue from external customers		**Segment results**	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China ("PRC") (including Hong Kong)	**1,491,947**	1,383,094	**304,517**	271,139
Taiwan	**238,611**	219,101	**18,388**	21,464
Other overseas countries	**424,456**	353,139	**66,254**	57,730
	2,155,014	1,955,334	**389,159**	350,333
Unallocated income and gains			**4,322**	9,161
Corporate and unallocated expenses			**(56,129)**	(53,076)
Finance costs			**(2,387)**	(7,139)
Share of profits less losses of associates			**2,159**	(185)
Profit before tax			**337,124**	299,094

2. SEGMENT INFORMATION *(continued)*

(a) Geographical segments based on the location of customers *(continued)*

	Segment assets		Segment liabilities	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC (including Hong Kong)	**2,110,473**	1,986,019	**352,848**	328,310
Taiwan	**217,158**	204,891	**77,152**	77,351
Other overseas countries	**265,078**	215,173	**85,742**	81,083
	2,592,709	2,406,083	**515,742**	486,744
Interests in associates	**4,570**	3,135	**-**	-
Unallocated assets	**64,260**	68,403	**-**	-
Unallocated liabilities	**-**	-	**60,452**	144,137
	2,661,539	2,477,621	**576,194**	630,881

	Other segment information					
	Depreciation and amortisation		Other non-cash expenses/(income)		Capital expenditure	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
PRC (including Hong Kong)	**52,045**	52,406	**24,260**	22,829	**19,536**	58,516
Taiwan	**2,584**	2,739	**(554)**	(3,491)	**900**	699
Other overseas countries	**3,458**	3,035	**1,828**	(2,006)	**1,346**	1,395
	58,087	58,180	**25,534**	17,332	**21,782**	60,610

2. SEGMENT INFORMATION *(continued)*

(b) Geographical segments based on the location of assets

	Segment assets	
	2007	2006
	HK$'000	*HK$'000*
PRC (including Hong Kong)	**2,178,740**	1,990,092
Taiwan	**413,969**	415,991
	2,592,709	2,406,083
Interests in associates	**4,570**	3,135
Unallocated assets	**64,260**	68,403
	2,661,539	2,477,621

	Capital expenditure	
	2007	2006
	HK$'000	*HK$'000*
PRC (including Hong Kong)	**20,101**	59,226
Taiwan	**1,681**	1,384
	21,782	60,610

(c) Business segments

Over 90% of the Group's revenue and assets are attributable to the manufacture and sale of plastic injection moulding machines and related products. Therefore, no analysis by business segment is presented.

3. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold during the year, after allowances for returns and trade discounts, excluding intra-group transactions.

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2007	2006
	HK$'000	*HK$'000*
Cost of inventories sold	**1,488,339**	1,371,498
Depreciation	**56,749**	56,517
Recognition of prepaid land lease payments	**1,338**	1,663
Gain on disposal of items of property, plant and equipment	**(1,006)**	(228)
Impairment/(write-back of impairment) of trade and bills receivables, net	**11,105**	(2,638)
Provision for inventories, net	**14,933**	25,840
Excess over the cost of a business combination	**-**	(464)
Interest income	**(4,322)**	(1,975)
Gain on disposal of an associate	**-**	(6,812)
Loss on disposal of an investment at fair value through profit or loss	**-**	1,010
Gain on disposal of a held-to-maturity investment	**-**	(424)

5. TAX

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the year (2006: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2007	2006
	HK$'000	*HK$'000*
Current:		
Charge for the year		
Hong Kong	**-**	-
Elsewhere	**37,303**	31,875
Overprovision in prior years	**(1,056)**	(3,976)
Deferred	**(11,414)**	(1,073)
Tax charge for the year	**24,833**	26,826

6. DIVIDENDS

	2007	2006
	HK$'000	*HK$'000*
Additional final dividend due to exercise of share options	**445**	48
Interim dividend of HK$0.08 (2006: HK$0.05) per ordinary share	**49,735**	30,926
Additional interim dividend due to exercise of share options	**198**	-
Proposed final dividend of HK$0.16 (2006: HK$0.15) per ordinary share	**99,866**	92,793
	150,244	123,767

7. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the year of HK$312,276,000 (2006: HK$272,450,000) and on the weighted average number of 622,518,175 (2006: 618,512,247) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the Group's profit attributable to equity holders of the Company for the year of HK$312,276,000 (2006: HK$272,450,000) and on the weighted average number of 627,573,438 (2006: 626,229,947) ordinary shares, being the weighted average number of 622,518,175 (2006: 618,512,247) ordinary shares in issue during the year as used in the basic earnings per share calculation and the weighted average number of 5,055,263 (2006: 7,717,700) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year.

