CARRY WEALTH HOLDINGS LIMITED

恒富控股有限公司

(Incorporated in Bermuda with limited liability)

Website: http://www.carrywealth.com

(Stock Code: 643)

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2007

HIGHLIGHTS

- Revenues amounted to HK$1,056.9 million
- Profit attributable to equity holders amounted to HK$49.0 million
- Basic earnings per share was 13.40 HK cents
- Final dividend of 5.0 HK cents per ordinary share

The board of directors of Carry Wealth Holdings Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Business Review

For the year ended 31st December, 2007, the Group's revenues amounted to HK$1,056.9 million (2006: HK$1,211.7 million) and its gross profit was HK$239.6 million (2006: HK$238.8 million). Profit attributable to equity holders was HK$49.0 million (2006: HK$68.1 million) and basic earnings per share was 13.40 HK cents for the year under review (2006: 18.88 HK cents).

Despite the satisfactory performance of its knit tops business, the Group's overall performance was severely affected by related expenses incurred for the closure of the woven bottoms business in June 2007. The close down of related production facility in Indonesia involved severance payments for employees and provision for impairment of plant and machinery. The Board of Directors believes that exiting from the under-performing woven bottoms business will benefit the Group in the long run as the Group will be able to focus freed resources on higher margin knit products.

Turnover of the Group decreased by 12.8% when compared with last year. The decline was the result of cessation of the woven bottoms business and slowdown of the US economy in the second half of 2007. By product category, knit tops and woven bottoms accounted for 86.8% and 13.2% respectively of the Group's total turnover (2006: knit tops: 78.4% and woven bottoms: 21.6%).

Gross profit of the Group for the financial year ended 31st December, 2007 was HK$239.6 million (2006: HK$238.8 million). Gross profit margin increased from last year's 19.7% to 22.7% for the current year, mainly attributable to the Group's successful switch in product mix.

During the year, the Group invested in financial instruments mainly comprising listed shares of Mainland China enterprises which are constituents of H-shares Index and Hang Seng Index. Those enterprises are leaders in the energy, financial, material and telecommunications industries in Mainland China. However, with stock markets around the world in turmoil in the last quarter of 2007, the Group recorded fair value losses in respect of outstanding financial instruments by reference to their respective market value as at the year end.

Exercising tight control on shipment costs, the Group paid significant less freight charges for product delivery for the year. Selling expenses as a percentage of revenues, thus decreased from 3.8% last year to 3.5%. Increase in administration expenses for year 2007 was associated with setup costs for the Group's new factory in Mainland China and the costs incurred by the ceased woven bottoms factory in Indonesia.

The Group indirectly holds a 40% effective interest in ShanDong WeiQiao HengFu Textile Limited ("SWHT"), which manufactures knitted fabrics. SWHT reported a turnover of HK$119.9 million and a profit of HK$5.2 million for the year under review. The Group's share of net profit of SWHT was HK$2.1 million (2006: HK$4.9 million).

Indonesia

Despite the cessation of woven bottoms production in one of the factories in Indonesia, Indonesia continued to be the Group's major production base in the year under review. The factories there contributed 69.2% (2006: 72.1%) of the Group's turnover, of which 61.3% was from knit tops and 7.9% was from woven bottoms.

El Salvador

During the year, the knit factory Charter, S.A. de C.V. in El Salvador contributed 16.5% (2006: 16.6%) of the Group's total turnover, similar to that of last year. Having received a steady stream of orders during the year, the factory continued to make stable contribution to the Group.

Lesotho

The output from the knit factory Shinning Century Limited in Lesotho accounted for 7.7% (2006: 8.5%) of the Group's total turnover for the review period. The business environment in Lesotho faced more challenges including customers demand for shorter lead-time in delivery.

Mainland China

The construction of Phase I of production facilities in Heshan City, Guangdong Province was completed during the year. The facilities included a factory, an office building and three staff quarters. However, the severe shortage of skilled labour in southern China has hindered development of the factory delaying the planned production schedule. Contribution from the new factory to the Group's total turnover was still relatively minimal in 2007.

Liquidity and Financial Resources

Adopting a conservative financial management system, the Group continued to maintain a healthy and solid liquidity position. As at 31st December, 2007, the Group's cash and cash equivalents and time deposits totalled at HK$110.0 million (31st December, 2006: HK$94.9 million). Working capital represented by net current assets amounted to HK$119.2 million (31st December, 2006: HK$136.0 million). The Group's current ratio was 1.5 (31st December, 2006: 1.5).

