TA YANG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1991)

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 JULY 2007

FINAL RESULTS

The board (the "Board") of Directors (the "Directors") of Ta Yang Group Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 July 2007, together with the comparative figures for the year ended 31 July 2006 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 July 2007

	Note	**2007**	2006
		HK$'000	*HK$'000*
Turnover	*2*	**629,839**	579,556
Cost of sales		**(410,670)**	(350,652)
Gross profit		**219,169**	228,904
Other revenue	*4*	**13,281**	2,626
Other net expenses	*5*	**(665)**	(2,363)
Selling and distribution expenses		**(20,917)**	(23,524)
Administrative expenses		**(46,939)**	(43,296)
Profit from operations		**163,929**	162,347
Finance costs	*6(b)*	**(5,389)**	(2,547)
Share of profits of associate		**50**	–
Profit before taxation	*6*	**158,590**	159,800
Income tax credit/(expense)	*7*	**999**	(15,677)
Profit attributable to equity shareholders		**159,589**	144,123
Dividends attributable to equity shareholders			
Dividends declared and paid during the year	*8*	**80,000**	219,500
Final dividend proposed after the balance sheet date		**48,000**	–
		128,000	219,500
Earnings per share (HK cents)	*9*		
Basic		**19.95**	18.02
Diluted		**19.93**	N/A

CONSOLIDATED BALANCE SHEET

As at 31 July 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment		**245,367**	123,535
Construction in progress		**1,001**	32,970
Lease prepayments		**12,177**	9,120
Interest in associate		**1,328**	–
Deferred tax assets		**885**	4,203
		260,758	169,828
Current assets			
Inventories	*10*	**113,705**	82,242
Trade receivables	*11*	**207,802**	176,451
Deposits, prepayments and other receivables		**22,033**	21,490
Income tax recoverable		**–**	296
Cash and cash equivalents		**609,255**	41,420
		952,795	321,899
Current liabilities			
Bank loans and overdrafts		**50,000**	96,297
Trade and bills payables	*12*	**45,678**	47,278
Other payables and accrued charges		**44,734**	27,793
Amounts due to directors		**–**	8,647
Income tax payable		**50,996**	62,258
		191,408	242,273
Net current assets		**761,387**	79,626
Total assets less current liabilities		**1,022,145**	249,454
Non-current liabilities			
Deferred tax liabilities		**143**	78
Net assets		**1,022,002**	249,376
Capital and reserves			
Share capital		**80,000**	59,818
Reserves		**942,002**	189,558
Total equity		**1,022,002**	249,376

1. **Principal accounting policies**

(a) Basis of presentation

The Company was incorporated in the Cayman Islands on 23 February 2006 in preparing for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group are principally engaged in manufacturing and sale of silicone rubber related products.

Pursuant to a reorganisation (the "Reorganisation") of the Group, the Company acquired the equity interests of entities under common control and become the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 28 May 2007 (the "Prospectus").

The shares of the Company were listed on the Stock Exchange on 8 June 2007 (the "Listing Date").

The Group is regarded as a continuing entity resulting from the Reorganisation under common control. Accordingly, the consolidated financial statements of the Group for the year ended 31 July 2007 and the comparatives have been prepared as if the current group structure had been in existence throughout the years presented.

(b) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies applied in these financial statements and has no impact on the profit for the year and net assets of the Group and the Company as at the balance sheet date.

2. **Turnover**

The Group is principally engaged in manufacturing and sale of silicone rubber related products. Turnover represents the sales value of goods sold to customers net of sales tax and value added tax.

For the year ended 31 July 2007, 55% (2006: 49%) of the turnover were derived from the five largest customers.

3. Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	2007	2006
	HK$'000	*HK$'000*
Turnover based on geographical locations		
The People's Republic of China, excluding Hong Kong (the "PRC")	**287,630**	255,246
Hong Kong	**131,038**	111,314
Other Asian countries	**140,535**	142,475
Americas	**34,532**	31,192
Europe	**36,104**	39,329
	629,839	579,556

An analysis of segment assets and capital expenditure by geographical area in which the assets are located has not been presented as the Group's assets are substantially located in the PRC.

