HANTEC INVESTMENT HOLDINGS LIMITED

亨達國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(stock code: 111)

ANNOUNCEMENT OF 2007 FINAL RESULTS

The board of directors (the "Board") of Hantec Investment Holdings Limited (the "Company") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December 2007 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2007

	Note	**2007** *HK$'000*	2006 *HK$'000*
Turnover	*4*	**465,761**	355,420
Other revenue	*4*	**1,848**	1,224
Other net income	*4*	**5,725**	3,151
		473,334	359,795
Staff costs		**88,486**	75,384
Commission expenses		**226,508**	141,716
Operating leases for land and buildings		**16,632**	12,726
Other operating expenses		**81,853**	67,803
Total operating expenses		**413,479**	297,629
Operating profit		**59,855**	62,166
Finance costs		**(8,472)**	(3,860)
		51,383	58,306
Share of profits of associates		**2,047**	5,802
Profit before taxation		**53,430**	64,108
Income tax	*5*	**(13,071)**	(11,839)
Profit for the year		**40,359**	52,269
Attributable to:			
Equity holders of the Company		**40,357**	52,269
Minority interests		**2**	—
		40,359	52,269

	Note	**2007**	2006
		HK$'000	*HK$'000*
Dividends payable to equity holders of the Company attributable to the year:			
Interim dividend declared during the year	*6*	**6,213**	5,867
Final dividend proposed after the balance sheet date	*6*	**10,393**	6,212
		16,606	12,079
Earnings per share			
Basic	*7(a)*	**HK9.74 cents**	HK13.29 cents
Diluted	*7(b)*	**N/A**	HK13.28 cents

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Intangible assets		**6,871**	6,472
Fixed assets		**19,980**	20,015
Interests in associates		**15,288**	8,949
Other assets		**3,890**	5,202
Available-for-sale financial assets		**12,293**	10,236
Deferred income tax assets		**1,549**	4,853
		59,871	55,727
Current assets			
Financial assets at fair value through profit or loss		**5,602**	16,264
Taxation recoverable		**514**	498
Trade and other receivables	*8*	**471,516**	426,295
Bank balances and cash	*9*	**374,184**	280,617
		851,816	723,674
Current liabilities			
Trade and other payables	*10*	**454,810**	392,330
Short-term loans and bank overdrafts		**16,692**	21,049
Current portion of obligations under finance lease		**537**	154
Taxation payable		**4,006**	9,343
		476,045	422,876
Net current assets		**375,771**	300,798
Total assets less current liabilities		**435,642**	356,525
Non-current liabilities			
Obligations under finance lease		**506**	105
Deferred income tax liabilities		**170**	653
Loan notes	*11*	**42,525**	—
		43,201	758
NET ASSETS		**392,441**	355,767

	Note	**2007** *HK$'000*	2006 *HK$'000*
Capital and reserves			
Share capital		**41,443**	41,413
Other reserves		**216,639**	208,262
Retained earnings			
Proposed final dividend		**10,393**	6,212
Others		**123,631**	99,880
Total equity attributable to the equity holders of the Company		**392,106**	355,767
Minority interests		**335**	—
TOTAL EQUITY		**392,441**	355,767

NOTES:

1. STATEMENT OF COMPLIANCE

These 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 Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs, that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2. BASIS OF PREPARATION

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as available-for-sale or as financial assets at fair value through profit or loss

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, Financial instruments: Disclosures and the amendment to HKAS 1, Presentation of financial statements: Capital disclosures, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. TURNOVER, OTHER REVENUE, OTHER NET INCOME AND SEGMENT INFORMATION