8. TRADE AND BILLS RECEIVABLES

Trading terms with customers are either cash on delivery, bank bills or on credit. Customers are granted credit at the discretion of the Group, subject to their respective business strength and creditability. The average credit period is 90 days. The Group adopts strict control policies over credit terms and outstanding receivables that serve to minimise credit risk.

In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the balance sheet date is as follows:

	2007	2006
	HK$'000	*HK$'000*
Current	**547,809**	385,054
1–90 days	**93,341**	98,228
91–180 days	**19,316**	17,517
Over 180 days	**15,174**	16,634
	675,640	517,433

9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the balance sheet date is as follows:

	2007	2006
	HK$'000	*HK$'000*
Current	**244,629**	198,183
1–90 days	**42,807**	50,670
91–180 days	**3,704**	2,575
Over 180 days	**9,357**	11,072
	300,497	262,500

The trade and bills payable are non-interest-bearing and are normally settled at terms ranging from 60 to 90 days.

10. RESERVES

	HK$'000
At 1 April 2005	1,613,364
Total income and expense for the year recognised directly in equity:	
Exchange realignment	7,889
Profit for the year	272,450
Total income and expense for the year	280,339
Issue of new shares	816
Equity-settled share option arrangements	874
Disposal of an associate	(478)
Final dividend for the year ended 31 March 2005	(86,594)
Interim dividend	(30,926)
At 31 March 2006 and 1 April 2006	1,777,395
Total income and expense for the year recognised directly in equity:	
Exchange realignment	60,071
Profit for the year	312,276
Total income and expense for the year	372,347
Issue of new shares	8,122
Equity-settled share option arrangements	269
Final dividend for the year ended 31 March 2006	(93,238)
Interim dividend	(49,933)
At 31 March 2007	2,014,962

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK16 cents (2006: HK15 cents) per ordinary share, subject to shareholders' approval at the forthcoming annual general meeting. Together with the interim dividend of HK8 cents (2006: HK5 cents) per ordinary share, the total dividend for the year ended 31 March 2007 will be HK24 cents (2006: HK20 cents) per ordinary share.

The final dividend will be paid on or about 19 September 2007 to shareholders whose names appear on the Register of Members of the Company on 23 August 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 20 August 2007 to Thursday, 23 August 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 August 2007.

MANAGEMENT'S DISCUSSION & ANALYSIS

BUSINESS PERFORMANCE

The Group registered healthy business growth in the financial year of 2007, with turnover and profit attributable to equity holders growing 10% and 15% respectively to HK$2,155 million (2006: HK$1,955 million) and HK$312 million (2006: HK$272 million) respectively. Basic earnings per share also increased by 14% to HK50 cents (2006: HK44 cents).

Generally speaking, world oil prices surged to new heights during the first half of this financial year (to a record high of US$80/barrel), rapidly adding to the cost pressure of customers producing plastic products; while at the same time the Chinese Government started a new round of austerity measures targeted to cool down the overheating economy, which also brought liquidity tightness for some customers. Fortunately, domestic consumption in China continued to be robust, especially those driven by the electrical appliances and automotive industries, leading to continued strength in the demand for injection moulding machines. As a result, the Group was able to register a single-digit growth in turnover during the first half of the financial year.

Entering the second half of the financial year, with world oil prices rapidly receding to lower levels and global economic growth sentiments, the Group's performance strongly rebounded during the third and the fourth quarters, March 2007 setting a new all-time record for sales turnover. This market rebound enabled the Group to successfully compensate for the shortfall and propelled its full year's turnover growth to 10%.

The Group has fulfilled its pledge given to shareholders in 2002 – to achieve five consecutive years of uninterrupted growth. With the 50th Anniversary looming next year, the Group is confident to continue its growth and bring satisfactory returns to all shareholders.

MARKET ANALYSIS

Breakdown of turnover, based on the location of customers, for the year ended 31 March 2007 is as follows:

Customer Location	**2007** **(HK$ million)**	*2006* *(HK$ million)*	**Change**
China (including Hong Kong)	**1,492**	1,383	+8%
Taiwan	**239**	219	+9%
Other overseas countries	**424**	353	+20%
	2,155	1,955	+10%

During the year in review, with the economy of China continued to grow rapidly, and driven by robustness of the electrical appliance and automotive industries, market confidence was generally high for large customers, which translated into robust demand for injection moulding machines and active order placing. This segment of large domestic customers was the primary driver behind the Group's 9% growth in China sales turnover. On the other hand, Hong Kong customers were generally affected by structural macro changes in the traditional plastic processing industries (such as toys and packaging), causing a decline in orders of this segment. Nevertheless, the combined China and Hong Kong market still retains significant growth potentials, with total turnover reaching HK$1,492 million (2006: HK$1,383 million) this year, a growth of 8% over the previous year.