Bank borrowings, in the form of trust receipt loans, amounted to HK$59.2 million (31st December, 2006: HK$60.6 million) and term loan, amounted to HK$46.9 million (31st December, 2006: HK$33.1 million). The bank loans were denominated in either HK dollars or US dollars. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. As at 31st December, 2007, the Group was in a net cash position. Hence, no gearing ratio (31st December, 2006: 0.7%) is presented.

The debt maturity profile of the Group as at 31st December, 2007 was as follows:

	At 31st December, 2007 (Audited)	At 31st December, 2006 (Audited)
	HK$'000	*HK$'000*
Repayable within one year	**72,773**	68,405
Repayable after 1 year, but within 2 years	**12,916**	15,550
Repayable after 2 years, but within 5 years	**20,389**	9,700
Total	**106,078**	93,655

Capital Expenditure

For the year under review, the Group incurred a total capital expenditure of HK$70.3 million (2006: HK$31.2 million), which was funded using its own financial resources and bank borrowings. HK$63.3 million was invested in the production facilities in Heshan City, Guangdong Province and the balance of HK$7.0 million was spent on new and replacement machineries for other factories.

Foreign Exchange Exposure

The Group's sales are principally denominated in US dollars. It has factories and offices in Hong Kong, Indonesia, El Salvador, Lesotho and Mainland China. Operating expenses of the Group are primarily denominated in Hong Kong dollars, Indonesia Rupiah, Salvadoran Colones, South African Rand, Renminbi and some in US dollars.

As the Hong Kong dollar and Salvadoran Colone are pegged to the US dollar, the Group does not expect to be exposed to any currency risks in the near term. The Group will closely monitor fluctuation of other currencies and, if necessary, will enter into forward exchange contracts to reduce exchange risk.

Credit Policy

Consistent with prevailing industry practice, the Group switched trading terms with more customers from letters of credit to open account basis. During the year under review, about 36.7% (2006: 29.4%) of the Group's business was transacted on letters of credit, and the rest on open account basis granted to several long-standing customers. The credit ratings of customers are constantly reviewed and their respective credit limits adjusted, if necessary.

Charges on Fixed Assets

The Group's investment properties in Hong Kong with a carrying value of HK$28.3 million (31st December, 2006: HK$22.3 million) have been pledged to a bank to secure trade facilities of up to HK$140.2 million (31st December, 2006: HK$140.2 million). At 31st December, 2007, the respective secured bank loans amounted to HK$26.2 million (31st December, 2006: HK$38.5 million).

Contingent Liabilities

As at 31st December, 2007, the Group had no contingent liabilities.

Human Resources and Remuneration Policies

The Group believes that employees' commitment encouraged by its provision of a harmonious working atmosphere is important to the success of its business. The Group offers its employees rewarding careers and provides them with a variety of training programmes. It rewards employees according to prevailing market practices and their experience and performance. To attract and retain high calibre employees, the Group also awards discretionary bonuses and share options to staff.

As at 31st December, 2007, the Group had a total of 6,450 (31st December, 2006: 8,673) full-time employees in the following regions:

Indonesia	3,216
Lesotho	1,196
El Salvador	821
China (Mainland and Hong Kong)	1,217
Total	6,450

Outlook

Some economists believe the US economy will continue to slow down affected by the sub-prime mortgage crisis. They expect housing-related jobs to fall and unemployment rate to climb in the US, weakening consumer confidence and spending power. Should the US fall into recession, the global economy would be suffered.

Facing such uncertain economic conditions, the Group will step up efforts to improve efficiency of its various production bases and focus on expanding its product portfolio by adding new product categories to drive a sustainable growth. The Group will keep exploring business with new customers from different markets including Europe and Mainland China to ensure its customer portfolio has a diverse geographical coverage.

To many Mainland China manufacturers, inflation fueled by rising raw materials, energy and labour costs is a key concern. In addition, the persistent labour shortages and tense power supply in the Pearl River Delta region, changes in trade policies and tax rules and appreciation of the RMB are all unfavourable factors for manufacturers with facilities in Mainland China. Thus, the Group expects 2008 to be challenging year for its Heshan factory.

Although quotas on China-made textile products were lifted at the end of December 2007, the EU and Mainland China reached an agreement during the year putting eight categories of Chinese textile products under a joint monitoring system. In other words, the EU will continue to monitor market development to ensure the transition from the quota system to normal trading is smooth. Although the US is also obliged to lift quotas imposed on Chinese textile products at the end of year 2008, chances of the US introducing protectionism measure exist and may affect Chinese textile and apparel exports to the US market.