4. Other revenue

	2007	2006
	HK$'000	*HK$'000*
Interest income from bank deposits	**7,625**	1,925
Government grant *(Note)*	**4,882**	–
Dividends from available-for-sale securities	**–**	197
Others	**774**	504
	13,281	2,626

Note: The Group is entitled to an one-off government grant for its enlarged investment in a subsidiary, Huzhou Ta Yang Electronic Technology Company Limited.

5. Other net expenses

	2007	2006
	HK$'000	*HK$'000*
Net exchange losses	**531**	2,071
Loss on disposal of property, plant and equipment	**134**	2
Transfer from equity on disposal of available-for-sale securities	**–**	286
Others	**–**	4
	665	2,363

6. Profit before taxation

Profit before taxation is arrived at after charging:

		2007	2006
		HK$'000	*HK$'000*
(a)	Staff costs (including directors' remuneration) :		
	Salaries, wages and other benefits	**154,029**	129,258
	Contributions to retirement benefit schemes	**5,838**	2,256
	Equity-settled share-based payment transactions	**1,421**	–
		161,288	131,514
(b)	Finance costs:		
	Interest on short-term bank loans and overdrafts	**5,389**	2,547
(c)	Other items:		
	Amortisation of lease prepayments	**259**	197
	Auditors' remuneration	**2,545**	753
	Depreciation	**20,878**	15,933
	Operating lease charges in respect of properties	**6,879**	6,625
	Impairment losses on trade receivables	**905**	–
	Sewage disposal expenses	**693**	489
	Research and development costs*	**2,118**	1,646

* *Research and development costs represent staff costs for the Group's employees engaged in research and development activities, which are also included in staff costs as disclosed in note (a) above.*

7. Income tax in the consolidated income statement

Taxation in the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	2,005	3,599
Overprovision in respect of prior years	(15)	(10)
	1,990	3,589
Current tax – Outside Hong Kong		
Provision for Macau tax for the year	–	9,342
Overprovision in respect of prior years *(note (a))*	(5,200)	–
	(5,200)	9,342
Provision for PRC income tax for the year	2,339	5,698
Overprovision in respect of prior years *(note (b))*	(3,511)	–
	(1,172)	5,698
	(6,372)	15,040
Deferred tax		
Origination and reversal of temporary differences	3,383	(2,952)
Total income tax (credit)/expense	(999)	15,677

Note:

(a) During 2007, the management has reassessed the tax position of the Group's Macau branch and considers there is an overprovision of income tax payable of $5.2 million. Accordingly, Macau tax provision made in prior year of HK$5.2 million is written back and credited to profit or loss.

(b) Overprovision of PRC income tax expenses credited to profit or loss during 2007 represents the tax effect on tax benefits available to the Group in respect of certain purchases of equipment produced in the PRC pertained for the year 2006 but approved in 2007, and the agreement of the tax authorities on deductibility of certain expenses.

8. Dividends

	2007	2006
	HK$'000	*HK$'000*
Interim dividend declared and paid (Note (a))	**80,000**	219,500
Final dividend proposed after the balance sheet date of HK$0.06 per share (2006: Nil) (Note (b))	**48,000**	–
	128,000	219,500

(a) The interim dividends represent dividends declared and paid by certain companies now comprising the Group to their then shareholders before they became subsidiaries of the Company.

(b) The final dividend proposed after the balance sheet date is subject to approval by the shareholders in the forthcoming annual general meeting.

9. Earnings per share

The calculation of basic earnings per share for the years presented is based on the profit attributable to equity shareholders of the Company for the years and on the assumption that 800,000,000 shares were in issue as if the shares issued as at the date the Company became the holding company of the Group were outstanding throughout the entire period.