Domestic sales turnover in Taiwan increased by 9% over last year. As discussed during the first half, this growth was primarily due to new high-end customers especially in the electronics business, which should represent an attractive growth segment through the next few years. The Group believes that its new, high-end product lines can be extremely competitive in this market segment and will be able to capture significant market share.

The Group's international business has entered a period of rapid growth, with total turnover rising 20% over the previous year to HK$424 million (2006: HK$353 million). With the minor exception of some Asian countries, all regions contributed relatively evenly to the growth in total turnover, which the Group considered to be driven by globalization and an increasingly connected world economy. Many developing countries are now actively promoting and protecting their domestic manufacturing industries for domestic consumption, fueling the fiery demand for injection moulding machines in those countries. With world economic conditions continue to be robust and eyeing the vast growth potentials of this significant market, the Group will substantially expand its international operations next year, including setting up a series of new branch offices, agencies, service support and distribution centers, in order to enhance market coverage and shorten lead time to customers.

NEW TECHNOLOGY AND NEW PRODUCTS DEVELOPMENT

The world today is an information society, with shortened product life cycles and new technologies displacing old designs almost on a daily basis, with dire consequences for those who could not catch up. The key criterion to survive in these ultra-competitive times and to maintain market leadership is an undeterred and unabated commitment towards research and development. The Group has kept its focus in research and development and has heavily invested in developing new products and new technologies throughout the past few years, and is now beginning to launch the fruits of these efforts into the marketplace.

First of all, the Ai series of intelligent energy-saving injection moulding machines, launched during the fourth quarter of this financial year, is a completely-redesigned product line that will propel the Group ahead of competition during the near future. The new Ai machines retain the traditional price competitiveness of Chen Hsong products, driven by the all-new Ai-01 intelligent networkable high-performance computer controller, with a hydraulic circuit design specially fine-tuned by only the best European and Japanese experts in the industry – for example, the Ai/500 model reaches the ultra-high world-class injection speed of 500 mm per second for producing ultra-thin and precise consumer products such as cell phones and notebook computers. This Ai series not only achieves a quantum leap in performance – in terms of control precision, running speed, and quality of products produced – over the previous product line, it is also completely networkable and comes with built-in support for the Group's unique iChen Wireless™ networked shop-floor management system. As international oil prices reach new heights, with prices of plastic resins rising to previously unseen levels, the Group has witnessed significant interests from large, high-end customers in the new Ai series, aiming to replace expensive imported machinery with this more affordable alternative starting from this year. The Group is strongly confident that this new product line will be able to capture significant amounts of market share in the high-end market segment.

In addition, the new Ai-01 intelligent networkable computer controller, developed by the Japanese engineers for three years and launched during the beginning of this financial year, has now entered into full-scale production. At the end of this financial year, more than 30% of the Group's new production has installed this new high-performance controller as standard issue, and should completely replace the older generation controllers by next year. The Ai-01 is constructed with the latest SMT technology and is already well renowned for its high speed and high control precision; it also includes as standard a whole series of unique, intelligent diagnostic and maintenance features, with built-in support for the Group's iChen System™ networked shop-floor management system. Many customers were introduced to modern-age information management via the Ai-01 controller and has started trials with iChen Wireless™ while replacing old machinery at an increased rate to take advantage of networkability.

The Group also launched a new, ultra-high-speed packaging machine, which can produce two thin-walled cups every 2 seconds – a performance still unmatched by any competitor outside of world-class European and Japanese machinery.

In the area of large tonnage machines, the Group spent the past few years in a major effort to develop innovative and visionary new products in this market segment, with significant accomplishments – for example, the Energy-Saving System for large tonnage machines, launched a few years ago, is still exclusive to Chen Hsong today, with no competitor able to introduce similar features. During the next financial year, the Group will launch an all new, highly efficient, high speed and high precision series of very large tonnage machines, which is sure to create a new market phenomenon. This new series of very large tonnage machines, developed in three years by a team led by senior European and Japanese engineers with decades of industry expertise, includes a range of break-through designs protected by patents and is built upon a state-of-the-art technology platform. More importantly, the new series will give the marketplace a pleasant surprise regarding its price and set a new standard for affordability. The Group has high confidence that, once launched, this new product line will accelerate growth in the Group's share of the large tonnage market.