	2007 ***HK$'000***	2006 *HK$'000*
Turnover		
Fees and commission	**198,948**	121,213
Net revenue from		
— foreign currency option trading	**6,500**	2,569
— bullion trading	**102,804**	79,638
Net premium income from insurance broking	**626**	589
Swap interest and foreign exchange trading revenue	**94,789**	99,088
Interest income	**58,123**	44,540
Underwriting commission	**1,598**	1,006
Management fee, subscription and advisory fee income	**2,373**	6,777
	465,761	355,420
Other revenue		
Dividend income from listed securities	**479**	173
Dividend income from available-for-sale financial assets	**138**	149
Other income	**1,231**	902
	1,848	1,224
Other net income		
Net exchange gains	**6,808**	4,402
Net realised gains/(losses) on financial assets at fair value through profit or loss	**2,346**	(1,557)
Net unrealised (losses)/gains on financial assets at fair value through profit or loss	**(3,429)**	306
	5,725	3,151
	473,334	359,795

Primary reporting format — Business segments

Year ended 31st December 2007

	Leveraged foreign exchange trading/ broking 2007 HK$'000	Securities broking 2007 HK$'000	Commodities and futures broking 2007 HK$'000	Corporate finance 2007 HK$'000	Asset management 2007 HK$'000	Financial planning/ insurance broking 2007 HK$'000	Precious metal contracts trading/ broking 2007 HK$'000	Unallocated 2007 HK$'000	Inter-segment elimination 2007 HK$'000	Total 2007 HK$'000
Turnover from external customers	142,379	82,762	10,871	8,446	558	30,091	189,919	735	—	465,761
Inter-segment turnover	14	310	—	604	—	—	—	15,010	(15,938)	—
Total	142,393	83,072	10,871	9,050	558	30,091	189,919	15,745	(15,938)	465,761
Segment results	8,662	21,330	414	967	(987)	(6,120)	41,028	(5,439)	—	59,855
Operating profit										59,855
Finance costs	(4)	(4,849)	(1)	(1)	—	(3)	(55)	(3,559)	—	(8,472)
										51,383
Share of profits of associates	—	—	—	—	—	—	—	2,047	—	2,047
Profit before taxation										53,430
Income tax										(13,071)
Profit after taxation										40,359
Minority interests										(2)
Profit attributable to equity holders of the Company										40,357
Segment assets	292,722	210,721	33,545	13,567	5,982	30,645	241,547	65,607	—	894,336
Interests in associates	—	—	—	—	—	—	—	15,288	—	15,288
Unallocated assets										2,063
Total assets										911,687
Segment liabilities	261,734	110,301	10,649	264	64	5,884	68,233	57,941	—	515,070
Unallocated liabilities										4,176
Total liabilities										519,246
Capital expenditure	1,700	735	198	458	85	534	1,081	2,686	—	7,477
Depreciation	2,332	395	75	156	29	1,066	632	2,242	—	6,927
Impairment loss charged	765	—	—	—	—	—	146	—	—	911
Other non-cash expenses	58	—	—	—	—	104	—	732	—	894

Year ended 31st December 2006

	Leveraged foreign exchange trading/ broking *2006* *HK$'000*	Securities broking *2006* *HK$'000*	Commodities and futures broking *2006* *HK$'000*	Corporate finance *2006* *HK$'000*	Asset management *2006* *HK$'000*	Financial planning/ insurance broking *2006* *HK$'000*	Precious metal contracts trading/ broking *2006* *HK$'000*	Unallocated *2006* *HK$'000*	Inter-segment elimination *2006* *HK$'000*	Total *2006* *HK$'000*
Turnover from external customers	135,694	38,004	17,008	4,752	1,931	24,933	130,247	2,851	—	355,420
Inter-segment turnover	256	280	(172)	1,500	—	—	(3)	9,373	(11,234)	—
Total	135,950	38,284	16,836	6,252	1,931	24,933	130,244	12,224	(11,234)	355,420
Segment results	26,634	9,902	1,093	(350)	198	(5,792)	32,131	(1,650)	—	62,166
Operating profit										62,166
Finance costs	(30)	(3,795)	—	—	—	—	(10)	(25)	—	(3,860)
										58,306
Share of profits of associates	3,463	—	—	—	—	—	—	2,339	—	5,802
Profit before taxation										64,108
Income tax										(11,839)
Profit after taxation										52,269
Minority interests										—
Profit attributable to equity holders of the Company										52,269
Segment assets	336,167	161,982	79,637	11,151	5,953	38,253	103,787	28,171	—	765,101
Interests in associates	—	—	—	—	—	—	—	8,949	—	8,949
Unallocated assets										5,351
Total assets										779,401
Segment liabilities	203,536	97,082	58,649	77	70	4,268	42,732	7,224	—	413,638
Unallocated liabilities										9,996
Total liabilities										423,634
Capital expenditure	4,489	1,041	1,549	293	57	575	1,158	3,820	—	12,982
Depreciation	1,255	751	30	12	3	822	77	1,743	—	4,693
Impairment loss charged	1,682	—	—	40	—	—	329	—	—	2,051
Other non-cash expenses	645	7	—	—	—	70	122	98	—	942

