FRANKIE DOMINION INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 704)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2007

The board of directors (the "Board") of Frankie Dominion International Limited (the "Company") are pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2007 and comparative figures for last year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2007** *HK$*	2006 *HK$*
Revenue		**640,635,174**	714,731,279
Cost of sales		**(615,908,834)**	(645,465,503)
Gross profit		**24,726,340**	69,265,776
Other income		**31,020,193**	9,432,183
Selling and distribution costs		**(18,269,969)**	(24,636,777)
Administrative expenses		**(52,475,768)**	(60,641,282)
Change in fair value of investments held for trading		**2,454,111**	(117,148)
Impairment loss on property, plant and equipment		**(22,000,000)**	-
(Loss) gain on disposal/liquidation of an associate		**(135)**	66,135
Loss on disposal/liquidation of subsidiaries		**(3,572,603)**	-
Discount on acquisition of additional interests in a subsidiary		**-**	28,222,523
Finance costs		**(4,368,807)**	(5,792,712)
Share of profits of associates		**-**	260,696
(Loss) profit before taxation		**(42,486,638)**	16,059,394
Taxation credit	*4*	**317,413**	913,536
(Loss) profit for the year		**(42,169,225)**	16,972,930
Attributable to:			
Equity holders of the Company		**(42,169,225)**	18,911,884
Minority interests		**-**	(1,938,954)
		(42,169,225)	16,972,930
Basic (loss) earning per share	*5*	**(8.82 cents)**	3.96 cents

CONSOLIDATED BALANCE SHEET
As at 31st December 2007

	2007 HK$	2006 HK$
Non-current assets		
Property, plant and equipment	**64,967,741**	114,944,655
Prepaid lease payments	**7,918,562**	22,019,155
Interest in an associate	**-**	314,591
Available-for-sale investment	**880,000**	880,000
Retirement benefit scheme's assets	**4,076,754**	-
	77,843,057	138,158,401
Current assets		
Inventories	**44,481,716**	67,563,136
Debtors, bills receivable and prepayments	**70,448,675**	92,810,269
Prepaid lease payments	**222,294**	626,880
Investments held for trading	**-**	8,630,365
Tax recoverable	**-**	1,949,071
Short term bank deposits	**63,688,160**	39,504,927
Short term pledged bank deposit	**2,910,064**	2,840,002
Bank balances and cash	**21,402,159**	41,918,748
	203,153,068	255,843,398
Current liabilities		
Creditors, bills payable and accrued charges	**65,492,725**	96,751,084
Amount due to an associate	**-**	294,000
Tax payable	**117,811**	-
Bank borrowings	**36,322,198**	70,028,856
	101,932,734	167,073,940
Net current assets	**101,220,334**	88,769,458
	179,063,391	226,927,859
Capital and reserves		
Share capital	**47,792,629**	47,792,629
Reserves	**128,969,167**	174,449,340
Total equity	**176,761,796**	222,241,969
Non-current liability		
Deferred taxation	**2,301,595**	4,685,890
	179,063,391	226,927,859

Notes:

1. **Basis of preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. **Application of new and revised Hong Kong Financial Reporting Standards**

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA, that are effective for the Group's financial year beginning on 1st January, 2007. The adoption of the following new HKFRSs had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial reporting in hyperinflationary economies
HK(IFRIC) – INT 8	Scope of HKFRS 2
HK(IFRIC) – INT 9	Reassessment of embedded derivatives
HK(IFRIC) – INT 10	Interim financial reporting and impairment

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HHKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendment and interpretations that have been issued but are not yet effective. The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

HKAS 1 (Revised)	Presentation of financial statements [1]
HKAS 23 (Revised)	Borrowing costs [1]
HKAS 27 (Revised)	Consolidated and separate financial statements [2]
HKFRS 2 (Amendment)	Vesting conditions and cancellations [1]
HKFRS 3 (Revised)	Business combinations [2]
HKFRS 8	Operating segments [1]
HK(IFRIC) – INT 11	HKFRS 2: Group and treasury share transactions [3]
HK(IFRIC) – INT 12	Service concession arrangements [4]
HK(IFRIC) – INT 13	Customer loyalty programmes [5]
HK(IFRIC) – INT 14	HKAS19 – The limit on a defined benefit assets , minimum funding requirements and their interaction [4]

[1] Effective for annual periods beginning on or after 1st January, 2009
[2] Effective for annual periods beginning on or after 1st July, 2009

[3] Effective for annual periods beginning on or after 1st March, 2007
[4] Effective for annual periods beginning on or after 1st January, 2008
[5] Effective for annual periods beginning on or after 1st July, 2008

3. Business segments

The Group is mainly engaged in trading, manufacturing and sale of household and other consumer products and operates under three divisions. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Trading	- resale of household products
Manufacturing - household products	- manufacturing and sale of household products
Manufacturing - others products	- manufacturing and sale of other consumer products

Segment information about these businesses is presented below.