Diluted earnings per share is calculated based on the weighted average number of shares in issue adjusted for the potential dilutive effect caused by the share options under the Pre-IPO Share Option Scheme assuming that they were exercised on the grant date, 16 May 2007. No diluted earnings per share for the year ended 31 July 2006 is presented as there were no potential dilutive shares outstanding. Weighted average number of shares (diluted) is as follows:

	2007	2006
Number of shares at 31 July	**800,000,000**	800,000,000
Effect of deemed issue of shares under the Company's share option scheme	**700,292**	–
Weighted average number of shares (diluted) at 31 July	**800,700,292**	800,000,000

10. Inventories

	2007	2006
	HK$'000	*HK$'000*
Raw materials	**64,731**	57,987
Work in progress	**26,251**	8,794
Finished goods	**22,723**	15,461
	113,705	82,242

An analysis of the amount of inventories recognised as an expense is as follows:

	2007	2006
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**410,670**	350,652

11. Trade receivables

	2007	2006
	HK$'000	*HK$'000*
Trade receivables:		
– from third parties	**204,045**	164,219
– from an associate	**3,757**	–
– from related companies	**–**	12,232
	207,802	176,451

All of the trade receivables (including amounts due from the associate and related companies) are expected to be recovered within one year.

An aging analysis of the trade receivables (net of impairment losses for bad and doubtful debts) is as follows:

	2007	2006
	HK$'000	*HK$'000*
Current	**88,596**	106,334
Within 1 to 3 months	**87,235**	55,197
More than 3 months but less than 12 months	**31,706**	14,920
More than 12 months	**265**	–
	207,802	176,451

Included in trade receivables are the following amounts denominated in a currency other then the functional currency of the entity to which they relate:

	2007	2006
	$'000	*$'000*
United States dollars	**US$ 21,627**	US$ 14,341
Euros	**EUR 1,867**	EUR 639
Taiwan dollars	**NTD 1,038**	NTD 19,109

12. Trade and bills payables

	2007	2006
	HK$'000	*HK$'000*
Trade payables	**44,417**	26,368
Bills payables	**1,261**	20,910
	45,678	47,278

All of the trade and bills payables are expected to be settled within one year.

An aging analysis of trade and bills payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Due within 1 month or on demand	**16,481**	19,783
Due after 1 month but within 3 months	**25,719**	24,998
Due after 3 months but within 6 months	**2,254**	1,958
Due after 6 months but within 1 year	**1,224**	539
	45,678	47,278

Included in trade and bills payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	2007	2006
	'000	*'000*
United States dollars	**US$2,178**	US$5,796

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are one of the leading input device manufacturers in the world and the PRC in terms of production volume in 2006. We recorded continuous growth in our income in 2007, with turnover increased by 8.7% to HK$629.8 million in 2007, compared with HK$579.6 million in 2006. The growth was primarily attributable to the successive rapid growth in demand for products incorporating silicone rubber input devices all over the world, namely consumer electronic devices, personal computers and notebooks, mobile phones and automotive peripheral products. Leveraging on our edges in research and development of raw materials, one-stop manufacturing service and large-scaled production, the Group has achieved competitive edge through adding value to its customers on planning stage.

During the financial year ended 31 July, 2007, the Group continued to expand its management team and maintained a database which contained customer's product requirements to satisfy their ever-changing demands.

During the year, the Group completed the construction of new production plant in Dongguan and Huzhou for the production of mobile phone keypads and computer and notebook keypads respectively. Therefore, our existing production facilities of the Group have an aggregate production capacity to manufacture approximately 561 million pieces of keypads annually. Our scale of production and capability to produce new material enable us to achieve economies of scale such that we can produce and sell our products at a more competitive price to capitalize on the growing demand for silicone rubber input devices.

Outlook

With the fast growth in the notebook and mobile phone industry globally and the great market potentials presented for these industries, we would continue to expand our production of highly value-added products. With the increasing popularity of these products and the latest trend of introducing low-cost computer and notebooks, it is a great opportunity to expand our business.