Secondary reporting format — Geographical segments

	Turnover		Total assets		Capital expenditure	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**172,514**	188,487	**552,786**	501,745	**6,365**	11,697
Greater China (excluding Hong Kong)	**281,825**	93,920	**59,191**	75,831	**999**	935
Oceania	**886**	45,369	**13,252**	60,691	**48**	73
Switzerland	**1,280**	259	**89,314**	33,218	**38**	277
United States	**1,089**	1	**55,084**	36,782	**—**	—
United Kingdom	**1,799**	4,756	**87,199**	1,911	**—**	—
Other countries	**6,368**	22,628	**37,510**	54,923	**27**	—
	465,761	355,420	**894,336**	765,101	**7,477**	12,982
Interests in associates			**15,288**	8,949		
Unallocated assets			**2,063**	5,351		
Total assets			**911,687**	779,401		

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation 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 taxation charged to the consolidated income statement:

	2007	2006
	HK$'000	*HK$'000*
Current taxation:		
— Hong Kong profits tax	**7,243**	7,834
— Overseas taxation	**2,646**	2,789
— Under provision in respect of prior years	**361**	160
Deferred taxation relating to the origination and reversal of temporary differences	**2,821**	1,056
Taxation expenses	**13,071**	11,839

6. DIVIDENDS

Dividends payable to equity holders of the Company attributable to the year

	2007	2006
	HK$'000	*HK$'000*
Interim dividend paid:		
HK1.5 cents (2006: HK1.5 cents) per share	**6,213**	5,867
Final dividend proposed:		
HK2.5 cents (2006: HK1.5 cents) per share	**10,393**	6,212
	16,606	12,079

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of HK$40,357,000 (2006: HK$52,269,000) and the weighted average number of 414,173,835 (2006: 393,209,452) ordinary shares in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share for the current year has not been disclosed as the outstanding share options have no dilutive effects on the basic earnings per share, as their exercise prices were above the average market price of the shares during the year.

The diluted earnings per share for the year ended 31st December 2006 is calculated based on the adjusted weighted average number of 393,565,890 ordinary shares which is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares in respect of share options. The 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.

8. TRADE AND OTHER RECEIVABLES

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**453,726**	404,615
Other receivables	**17,790**	21,680
	471,516	426,295

The carrying amounts of trade and other receivables approximate their fair value.

As at 31st December 2007, the aging analysis of the trade receivables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Current	**447,349**	400,447
30–60 days	**121**	193
Over 60 days	**6,256**	3,975
	453,726	404,615

The margin clients of the securities broking business are required to pledge their shares to the Group for credit facilities for securities trading. The amount of credit facilities granted to them is determined by the discounted value of shares acceptable by the Group after making reference to industry practices.

Credits are extended to other clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and collateral available to the Group. Clients trading in leveraged foreign exchange contracts, commodities and futures contracts, precious metal contracts and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For leveraged foreign exchange contracts, commodities and futures contracts and precious metal contracts, initial margins are normally required before trading and thereafter clients are normally required to keep the equity position at a prescribed maintenance margin level.

