eFORCE HOLDINGS LIMITED
意科控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 0943)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors ("Directors") of eForce Holdings Limited (the "Company") herein announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2007

	Note	**2007** *HK$'000*	2006 *HK$'000*
Turnover	*3*	**159,657**	174,277
Cost of sales		**(125,540)**	(136,947)
Gross profit		**34,117**	37,330
Other income	*4*	**9,405**	3,962
Distribution costs		**(4,593)**	(6,676)
Administrative expenses		**(42,989)**	(42,764)
Other operating expenses		—	(2,109)
Loss from operations		**(4,060)**	(10,257)
Finance costs	*7*	**(1,081)**	(1,723)
Loss before tax		**(5,141)**	(11,980)
Income tax expense	*8*	**(358)**	—
Loss for the year attributable to equity holders of the Company	*6*	**(5,499)**	(11,980)
		HK cents	*HK cents*
Loss per share	*9*		
Basic		**0.2**	0.6
Diluted		**N/A**	N/A

* *for identification purposes only*

CONSOLIDATED BALANCE SHEET
At 31 December 2007

	Note	**2007** **HK$'000**	2006 HK$'000
Non-current assets			
Property, plant and equipment		**24,289**	25,220
Investments in associates		—	—
Other non-current assets		—	—
		24,289	25,220
Current assets			
Inventories		**18,715**	12,407
Trade and other receivables	*10*	**17,644**	25,963
Pledged bank deposits		**1,500**	1,556
Bank and cash balances		**104,203**	6,001
		142,062	45,927
Current liabilities			
Trade and other payables	*11*	**(62,228)**	(75,446)
Borrowings		**(4,073)**	(5,443)
Unsecured other loans		**(6,500)**	(6,500)
Current tax liabilities		**(4,489)**	(4,361)
		(77,290)	(91,750)
Net current assets/(liabilities)		**64,772**	(45,823)
Total assets less current liabilities		**89,061**	(20,603)
Non-current liabilities			
Borrowings		**(4,161)**	(5,463)
NET ASSETS/(LIABILITIES)		**84,900**	(26,066)
Capital and reserves			
Share capital		**132,896**	114,891
Reserves		**(47,996)**	(140,957)
TOTAL EQUITY/(CAPITAL DEFICIENCY)		**84,900**	(26,066)

Notes:

1. **Basis of preparation**

The preliminary announcement of the Group's results for the year ended 31 December 2007 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

The financial information in this announcement has been prepared under the historical cost convention, as modified by the revaluation of land and buildings which are carried at their fair values.

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

2. **Adoption of new and revised HKFRSs**

In the current year, the Group has adopted all the new and revised HKFRSs that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective and has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. **Turnover**

The Group's turnover represents the aggregate of sales value of goods supplied to customers less goods returned, trade discounts and sales tax. The amount of revenue recognised in turnover during the year represents manufacture and sale of healthcare and household products.

4. Other income

	2007	2006
	HK$'000	*HK$'000*
Income from moulds sales, net	**269**	837
Income from scrap sales	**2,623**	629
Interest income	**1,566**	83
Net foreign exchange gain	**3,893**	1,864
Net gain on disposal of property, plant and equipment	**539**	113
Rental income	**21**	19
Reversal of bad debt allowance	**—**	24
Others	**494**	393
	9,405	3,962

5. Segmental information

(a) *Primary reporting format — business segments*

The Group has been operating in a single business segment, that is the manufacture and sale of healthcare and household products.

(b) *Secondary reporting format — geographical segments*

The Group's business is managed on a worldwide basis, but participates in four principal economic environments.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	North America		Europe		The PRC		Hong Kong and others		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Sales to external customers	**54,466**	85,865	**58,864**	59,059	**12,930**	—	**33,397**	29,353	**159,657**	174,277
Segment assets	**—**	—	**—**	—	**51,850**	39,945	**114,501**	31,202	**166,351**	71,147
Capital expenditure incurred during the year	**—**	—	**—**	—	**4,262**	4,988	**90**	265	**4,352**	5,253

6. Loss for the year

The Group's loss for the year is stated after charging/(crediting) the following:

	2007	2006
	HK$'000	*HK$'000*
Depreciation	**5,468**	5,033
Loss on disposal of available-for-sale financial assets	**—**	2,110
Operating lease charges in respect of land and buildings	**4,941**	2,697
Research and development costs *	**2,934**	2,923
Auditor's remuneration	**640**	600
Cost of inventories sold #	**125,540**	136,947
Allowance for trade receivables	**565**	—
Reversal of allowance for inventories (included in cost of inventories sold)	**(1,500)**	—
Written off of property, plant and equipment	**9**	1
Staff costs including directors' remuneration		
Salaries, bonus and allowances	**40,772**	40,792
Retirement benefit scheme contributions	**380**	471
	41,152	41,263

* Research and development costs include staff costs of approximately HK$2,585,000 (2006: HK$2,416,000) which are included in the amount disclosed separately above.