Income statement for the year ended 31st December, 2007

	Trading	Manufacturing - household products	Manufacturing - others	Consolidated
	HK$	*HK$*	*HK$*	*HK$*
Revenue				
External sales	**165,769,404**	**96,618,130**	**378,247,640**	**640,635,174**
Results				
Segment results	**11,356,311**	**12,094,884**	**(16,994,824)**	**6,456,371**
Unallocated income				**31,020,193**
Unallocated expenses				**(52,475,768)**
Change in fair value of investments held for trading				**2,454,111**
Impairment loss on property, plant and equipment				**(22,000,000)**
Loss on liquidation of an associate				**(135)**
Gain (loss) on disposal/liquidation of subsidiaries	**-**	**43,605**	**(3,616,208)**	**(3,572,603)**
Finance costs				**(4,368,807)**
Loss before taxation				**(42,486,638)**
Taxation credit				**317,413**
Loss for the year				**(42,169,225)**

Income statement for the year ended 31st December, 2006

	Trading	Manufacturing - household products	Manufacturing - others	Consolidated
	HK$	*HK$*	*HK$*	*HK$*
Revenue				
External sales	190,662,788	112,175,957	411,892,534	714,731,279
Results				
Segment results	9,821,966	14,901,580	17,601,588	42,325,134
Unallocated income				9,432,183
Unallocated expenses				(58,337,417)
Change in fair value of investments held for trading				(117,148)
Gain on disposal of an associate				66,135
Discount on acquisition of additional interests in a subsidiary	-	-	28,222,523	28,222,523
Finance costs				(5,792,712)
Share of profits of associates				260,696
Profit before taxation				16,059,394
Taxation credit				913,536
Profit for the year				16,972,930

4. Taxation credit

	2007	2006
	HK$	HK$
	HK$	*HK$*
Current taxation		
Hong Kong Profits Tax	**(2,066,882)**	-
Underprovision of Hong Kong Profits Tax in prior years	**-**	(67,247)
Deferred taxation	**2,384,295**	980,783
	317,413	913,536

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax was made for the year ended 31st December, 2006 as the companies in Hong Kong had no assessable profits.

No provision for profits tax is made in other jurisdictions as the subsidiaries in other jurisdictions have no assessable profits for the year.

5. Basic (loss) earning per share

The calculation of the basic (loss) earning per share is based on the loss attributable to the equity holders of the Company of approximately HK$42,169,000 (2006: profit of approximately HK$18,912,000) and approximately 477,926,000 (2006: approximately 477,926,000) shares in issue during the year.

FINAL DIVIDEND

The Board has resolved not to pay any final dividend for the year ended 31st December, 2007 (2006: nil).

RESULTS

Turnover of the Group for the year ended 31st December 2007 was approximately HK$640,635,000, representing a decline of 10.37% from approximately HK$714,731,000 in last year. The Group recorded a significant loss of approximately HK$42,169,000 attributable to shareholders compared with a profit of approximately HK$18,912,000,000 in 2006. Loss per share for the year amounted HK8.82 cents, compared with the earning per share of HK3.96 cents in last year. The loss was mainly due to impairment loss on property, plant and equipment and the erosion in gross profit margin, which reflects the challenging operating environment of the Group of rising production cost and keen competition in traditional manufacturing industry. During the year under review, the business environment remained adverse with the constant appreciation of renminbi and a rise in raw materials and labour costs which in turn cut into the profit margin of the existing products of the Group. In addition, to keep the competitiveness of the Group's products in the market, the Group has to maintain the price at competitive level. As a result, the inflated cost is not easily marked up to customers.

BUSINESS REVIEW

The performance of each business division for the year ended 31st December 2007 is described below:

Trading

The trading division mainly engaged in trading of variety range of household products. Turnover of this segment for the year ended 31st December, 2007 decreased by 13.06% to approximately HK$165,769,000, representing 25.88% of the Group's turnover. This division recorded a segment profit of approximately HK$11,356,000, 15.62% more than last year.

Manufacturing of household products

The manufacturing of household products division mainly engaged in manufacturing and sale of PVC bag, cushion, shower and window curtain, oven mitten and pot holder, placemat and table cloth. This division recorded a turnover of approximately HK$96,618,000 for the year, which was 13.87% lower than last year, representing 15.08% of the Group's turnover. Segment profit of this division for the year decreased by 18.84% to approximately HK$12,095,000, compared to that of last year.