In future, the Group will continue to strengthen development of new technologies and new products of silicone rubber so as to further expand our product range. The Group will utilize its resources to expand its scope of the business of the Group.

We believe that building strategic relationships with our customers is crucial to our success. Accordingly, the Group intends to concentrate our sales efforts on increasing our market shares in different categories of our products by expanding our customer base and increasing the variety of products that we manufacture. We also intend to strengthen our research and development capabilities to enable us to increase the quality, extent and frequency of our participation in our customers' development of improved of new products. Through collaboration with our customers, we believe that we will be able to better anticipate their further needs.

FINANCIAL REVIEW

The consolidated turnover for the year ended 31 July 2007 was increased by 8.7 % to HK$629.8 million (2006: HK$579.6 million) while our profit attributable to equity shareholders was HK$159.6 million (2006: HK$144.1 million).

Basic earnings per share of the Company was HK19.95 cents per share based on the weighted average number of 800,000,000 shares in issue during the year (2006: HK18.02 cents per share based on weighted average number of 800,000,000 shares).

Turnover

Keypads for consumer electronic devices

Turnover for the sales of keypads for consumer electronics devices decreased by approximately 5.7% to HK$327.2 million in 2007 from HK$346.8 million in 2006. During the year, the sales of keypads for home audio related product and mutli-function printers increased significantly. However, our growth was offset by a decrease in sales to certain customers due to their change of production plans.

Keypads for mobile phone

Turnover for the sales of mobile phone keypads increased by approximately 3.1% to HK$16.8 million in 2007 from HK$16.3 million in 2006. The increase in sales was due to an increase in production volume attributable to the establishment of a new production plant located at Dongguan by Dongguan Tai Yang Rubber Plastic Industrial Co., Ltd. for production of advanced mobile phone keypads.

Keypads for computers and notebooks

Turnover for the sales of keypads for computers and notebooks increased by approximately 37.8% to HK$164.5 million in 2007 from HK$119.4 million in 2006. Such substantial growth in turnover was mainly due to the increase in production volume. In March 2007, our production facilities in Huzhou were relocated to a new property owned by us with an aggregate gross floor area of 46,686.72 sq.m. The new production facilities are expected to have an annual production capacity of approximately 276 million pieces of keypads, representing a 52% increase to our previous facilities in Huzhou.

Automotive peripheral products

Turnover for the sales of automotive peripheral products increased by approximately 8.9% to HK$25.8 million in 2007 from HK$23.7 million in 2006. The increase was resulted from launch of several new automotive peripheral products during the year.

Cost of sales

Our overall cost of sales increased by approximately 17.1% from HK$350.7 million in 2006 to HK$410.7 million in 2007. The rate of increase in cost of sales is higher than that of turnover due to the increase in labour costs. During the year, the percentage of labour costs to sales increased from 16.4% in 2006 to 20.5% in 2007. The increase in labour costs was attributable to the increase in total number of staff, especially experienced workers and technicians, and the increase in the level of minimum wage by the respective local labour authorities in the PRC.

Gross profit

The gross profit of the Group for the year 2007 was HK$219.2 million, which represented a decrease of approximately 4.2% from that of HK$228.9 million for the year 2006. The gross profit decrease was primarily due to the increase in labour costs.

Other revenue

Our other revenue increased by approximately 411.5% to HK$13.3 million in 2007 from HK$2.6 million in 2006, primarily due to the increase in interest income from bank deposits and the receipt of government incentive for engaging in high-tech industry and for enlarged investment in Huzhou factory.

Selling and distribution expenses

Our selling and distribution expenses decreased by approximately 11.1% to HK$20.9 million in 2007 from HK$23.5 million in 2006. The decrease in selling and distribution expenses was mainly due to a decrease in goods replacement costs.