\# Cost of inventories sold includes staff costs and depreciation of approximately HK$23,459,000 (2006: HK$22,039,000), which are included in the amounts disclosed separately above.

7. Finance costs

	2007	2006
	HK$'000	*HK$'000*
Interest on bank loans and bills payables	**778**	814
Interest on other loans wholly repayable within five years	**303**	909
	1,081	1,723

8. Income tax expense

(a) Taxation included in consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current tax – PRC Enterprise income tax	**358**	—

No provision for Hong Kong Profits Tax has been made for the year as the Group did not generate any assessable profits arising in Hong Kong.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Pursuant to relevant laws and regulations in the PRC, the subsidiary in the PRC is exempted from PRC enterprise income tax for the two years from its first profit-making year and thereafter are entitled to a 50% relief from PRC enterprise income tax for the following three years. The subsidiary in the PRC was in its second profit-making year for the financial year ended 31 December 2006 and were therefore entitled to a 50% relief from PRC enterprise income tax for the financial year ended 31 December 2007.

(b) The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2007	2006
	HK\$'000	*HK\$'000*
Loss before tax	**(5,141)**	(11,980)
Tax at the domestic income tax rate of 17.5% (2006: 17.5%)	**(900)**	(2,097)
Tax effect of income that is not taxable	**(809)**	(423)
Tax effect of expenses that are not deductible	**3,702**	2,872
Tax effect of temporary differences not recognised	**280**	34
Tax effect of tax losses not recognised	**292**	554
Tax effect of utilisation of tax losses not previously recognised	**(1,769)**	(560)
Effect of different tax rates of subsidiaries	**(145)**	313
Tax effect of PRC tax holiday	**(293)**	(693)
Income tax expense	**358**	—

The new PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007 introduces various changes which include the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law will be effective from 1 January 2008. The impact of the new tax law on the Group's consolidated financial statements is immaterial.

9. Loss per share

(a) Basic loss per share

The calculation of basic loss (2006: loss) per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of approximately HK$5,499,000 (2006: HK$11,980,000) and the weighted average number of ordinary shares of 2,484,243,775 (2006: 2,095,635,008) in issue during the year.

(b) Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary sharing during the two years ended 31 December 2007.

10. Trade and other receivables

Included in trade and other receivables are trade debtors and bill receivables with the following aging analysis:

	2007	2006
	HK$'000	*HK$'000*
0 to 30 days	**8,539**	13,413
31 to 90 days	**4,087**	6,731
91 days to 180 days	**689**	922
181 days to 365 days	**1**	—
Over 365 days	**155**	172
	13,471	21,238

Trade debts are due within 30 days from the date of billing.

Trade and bills receivables of HK$5,901,000 (2006: HK$3,574,000) are assigned to a bank to secure banking facilities.

11. Trade and other payables

Included in trade and other payables are trade creditors with the following aging analysis:

	2007	2006
	HK$'000	*HK$'000*
Due within 1 month or on demand	**8,020**	12,217
Due after 1 month but within 3 months	**12,677**	5,837
Due after 3 months but within 6 months	**3,469**	1,285
Due after 6 months	**2,729**	1,565
	26,895	20,904

FINAL DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2007 (2006: HK$Nil)

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The turnover was decreased by 8% to HK$160 million (2006: HK$174 million) due to severe competition and slow down in the North America market. Sales to North America market was decreased by 37% whereas sales to Asia market including Mainland China was increased by 58% due to new products sold to new customers.

Despite the appreciation of RMB and the increase in prices of key raw materials and labor cost in Mainland China, particularly in the Guangdong province, the gross margin was maintained at 21% (2006: 21%) as a result of launching new products with higher value added and management's continuing effort in production rationalization. Nevertheless, gross profit was decreased by HK$3 million or 8% to HK$34 million (2006: HK$37 million) as a result of lower turnover.