Manufacturing of others

The manufacturing of others division mainly engaged in manufacturing and sales of wooden products and paper products. This division recorded a turnover of approximately HK$378,248,000, 8.17% less than last year, accounting for 59.04% of the Group's turnover and it remained the largest division of the Group. This division recorded a segment loss of approximately HK$16,995,000, compared with a segment profit of approximately HK$17,602,000 in 2006. The decline in turnover was mainly due to the decrease of orders received from various overseas markets.

POST BALANCE SHEET EVENT

On 11 January 2008, Rich Key Enterprises Limited, a wholly-owned subsidiary of the Company as purchaser and the Company as the purchaser's warrantor, entered into an acquisition agreement with Mr. Wu Jixian as vendor, in relation to (i) the sale and purchase of all of the issued shares in Pride Eagle Investments Limited and the face value of the loans outstanding as at the completion of such transaction made by or on behalf of the vendor to Pride Eagle Investments Limited; and (ii) the sale and purchase of all of the issued shares in Joy Wisdom International Limited and the face value of the loans outstanding as at the completion of such transaction made by or on behalf of the vendor to Joy Wisdom International Limited, each at a consideration (subject to adjustments pursuant to the terms of the acquisition agreement) of HK$1,200 million. The agreement constitutes a very substantial acquisition of the Company, details of which were disclosed in the Company's announcement dated 12 January 2008 and the circular dated 20 March 2008. Resolution in relation to the very substantial acquisition was duly passed by the shareholders at the special general meeting on 7 April 2008.

The Directors consider that the very substantial acquisition represents an opportunity for the Group to diversify into the prosperous coal and coal-related ancillary business and broaden its revenue base in view of slacking demand for household products while competition was fierce that results in intense pressure on profit margins.

PROSPECT

The Group will focus on the development of the coal-related ancillary business while the Group will continue to operate its business of design, manufacture and sale of household and other consumer products and China trade to maintain stable income stream to the Group. The directors believe that the Group will be able to widen its source of income by diversifying its business into energy related business and improving the Group's profitability by broadening its business scope.

The Group will also consider further asset disposal, asset acquisition, fixed assets redeployment, business rationalization, business divestment and or business diversification that will be appropriated to enhance the long term growth potential of the Group.

.

MANAGEMENT DISCUSSION AND ANALYSIS

Geographical Market

The Group's turnover in the year ended 31st December, 2007 decreased by 10.37% to approximately HK$640,635,000 compared to the corresponding period in 2006 of approximately HK$714,713,000. The dominant markets in Europe constituted 56.68% of the turnover amounting to approximately HK$363,141,000 (2006: 56.53% amounting to HK$404,057,000). North American sales, as a percentage of turnover increased by 1.77% to 34.38% amounting to approximately HK$220,249,000 (2006: 32.61% amounting to HK$233,107,000). South American sales slightly increased to 0.64% amounting to approximately HK$4,143,000 (2006: 0.53% amounting to HK$3,811,000). Sales in other markets decreased to the amount of approximately HK$31,389,000 (2006: HK$36,819,000). Product sales in the Hong Kong market constituted 3.39% of the turnover amounting to approximately HK$21,713,000 (2006: 5.17% amounting to HK$36,937,000).

Gross Profit

The Group's gross profit margin was 3.86% (2006: 9.69%), a decrease of 583 basis points from 2006. Management continues to work on margin improvement, mainly by offering meaningfully differentiated and high value-added products and reducing cost of goods through better sources and cost control.

Product Categories

Sales of the major products out of the Group's turnover in 2007 were 25.60% for paper products (2006: 25.65%), 32.66% for wooden products (2006: 31.93%) and 41.74% for household items, home textiles products and tablemats (2006: 42.42%).

Finance Costs

Interest expenses decreased by 24.58% to approximately HK$4,369,000 in 2007 (2006: HK$5,793,000) as a result of decreasing bank borrowings during the year.

Charges over assets

Save for a bank deposit of approximately HK$2.9 million (2006: HK$2.8 million), no other property, plant and equipment with any carrying value is pledged to banks to secure banking facilities granted to subsidiaries.

Exposure to fluctuations in exchange rates and related hedges

All transactions of the Group are denominated in Hong Kong dollars, United States dollars and Renminbi. Transactions in foreign currency are translated at the rates prevailing on the dates of the transactions or at the contracted settlement rate. The exchange rates between these currencies were stable during the year under review, save in respect of the gradual appreciation of Renminbi against US dollars and Hong Kong dollars. No hedging for foreign exchange was used given the Group's exposure to currency fluctuation was still relatively limited.