Administrative expenses

Our administrative expenses increased by approximately 8.3% to HK$46.9 million in 2007 from HK$43.3 million in 2006. The increase was attributable to (i) the increase in auditors' remuneration, (ii) the increase in depreciation charges and office expenses, and (iii) the increase in staff union expenses resulting from an increase in number of employees hired by us.

Finance costs

Finance costs increased to HK$5.4 million in 2007 from HK$2.5 million in 2006 because the average bank borrowing, which was obtained primarily for capital expenditure and working capital purpose, for the year was higher than that of past year.

Taxation expenses

The income tax credit for the year ended 31 July 2007 was primarily due to (i) the tax credit for purchase of equipment produced in the PRC, (ii) the full year operation effect of Ta Yang Group (Macao Commercial Offshore) Limited which was exempt from paying Macau Complementary Tax, and (iii) the write-back of overprovision of Macau Complementary Tax in respect of prior years.

Profit attributable to equity shareholders

Profit attributable to equity shareholders increased from HK$144.1 million for the year ended 31 July 2006 to HK$159.6 million for the year ended 31 July 2007, representing an increase of approximately 10.8%. The net profit margin of our Group increased slightly from 24.9% for the year ended 31 July 2006 to 25.3% for the year ended 31 July 2007.

Financial management and treasury policy

The Group adopts a conservative approach for cash management and investment on uncommitted funds. The net proceeds from the international offering (as defined in the Prospectus) have been placed on short-term deposits with authorized financial institutions in Hong Kong.

During the year, the Group's receipts were mainly denominated in US dollars and Hong Kong dollars. Payments were mainly made in US dollars and RMB.

In respect of the US dollar, the management regards that the foreign exchange risk for Hong Kong dollar to US dollar is not material because (i) Hong Kong dollar remains pegged to the US dollar and (ii) most of the Group's purchases are denominated in US dollars, which are to be settled by sales receipts in US dollars.

In respect of the RMB, as the Group's production plants are located in the PRC, most of our labour costs, manufacturing overheads, selling and administrative expenses were denominated in RMB. Therefore, the appreciation of RMB will adversely affect the Group's profitability. Subsequent to the year ended 31 July 2007, the Group has entered into a structured deposit, which is linked to RMB, in order to hedge the RMB exposure.

Liquidity and financial resources

During the year, the Group's source of fund was cash generated from net proceeds of the international offering, operating activities and bank borrowing.

	As at 31 July 2007 ***HK$'000***	**As at 31 July 2006** *HK$'000*
Cash and cash equivalents	**609,255**	41,420
Interest-bearing bank borrowing	**50,000**	96,297
Net cash inflow/(outflow)	**573,559**	(59,567)
Current ratio	**5.0**	1.3
Quick ratio	**4.4**	1

With our strong financial background upon the Listing on the Stock Exchange, we expect we will have sufficient cash to cover future capital expenditure requirements as mentioned in the Prospectus.

Material acquisitions and disposals of subsidiaries and associates

Other than the Reorganisation, the Group had no material acquisition or disposal of any subsidiaries and associated companies for the year ended 31 July 2007.

Capital structure and gearing ratio

As at 31 July 2007, the amount of bank borrowing due within one year was HK$50 million (2006: HK$96 million). These bank borrowings were drawn in December 2006 and on floating rate basis.

As at 31 July 2006 and 2007, the Group had no long-term debts.

As at 31 July 2007, the gearing ratio, representing interest bearing bank borrowing to total equity, was 4.9% (2006: 38.6%).

Use of proceeds

The net proceeds from the international offering received by the Company was approximately HK$635 million.

The planned usage of net proceeds was as follows:

	Usage as disclosed in Prospectus *HK$' million*	**Utilised** *HK$' million*
Expansion of production facilities for silicone rubber based products	468	3
Upgrade and expansion of upstream production facilities	56	–
Strengthening research and development capabilities	39	–
Implementation of resources planning system	22	–
General working capital	50	50
	635	53

The remaining net proceeds have been deposited on short-term basis in licensed financial institutions in Hong Kong.