9. BANK BALANCES AND CASH

	2007	2006
	HK$'000	*HK$'000*
Cash in hand	**422**	554
Bank balances		
— pledged	**15,706**	12,689
— general accounts	**358,056**	267,374
	373,762	280,063
	374,184	280,617
By maturity:		
Bank balances		
— current and savings accounts	**266,755**	245,752
— fixed deposits (maturing within three months)	**99,793**	34,311
— fixed deposits (maturing over three months)	**7,214**	—
	373,762	280,063

10. TRADE AND OTHER PAYABLES

	2007	2006
	HK$'000	*HK$'000*
Trade and other payables	**454,810**	392,330

The carrying amounts of trade and other payables approximate their fair value.

The settlement terms of payable to clearing houses and securities trading clients from the ordinary course of business of broking in securities range from two to three days after the trade date of those transactions. Margin deposits received from clients for their trading of leveraged foreign exchange, precious metal contracts, commodities and futures contracts, and the balances were payable within one month.

11. LOAN NOTES

The Company issued loan notes to certain overseas and professional investors. The loan notes are unsecured, mature on the day falling three years after the issue date of the relevant notes and bear interest of 8.5% per annum on the principal amount.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall review

The year 2007 has been full of challenges and opportunities. At the beginning of the year, the equity market enjoyed continuous growth, followed by a sudden short halt in August and then peaked in the last quarter of the year. Wealth effect has been obviously affecting different sectors in the economy. Unexpectedly the price of commodities like gold, crops, grains, minerals and precious metals have attained its historic high level and sustained at its height throughout the year. United States Dollars hit its lowest since the last decade. Other major currencies have been strong against the United States Dollars. More importantly, the value of Renminbi has been appreciating. Some of these factors offset the others but all in all, the Hong Kong economy has been booming. However, inflation pressure cannot be underestimated. Remuneration for qualified personnel, rental, utilities prices and general price level have increased substantially. As experienced in the last decade, inflationary pressure not only created a prosperous atmosphere but also boosted investments. As a result, the Group faced a difficult situation, i.e. on one hand business volume increased but on the other hand operating cost has soared at an even higher rate.

The Group achieved a turnover of HK$465.8 million (2006: HK$355.4 million). Profit attributable to equity holders was HK$40.4 million (2006: HK$52.3 million), representing a 22.8% setback. Earnings per share was HK9.7 cents (2006: HK13.3 cents), representing a decrease of 27.1%.

Leveraged foreign exchange

Leveraged foreign exchange was once our major focus and our largest contributor to revenue in the early years following the listing of our Group. However, the market has become extremely competitive, and is no longer as lucrative as has been in the past. Advanced information technology has made internet trading popular; international foreign exchange traders and financial institutions are offering clients narrow price and interest spreads through their internet trading platforms. To survive in such a market condition, the Group has adopted a low price strategy and provides higher quality services. Profit contribution has thereby deteriorated. Turnover remained at a similar level as the previous year at HK$142.4 million (2006: HK$135.7 million); swap interest and foreign exchange trading revenue recorded a slight drop from HK$99.1 million to HK$94.8 million. Segment result dropped from HK$26.6 million to HK$8.7 million as a result of keen competition.

Securities dealing

Led initially by initial public offerings ("IPO") of "H" shares in the previous year, the fanaticism in the equity market extended into 2007. After the correction in August, average daily market turnover continually broke through HK$100 billion and the Hang Seng Index hit 31,600 in the second half of the year, and as a result, securities brokers have benefited. Performance of the securities dealing segment has been remarkable. As a broker, the Group has a tiny equity position of its own. Earnings are a result of an increase in clients' trading activities. Major portion of revenue comes from commission and interest. Turnover was HK$82.8 million (2006: HK$38.0 million) and profit was HK$21.3 million (2006: HK$9.9 million).

Commodities and futures dealing

The booming bullion and equity markets have driven out clients' appetite in trading commodities and futures. Acting as a broker, this segment relies solely on clients' trading activities. With a lower business volume recorded, revenue and hence profit decreased sharply. Turnover slipped to HK$10.9 million (2006: HK$17.0 million) and profit fell to HK$0.4 million (2006: HK$1.1 million). To improve this situation, the Group has launched new measures to attract larger sized customers to replenish the business volume and so as profit.