Liquidity and financial resources

Net current assets and current ratio were approximately HK$88,770,000 and 1.53: 1 as at 31st December, 2006 and approximately HK$101,220,000 and 1.99:1 as at 31st December, 2007. The increase in net current assets is largely due to a decrease in bank borrowings and proceeds from disposal of properties. Raw material, work-in-progress and finished goods decreased by 34.16% to approximately HK$44,482,000 (2006: HK$67,563,000).

As at 31st December, 2007, the Group's bank balances and cash amounted to approximately HK$85,090,000 (2006: HK$81,424,000) and bank borrowings amounted to approximately HK$36,322,000 (2006: HK$70,029,000). Therefore, the calculation of net debt to equity ratio was not applicable because the Group had surplus cash of approximately HK$48,768,000 over bank borrowings (2006: HK$11,395,000).

The gearing ratio (defined as total liabilities over the total assets) of the Group as at 31st December 2007 was approximately 37.09% (2006: 43.59%)

The Group generally finances its business with internally generated cash flows and revolving credit facilities provided by the Group's principal bankers. With net current assets of approximately HK$101,220,000, the management believes that the Group has sufficient financial resources to discharge its debts and to finance its daily operations and capital expenditure.

EMPLOYEES AND REMUNERATION

The approximate number of employees of the Group as at 31st December, 2007 and 31st December, 2006 were 2,700 and 4,500 respectively with a seasonal high figure of more than 3,600 during the third quarter of 2007. Fewer than 100 staff are stationed in Hong Kong and the rest are PRC workers.

Employees are remunerated according to the nature of the job and market trends, with a built-in merit component incorporated in the annual increment and a year-end performance bonus to reward and motivate individual performance. There was no share option granted to any employee during the year.

AUDIT COMMITTEE

The Audit Committee is composed of three independent non-executive directors. It has reviewed with management the accounting policies and practice adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the consolidated financial statements of the Group and the auditors' report for the year ended 31st December, 2007.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31st December, 2007 with the Code on Corporate Governance Practices 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") except for the following deviations.

Under CG Code provision A.4.1, non-executive directors should be appointed for a specific term. The non-executive directors of the Company are not appointed for a specific term. The Board considers that non-compliance with Code A.4.1 is acceptable since she was subject to retirement by rotation under the requirements of the Bye-Laws of the Company and the CG Code.

Under CG Code provision A.4.2, every director should be subject to retirement by rotation at least once every three years. Bye-law 99 (as amended by Bye-law 182(vi)) of the Company's Bye-laws provides that one-third of the directors (other than Chairman or Managing Director) for the time being shall retire from office and shall be eligible for re-election at each annual general meeting. The Board considers that with nine directors and one-third of them being subject to retirement at every annual general meeting, all of them (apart from the Chairman or Managing Director) should be retired by rotation at least once every three years. In relation to the provision in the Bye-law that the Chairman or Managing Director shall not be subject to retirement by rotation, the Board considers that deviation from Code A.4.2 of the CG Code is acceptable due to the fact that Mr. Lam Po Kwai, Frankie, the Chairman of the Board is the founder of the Group and is eligible to remain in such offices during his lifetime and does not need to be subject to retirement by rotation.

Further information on the Company's corporate governance practices is set out in the corporate governance report contained in the Company's annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of listed companies contained in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transaction by the directors of the Company (the "Code"). Having made specific enquiry of the directors of the Company, all directors confirmed that they had complied with the required standard as set out in the Model Code during the year ended 31st December, 2007.

PURCHASE, SALE OR REDEMPTION OF OWN LISTED SECURITIES

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

ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders will be convened to be held at 10:00 a.m. on Friday, 23rd May, 2008, at the Board Room, 1st Floor, The Aberdeen Marina Club, 8 Shum Wan Road, Aberdeen, Hong Kong. The directors have indicated that they will support all the resolutions to be proposed at the forthcoming Annual General Meeting.

A circular containing a notice convening the Annual General Meeting to approve, inter alia, the share repurchase mandate, the share issue mandate and the re-election of directors will be sent to the shareholders of the Company as soon as practicable.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on our website at http://www.frankiedominion.com and the website of the Stock Exchange. The 2007 Annual Report will be dispatched to shareholders of the Company as soon as practicable and will be available at our website at the same time.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company are Mr. Lam Po Kwai, Frankie, Ms. Wong Yau Ching, Maria, Ms. So Man Yee, Katherine, Mr. Chim Kim Lun, Ricky and Mr. Cheng Kwok Hing, Andy; the non-executive director of the Company is Ms. Lee Yuen Bing, Nina and the independent non-executive directors of the Company are Mr. Au Son Yiu, Mr. Lee Johnson and Dr. Tang Tin Sek.

By Order of the Board
Lam Po Kwai, Frankie
Chairman

Hong Kong, 15th April, 2008