Apart from the above, the Group has formed an elite team of researchers together with Moog Inc. – worldwide servo authority – to develop the next generation of "All Electric Injection Moulding Machines". In addition to the usual benefits of high precision, energy saving and environmental friendliness, this new generation employs electric servo technology that overcome two extremely difficult problems faced by All Electric Injection Moulding Machines in the marketplace, boasting extremely high precision injection control and the ability to maintain high holding pressure for long period of time. This new product is more advanced than existing European and Japanese offerings and will definitely bring the Group into the next stage of technical excellence.

PRODUCTION EFFICIENCY AND COST CONTROL

In addition to developing new products and opening new markets, and in anticipation to continued rapid growth in sales volume, the Group has embarked on a 2-year major expansion program at its Shenzhen and Shunde manufacturing bases, which when completed will increase Group-wide production capacity by more than 50%. The added capacity should be well sufficient to cater for the growing demand for injection moulding machines in the world.

The Group also successfully controlled its production costs and raised gross margin during the year under review, aided by stable iron and steel prices during this financial year after suffering increases last year. Nevertheless, as iron and steel represent a significant portion of the Group's production costs, and these prices are trending upwards, the Group has started stockpiling raw materials in the fourth quarter of this year to alleviate the impacts of potential price fluctuations next year.

FINANCIAL REVIEW

Liquidity and Financial Conditions

As at 31 March 2007, the Group maintained a bank balance of HK$395 million (2006: HK$390 million), an increase of HK$5 million over the same date of last year.

As at 31 March 2007, the Group had bank borrowings of HK$33 million (2006: HK$113 million), which represented a decrease of HK$80 million over the same date of last year. The bank borrowings were mainly short-term bank facilities that were used as working capital by the subsidiaries of the Group.

It is the policy of the Group to adopt a consistent financial management strategy and maintain sufficient liquidity to meet the funding requirement of the Group's investments and operations. As at 31 March 2007, net current assets of the Group were HK$1,133 million (2006: HK$901 million), which represented a 26% increase over the same date of last year.

Treasury and Foreign Exchange Management

The Group adopts a conservative and centralised approach in managing its funding. Funds, primarily denominated in Hong Kong and United States dollars, and Renmibi, are normally placed with banks in short to medium term deposits and other secure treasury investments for higher yield.

For foreign exchange management, the Group always adopts a conservative policy and endeavours to reduce the foreign currency risk exposure on its foreign currency investments with appropriate levels of borrowings in corresponding foreign currencies. As at 31 March 2007, the Group had total foreign currency borrowings equivalent to HK$33 million (2006: HK$49 million). Foreign currency risk exposure on certain volatile foreign currencies are covered by forward exchange contracts.

HUMAN RESOURCES DEVELOPMENT

As at 31 March 2007, the Group, excluding its associates, had approximately 3,500 (2006: 3,200) full-time employees. The Group offers good remuneration and welfare packages to its employees and maintains market-competitive pay levels. Employee promotions and pay are rewarded on individual as well as the results performance of the Group. Share options of the Company are granted to selected employees of the Group for rewarding and retaining talents.

The Group conducted regular programmes, including comprehensive educational and professional training, and social activities counseling, to its employees to enhance staff quality, standards of professional knowledge and teamwork spirit.

FUTURE PROSPECTS

The Group is confident of the strong underlying growth of the global economy ahead and anticipates additional contributions from the new sales strategy and the new high-technology product series in the next financial year. The Group is committed to continue healthy financial growth and ready to reward shareholders with good returns for their investments.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices contained 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 the deviations as mentioned in the section entitled "Compliance with the Code on Corporate Governance Practices" contained in the 2006/2007 Interim Report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with Management and the Company's external auditors, the consolidated financial statements for the year ended 31 March 2007 including the accounting principles and practices adopted by the Group. Also, this preliminary results announcement has been agreed with the Company's external auditors.

On behalf of the Board
Chen CHIANG
Chairman

Hong Kong, 17 July 2007

As at the date of this announcement, the executive directors of the Company are Dr. Chen CHIANG, Ms. Lai Yuen CHIANG, Mr. Chi Kin CHIANG, Mr. Stephen Hau Leung CHUNG and Mr. Sam Hon Wah NG and the independent non-executive directors of the Company are Mr. Johnson Chin Kwang TAN, Mr. Anish LALVANI and Mr. Bernard Charnwut CHAN.