Corporate finance

The Group successfully sponsored a new issuer to list its shares on the Main Board of the Hong Kong Stock Exchange in the third quarter of the year. Apart from the IPO, other financial advisory business contributed a major portion of the revenue. Due to the activity of investment market during the year, performance of this segment improved. Turnover was HK$8.4 million (2006: HK$4.8 million), representing an increase of 75.0% and profit was HK$1.0 million (2006: loss of HK$0.4 million). The segment was able to turn around despite the cost of operating the business surged significantly.

Asset management

Asset management is another business where the Group is facing difficulties. The foreign exchange fund managed was liquidated during the year. The equity fund is the only fund managed by the Group but it posted a less than satisfactory result. As the fund size decreased, so did management fee income. Turnover was only HK$0.6 million (2006: HK$1.9 million) and a loss of HK$1.0 million (2006: profit of HK$0.2 million) was recorded. The Group is currently exploring and analysing new business opportunities and hopes to launch new products.

Financial planning / Insurance broking

The personal financial advisory and financial planning business has become the battle field where banks and non-banking financial institutions compete for a limited number of clients. As a non-banking financial institution, we understand that we must provide high quality services to our clients. The cost of operation has unavoidably increased. The economic climate in Taiwan was still on the low side, and our Taiwan subsidiary could hardly contribute to the Group. Consequently, although turnover increased to HK$30.1 million from HK$24.9 million, loss slightly increased to HK$6.1 million (2006: loss of HK$5.8 million). However, this segment plays an important role in attracting new customers for the Group. Moreover, it is believed that Taiwan's economy has the potential to turn around after the presidential election. We hope the performance of the Taiwan subsidiary can improve in the forthcoming year.

Bullion and precious metal contract trading

The price of gold surged to its historic high and moved within a wide range from a low of approximately US$608 per ounce to a high of approximately US$841 per ounce with high volatility during the year. It is believed that the weak United States Dollars will further boost up the price of gold. High volatility also stimulates investors to actively participate in the market and as a result bullion trading has been well received by investors. Business volume has substantially increased. This segment has become the main contributor to our Group, in both our Hong Kong based subsidiary and our subsidiaries in Switzerland and New Zealand. Turnover recorded was HK$189.9 million (2006: HK$130.2 million). Profit was HK$41.0 million (2006: HK$32.1 million). After the year-end, the Group launched a new user-friendly electronic trading platform to facilitate clients to obtain market news and place orders. It is expected that business volume in this segment could be further increased.

Financial resources

The financial position of the Group remains strong throughout the year. Group members licensed by the Securities and Futures Commission (the "SFC") have not only fully complied with the financial resources requirement but also kept a safe buffer to face sudden changes in the market. Fixed rate loan notes denominated in the United States Dollars have been issued to certain overseas investors at their request, in order to provide a medium of financing to the Group and a stable return to the investors. However, after the year end date the Group has redeemed a major portion of such loan notes from its internal resources in order to save on interest cost. Banking facilities are secured mainly to finance the securities margin financing business of the Group. The Group has maintained a healthy financial situation. Net debt-to-adjusted capital ratio as at the balance sheet date was 49.9% (2006: 49.5%). The Group also strived to maintain highly liquid assets to prepare for unexpected sudden changes in the market. As at the balance sheet date, the current ratio was 178.9% (2006: 171.1%).

Fluctuation in foreign exchange

As an active player in the foreign exchange market, the Group has laid down policies and maintained position limits and loss limits on its foreign currencies exposures as a result of its business transactions. The treasury function of the Group is responsible for implementing such policies. The risk management function regularly reviews such policies and its implementation status in order to cope with the market conditions and the business volume. The Group's assets and liabilities are mainly denominated in Hong Kong Dollars and United States Dollars to which Hong Kong Dollars is pegged. Other currencies to which the Group's assets and liabilities denominated consists of a variety of different currencies, none of which has significant impact on the Group.