Capital commitments, contingencies and charges on assets

Capital commitments contracted by the Group but not yet provided for in the financial statements as at 31 July 2007 were approximately HK$10.1 million, which was mainly related to the expansion of production capacity in Dongguan and Huzhou in the PRC. Such capital commitments will be financed by the net proceeds from the international offering.

As at 31 July 2007, the Group had no material contingent liabilities and the Group's assets were free from any charge.

Human resources and remuneration policies

As the Group is committed to expand our production capacity and develop high value-added products, such as mobile phone keypads, experienced workers, engineers and professionals are the most important assets to the Group. We offer on-the-job training and encourage staff to attend continuous professional training in order to update their skills and knowledge.

We offer competitive remuneration package, including quality staff quarters, trainings, medical, insurance coverage and retirement benefits, to all employees in Hong Kong and in the PRC. As at 31 July 2007, the Group has 10,204 permanent and temporary employees (2006: 9,114). The total salaries and related costs for the year ended 31 July 2007 amounted to approximately HK$161.2 million (2006: HK$131.5 million)

The Group adopted a Pre-IPO Share Option Scheme on 16 May 2007 for the purpose of recognition of employees' contribution before the Listing. As at 31 July 2007, 8,935,000 share options were still outstanding under the Pre-IPO Share Option Scheme, of which 6,785,000 options are held by employees of the Group. The Company also adopted a Post-IPO Share Option Scheme on 16 May, 2007. No option has been granted under the Post-IPO Share Option Scheme.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 November 2007 to 27 November 2007, both days inclusive, during which period no transfer of shares will be effected. The record date for final dividend is 23 November 2007.

In order to qualify for the final dividend and to attend the annual general meeting of the Company, the shareholders' of the Company should ensure that all transfers, accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 22 November, 2007.

FINAL DIVIDEND

The Board are pleased to recommend the payment of a final dividend of HK6 cents (2006: Nil) per share for the year ended 31 July 2007, totalling HK$48 million (2006: Nil) which is expected to be paid on or before 7 December 2007 to its shareholders whose names appear on the register of members on 23 November 2007 subject to the final approval in the annual general meeting to be held on 27 November 2007.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 July, 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Listing took place on 8 June 2007 and the Directors are of the opinion that the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices under Appendix 14 of the Rules Governing the Listing of the Securities on the Stock Exchange ("Listing Rules") since the Listing.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Director of the Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as the code for Directors' securities transactions. All Directors have confirmed to the Company their compliance with the required standards set out in the Model Code throughout the period from the Listing Date.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules. The audit committee comprises of Mr. Yeung Chi Tat, Mr. Chuang Hong-Jen and Mr. Hsieh Yu, all of whom are independent non-executive directors of the Company.

The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group, and to review the Company's annual report and half-yearly reports and to provide advices and comments thereon to the Board.

The audit committee has reviewed the Group's annual results for the year ended 31 July 2007, including the accounting principles and practices adopted by the Group.

PUBLICATION ON ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

All the financial and other related information required by Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange and on the website of the Company (www.tayang.com) in due course.

By Order of the Board
Huang Sheng-Shun
Chairman

Hong Kong, 22 October 2007

As at the date of this announcement, the Board comprises 6 executive directors Mr. Huang Sheng-Shun, Mr. Wu Ih Chen, Mr. Huang Chi-Wei, Mr. Lin Hung-Ming, Mr. Wong Tak Leung, Mr. Huang Te-Wei and, 3 independent non-executive directors, Mr. Yeung Chi Tat, Mr. Chuang Hong-Jen and Mr. Hsieh Yu.

The figures in respect of the preliminary announcement of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 July 2007 have been agreed by the Group's auditors, KPMG and SHINEWING (HK) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG and SHINEWING (HK) CPA Limited in this respect did not constitute an 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 KPMG and SHINEWING (HK) CPA Limited on the preliminary announcement.