The Group will closely monitor development of its Heshan factory and regularly evaluate and adjust the business strategies it has for its production base in Mainland China to cope with potential challenges.

In a longer term, supported by sustained economic growth, rising per capita income and blooming domestic consumption, Mainland China will definitely continue to be a major market for the apparel industry. Thus, the Group expects the new production base in Heshan to become a growth engine for the Group in the long run.

The Group expects the apparel industry environment in the coming financial year to be extremely challenging. Apart from ensuring cost-effective production, the Group will strive to deliver maximum value to its customers so as to maintain its competitiveness. The Group will continue to strengthen its core competence by investing in product development and streamlining production flow to meet customers' lead time requirement and lower product delivery costs. Exercising vigilance and flexibility in formulating and implementing business strategies, the Group is cautiously optimistic about its future performance.

FINAL DIVIDEND

The board of directors has resolved to recommend the payment of a final dividend of 5.0 HK cents (2006: 6.0 HK cents) per ordinary share totalling approximately HK$18,398,000 (2006: HK$21,663,000) for the year ended 31st December, 2007 to shareholders whose names appear on the Company's register of members at the close of business on Tuesday, 29th April, 2008. Subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Tuesday, 29th April, 2008, it is expected that the final dividend will be paid on Thursday, 8th May, 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 25th April, 2008 to Tuesday, 29th April, 2008, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Thursday, 24th April, 2008.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2007

	Note	2007 HK$'000	2006 HK$'000
Revenues	2	**1,056,861**	1,211,651
Cost of sales	4	**(817,290)**	(972,856)
Gross profit		**239,571**	238,795
Other (losses)/gain – net	3	**(2,659)**	56
Selling expenses	4	**(36,860)**	(46,146)
Administrative expenses	4	**(120,575)**	(107,386)
Operating profit		**79,477**	85,319
Finance income	5	**6,730**	3,281
Finance costs	6	**(6,637)**	(5,988)
Share of profit of associates		**1,738**	4,839
Profit before income tax		**81,308**	87,451
Income tax expense	7	**(27,228)**	(18,741)
Profit for the year		**54,080**	68,710
Attributable to:			
Equity holders of the Company		**48,950**	68,116
Minority interests		**5,130**	594
		54,080	68,710
Earnings per share for profit attributable to the equity holders of the Company during the year			
– basic (HK cents)	8	**13.40**	18.88
– diluted (HK cents)	8	**13.23**	18.71
Dividends	9	**29,407**	32,493

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER, 2007

	Note	2007	2006
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Goodwill		**1,100**	1,100
Properties, plant and equipment		**152,141**	108,326
Investment properties		**28,300**	22,300
Leasehold land and land use rights		**12,546**	2,235
Non-current deposits		**–**	7,223
Interests in associates		**49,154**	47,036
Deferred income tax assets		**2,868**	4,279
Financial assets		**9,314**	9,028
		255,423	201,527
Current assets			
Inventories		**86,943**	157,101
Trade and other receivables	*10*	**138,788**	138,269
Financial assets		**12,900**	156
Time deposits		**–**	3,470
Cash and cash equivalents		**109,952**	91,453
		348,583	390,449
Total assets		**604,006**	591,976
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**36,777**	36,105
Other reserves		**37,806**	33,660
Retained earnings			
– Proposed final dividend		**18,398**	21,663
– Others		**232,730**	213,500
		325,711	304,928
Minority interests		**8,247**	2,594
Total equity		**333,958**	307,522

	Note	**2007**	2006
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**33,305**	25,250
Deferred income tax liabilities		**7,384**	4,771
		40,689	30,021
Current liabilities			
Derivative financial instruments		**12,617**	–
Trade and other payables	*11*	**128,333**	171,362
Income tax payable		**15,636**	14,666
Bank borrowings		**72,773**	68,405
		229,359	254,433
Total liabilities		**270,048**	284,454
Total equity and liabilities		**604,006**	591,976
Net current assets		**119,224**	136,016
Total assets less current liabilities		**374,647**	337,543

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated financial statements of Carry Wealth Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, investment properties, financial assets and financial liabilities, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Standards, amendment and interpretations effective in 2007

- HKFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to HKAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments. The Group assess the impact of HKFRS 7 and HKAS 1 (Amendment) and considers that it does not have any impact on the classification and valuation of the Group's financial instruments. The main additional disclosures will be the sensitivity analysis to market risk and capital disclosures. The Group has applied HKFRS 7 and HKAS 1 (Amendment) from 1st January, 2007.