Remuneration and human resources development

The market has been competing for high quality personnel. The Group has laid down human resources policies to retain staff and attract new recruits. Share options are granted to management staff and directors to encourage them to grow with the Group. Fringe benefits include medical subsidies, education allowance, life insurance, free CPT courses are offered to different level of staff. During the year, the Group regularly reviews the various benefit packages for different levels of staff. The Remuneration Committee provides valuable recommendations to the management in this regard. Well-performed staff are rewarded with bonus and other incentives. The management trainee program has come to its fourth anniversary. It aims to identify potential incumbents who can pace their way up to the management. Account executives are rewarded with competitive commission packages. Bonus and incentives are provided for out performing pre-determined targets. Introducing brokers are provided with appropriate support together with competitive terms.

Looking forward

The world's economy is at a crossroad. The economy of the United States shows blatant sign of slowing down with severe problems in sub-prime mortgages and structured products. It is believed that the United States Dollars will continue to weaken. As a result, China's export to the United States will unavoidably decrease. The economy in the Mainland has been over-heated for some time and the government will further implement cool down policies. Under such an unstable situation, the Group plans to strengthen its business base by exploring new overseas markets. Expansion, if considered feasible, will be undertaken in a more conservative manner. Efforts will be concentrated on upgrading certain overseas operations of the Group.

FINAL DIVIDEND

The directors are pleased to recommend the payment of final dividend of HK2.5 cents (2006: HK1.5 cents) per ordinary share, totaling HK$10,392,500 (2006: HK$6,211,950) to be paid on Thursday, 29th May 2008 to its shareholders as appeared on its register of members on Tuesday, 20th May 2008 subject to the final approval in the annual general meeting to be held on Tuesday, 20th May 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 16th May 2008 to Tuesday, 20th May 2008, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the proposed final dividend, all transfers documents, accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Secretaries Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 15th May 2008.

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2007 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this Announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31st December 2007. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31st December 2007.

COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE

The Group endeavors to maintain a high standard of corporate governance through the adoption of the Code Provisions of the Code on 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 (the "Listing Rules"). Throughout the financial year 2007, the Group has fully complied with the code provisions save for Code Provision A.2.1 which is elaborated below.

Code Provision A.2.1

This code provided that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Tang Yu Lap is the chairman of the Group and there is no chief executive officer in the Group. After due consideration of the unique history and development of the Group's own business and structure, the Board decided to maintain this structure. The Board believes that the current structure gives significant benefits to the Group as it maintain a strong and effective leadership and ensures an efficient decision making process.

To maintain a balance of power and authority, the Executive Management Committee comprising certain executive directors and senior management meets regularly to discuss and decide on issues relating to the day-to-day management of the Group. Furthermore, the Board comprises reputable and experienced professionals who assist in maintaining a balance of power without compromising consistent leadership of the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed the internal controls and financial reporting matters of the Group together with a review of the annual results for the year ended 31st December 2007.

PUBLICATION OF RESULT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange of Hong Kong Limited at http://www.hkex.com.hk and the Company's website at http://www.hantec.com. The 2007 Annual Report of the Company will be published on the same websites and dispatched to the shareholders of the Company in due course.

By Order of the Board
Tang Yu Lap
Chairman

Hong Kong, 8th April, 2008

At the date of this announcement, the Board comprises of the following directors:

Executive Directors:	Mr. Tang Yu Lap *(Chairman)* Mr. Lam Ngok Fung *(Deputy Chairman)* Ms. Ng Chiu Mui Mr. Law Kai Yee Ms. Hwang Wei Ming, Ellen Mr. Lau Mun Chung
Non-executive Director:	Mr. Fong Wo, Felix
Independent Non-executive Directors:	Mr. Yu Man Woon Mr. Cheng Wing Chi Professor Nyaw Mee Kau Mr. Yu Hon To, David

Website: http://www.hantec.com

* *For identification purposes only.*