- HK(IFRIC) – Int 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group's financial statements.

2. Revenues and segment information

The Group is principally engaged in garment manufacturing and trading. Revenues recognised during the year are as follows:

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Sale of garment products	**1,055,153**	1,210,219
Other income		
Rental income	**1,708**	1,432
	1,056,861	1,211,651

The Group's turnover solely arises from garment manufacturing and trading. The Group's customers are located in five main geographical areas namely United States of America, Europe, Canada, Southeast Asia and other countries, while, the Group's business activities are conducted predominantly in Hong Kong, Indonesia, Lesotho, El Salvador and Mainland China.

An analysis of the Group's turnover and contribution to operating profit for the year by geographical segment is as follows:

Primary reporting format – geographical segments by location of customers for 2007

	United States of America	Europe	Canada	Southeast Asia	Other countries	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	**955,637**	**26,000**	**41,675**	**19,315**	**12,526**	**1,055,153**
Segment results	**126,081**	**1,462**	**6,206**	**2,181**	**528**	**136,458**
Unallocated rental income						**1,708**
Unallocated administrative expenses						**(58,689)**
Operating profit						**79,477**
Finance income						**6,730**
Finance costs						**(6,637)**
Share of profit of associates						**1,738**
Profit before income tax						**81,308**
Income tax expense						**(27,228)**
Profit for the year						**54,080**
Segment assets	**91,097**	**3,585**	**3,225**	**8,878**	**1,245**	**108,030**
Unallocated assets						**495,976**
Total assets						**604,006**
Unallocated liabilities						**270,048**
Capital expenditure						**70,293**
Depreciation						**17,414**
Amortisation						**766**

Primary reporting format – geographical segments by location of customers for 2006

	United States of America HK$'000	Europe HK$'000	Canada HK$'000	Southeast Asia HK$'000	Other countries HK$'000	Group HK$'000
Turnover	1,088,112	31,084	51,047	18,908	21,068	1,210,219
Segment results	130,390	1,661	5,959	560	459	139,029
Unallocated rental income						1,432
Unallocated administrative expenses						(55,142)
Operating profit						85,319
Finance income						3,281
Finance costs						(5,988)
Share of profit of associates						4,839
Profit before income tax						87,451
Income tax expense						(18,741)
Profit for the year						68,710
Segment assets	85,955	11,483	4,059	11,662	3,218	116,377
Unallocated assets						475,599
Total assets						591,976
Unallocated liabilities						284,454
Capital expenditure						31,216
Depreciation						15,493
Amortisation						862

Unallocated administrative expenses represent corporate expenses, including other (losses)/gains.

Primary reporting format – geographical segments by location of assets

	Total assets 2007 HK$'000	Capital expenditure 2007 HK$'000
Hong Kong	**236,063**	**4,965**
Indonesia	**165,583**	**658**
Lesotho	**23,994**	**1,279**
El Salvador	**21,414**	**78**
Mainland China	**155,852**	**63,313**
	602,906	**70,293**
Unallocated assets	**1,100**	**–**
	604,006	**70,293**

	Total assets 2006 HK$'000	Capital expenditure 2006 HK$'000
Hong Kong	188,776	603
Indonesia	228,722	5,069
Lesotho	32,696	214
El Salvador	38,886	578
Mainland China	101,796	24,752
	590,876	31,216
Unallocated assets	1,100	–
	591,976	31,216

3. Other (losses)/gains – net

	2007	2006
	HK$'000	*HK$'000*
Fair value gains on investment properties	**6,000**	–
Fair value gains/(losses) realised on disposal of available-for-sale financial assets	**392**	(300)
Fair value (losses)/gains on derivative financial instruments:		
Foreign forward exchange contracts	**130**	356
Equity accumulators	**(11,525)**	–
Market linked instrument with swap arrangement	**(1,092)**	–
	(12,487)	356
Fair value gains/(losses) on financial assets at fair value through profit or loss:		
Listed equity securities	**5,409**	–
Foreign currency linked structured note	**1,020**	–
Market linked instruments with initial investments	**(2,993)**	–
	3,436	–
Total other (losses)/gains – net	**(2,659)**	56

4. Expenses by nature

Operating profit is stated after crediting and charging the following:

	2007	2006
	HK$'000	*HK$'000*
Raw materials used	**486,840**	646,980
Changes in inventories of finished goods and work in progress	**39,741**	(4,858)
Quota charges	**103**	63
Depreciation of properties, plant and equipment	**17,414**	15,493
Provision for impairment of plant and machinery	**8,261**	–
Gain on disposal of properties, plant and equipment	**(1,576)**	(278)
Amortisation	**766**	862
Employee benefit expense (excluding directors' emoluments)	**242,986**	232,558
Operating lease rentals – land and buildings	**10,658**	10,096
Auditors' remuneration	**2,034**	1,932
Net exchange losses	**395**	229
Others	**167,103**	223,311
Total cost of sales, selling expenses and administrative expenses	**974,725**	1,126,388

5. Finance income

	2007	2006
	HK$'000	*HK$'000*
Finance income on short-term bank deposits	**5,398**	3,281
Finance income from market linked instruments	**1,332**	–
	6,730	3,281

6. Finance costs

Finance costs represent interest expenses paid for bank borrowings and overdrafts which are wholly repayable within five years.

7. Income tax expense

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

The amount of income tax charged to the income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**16,846**	16,694
– Overseas income tax	**6,297**	2,828
Under-provision in prior years	**268**	–
Deferred income tax	**3,817**	(781)
Income tax expense	**27,228**	18,741

8. Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	2006
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**48,950**	68,116
Weighted average number of ordinary shares in issue *(thousands)*	**365,245**	360,731
Basic earnings per share *(HK cents per share)*	**13.40**	18.88

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares that is share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2007	2006
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**48,950**	68,116
Weighted average number of ordinary shares in issue *(thousands)*	**365,245**	360,731
Adjustments for share options *(thousands)*	**4,710**	3,395
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**369,955**	364,126
Diluted earnings per share *(HK cents per share)*	**13.23**	18.71

9. Dividends

	2007	2006
	HK$'000	*HK$'000*
Interim dividend paid of 3.0 HK cents (2006: 3.0 HK cents) per ordinary share	**11,009**	10,830
Proposed final dividend of 5.0 HK cents (2006: 6.0 HK cents) per ordinary share	**18,398**	21,663
	29,407	32,493

10. Trade and other receivables

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**108,030**	106,266
Prepayments, deposits and other receivables	**30,758**	32,003
	138,788	138,269

The carrying amounts of the trade receivables approximate their fair values.

The majority of the Group's sales to customers are on open account basis, with credit terms ranging from 30 to 45 days. The remaining sales are on letter of credit at sight to 90 days. The ageing analysis of trade receivables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**79,204**	96,895
31-60 days	**27,415**	9,191
61-90 days	**261**	72
Over 90 days	**1,150**	108
	108,030	106,266

As at 31st December, 2007, the trade receivables from the Group's five largest customers accounted for 81% (2006: 88%) of the total trade receivables.

11. Trade and other payables

	2007	2006
	HK$'000	*HK$'000*
Trade payables	**74,078**	109,334
Other payables and accruals	**54,255**	62,028
	128,333	171,362

The ageing analysis of the trade payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**56,783**	72,737
31-60 days	**5,855**	25,863
61-90 days	**5,647**	2,758
Over 90 days	**5,793**	7,976
	74,078	109,334

Trade and other payables approximate their fair values.

12. Events after the balance sheet date

On 3rd March, 2008, the Group entered into a binding provisional agreement with a third party purchaser for the disposal of its investment properties at a consideration of HK$35,600,000. The estimated disposal gain is approximately HK$6,900,000 after netting off with the necessary selling and legal expenses. The expected completion date of the disposal will be on or before 28th July, 2008.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the Group's annual results for the year ended 31st December, 2007. The Audit Committee comprises all of the three independent non-executive directors, namely Mr Cheung Kwok Ming, Mr Kwok Lam Kwong, Larry, *J.P.* and Mr Lau Siu Ki, Kevin.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December, 2007 have been agreed by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on the preliminary announcement.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31st December, 2007. Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in the Company's Annual Report.

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year.

To enhance the corporate governance of the Group as a whole, all relevant employees who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company are subject to full compliance with written guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company during the year.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This announcement of annual results is published on the Stock Exchange's website **(http://www.hkex.com.hk)** and the Company's website **(http://www.carrywealth.com)**. The Annual Report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors of the Company comprises Mr Rusli Hendrawan, Mr Lee Sheng Kuang, James, Mr Oey Tjie Ho and Mr Tang Chak Lam, Charlie, being executive directors; and Mr Cheung Kwok Ming, Mr Kwok Lam Kwong, Larry, *J.P.* and Mr Lau Siu Ki, Kevin, being independent non-executive directors.

On behalf of the board
Lee Sheng Kuang, James
Managing Director

Hong Kong, 20th March, 2008