The loss for the year was reduced by 54% to HK$5.5 million (2006: HK$12 million). The decrease in loss was mainly the net effect of the increase in net exchange gain of HK$2 million (2007: HK$3.8 million, 2006: HK$1.8 million), the increase of interest income of HK$1.5 million (2007: HK$1.6 million, 2006: HK$0.1 million) and the decrease of loss on disposal of available-for-sale financial assets of HK$2 million (2007: Nil, 2006: HK$2 million).

In June 2007, the Company had issued a total of 360,000,000 ordinary shares of each HK$0.05 each to a subscriber at the subscription price of HK$0.33 per subscription share. The net proceeds of HK$118.6 million will be used for general working capital.

Outlook

The sub-prime mortgage crisis in the United States will inevitably have adverse effect to the North America consumer products market in the coming year and the management is already putting more efforts to marketing our products to the domestic market of Mainland China. In the beginning of 2008, we have started the production of oral health care products for a local brand name in Mainland China. By doing that, we hope we can offset the adverse effect of the sub-prime mortgage crisis as well as to ease the increasing pressures from the appreciating RMB.

Apart from the expansion into the domestic market of Mainland China, the management will continue to reinforce the key strength of our core business, primarily the design and manufacturing of oral health care products for OEM/ODM markets through products development and continuous rationalization. In addition, the management will commit to forge stronger relationship with new and existing customers and to strengthen our technology edge.

The Group's Liquidity and Financial Resources

At the balance sheet date, the Group had cash and bank deposits of HK$105.7 million (2006: HK$7.5 million) which included a pledged bank deposits of HK$1.5 million (2006: HK$1.6 million) and a foreign currency deposits of RMB2.7 million (2006: RMB1.6 million).

The Group's consolidated net borrowings decreased from last year's HK$17.4 million to HK$14.7 million. The Group's gearing ratio, which is expressed as a percentage of the Group's net borrowings over total assets value of HK$166 million as at 31 December 2007 (2006: HK$71 million), has decreased from 25% to 9%. The increase in the Group's total assets value is mainly the effect of the increase in issued capital of HK$18 million and share premium account of HK$101 million after the placement of 360,000,000 shares in June 2007.

The amount of borrowings and unsecured other loans due within one year at the balance sheet date amounted to HK$10,573,000 (2006: HK$11,943,000). The secured loans are secured over the Group's leasehold land and buildings held for own use situated outside Hong Kong with a carrying amount of approximately HK$16 million (2006: HK$16 million), fixed deposit approximately HK$1.5 million (2006: HK$1.6 million), the Company's guarantee and certain trade receivables of a subsidiary.

Despite that the Group sustained recurrent losses, the directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements.

Exposure to Fluctuation in Exchange Rates, Interest Rates and Related Hedges

To manage the risk associated with an uncertain market environment, the Group pursues a funding strategy, using equity as far as possible to finance long-term investments.

The Group's borrowings and cash and cash equivalents are primarily denominated in Hong Kong dollars, Renminbi ("RMB") and US dollars. The Group does not hedged against foreign exchange risk associated with the US dollar, as the managements believe that the Hong Kong dollar will remain pegged to the US dollar in the foreseeable future. The management will monitor closely to ensure measures are taken against any adverse impacts on the exchange risk associated with the appreciating RMB.

The interest rates profile of the Group's borrowings comprises a mixture of fixed and floating rates. The Group does not hedged against interest rates risks as the management does not expect the impact of any fluctuation in interest rates to be material to the Group.

Material Acquisitions and Disposal of Subsidiaries

The Group had neither any material acquisition nor disposal in 2007.

Material Contingent Liabilities

The Group is not aware of any material contingent liabilities as at 31 December 2007.

Employees and Remuneration Policy

At the balance sheet date, the Group employed 28 staffs (2006: 29) in Hong Kong and approximately 1,160 employees (2006: 1,300) in Mainland China. Employee remuneration are given and reviewed based on market norms, individual performance and experience. Awards and bonuses are considered based on the Group's business results and employees' individual merit.

The Group had also granted share options to certain employees of the Group on 10 July 2000, entitling them to subscribe for shares of the Company. These options are exercisable in stages commencing twelve months from the grant date. The lapse date of the options is on 9 July 2010. During the year under review, 100,000 share options were exercised.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the period from Wednesday, 18 June 2008 to Friday, 20 June 2008, both days inclusive. For the purpose of ascertaining the members' entitlement to attend the forthcoming annual general meeting of the Company, all share transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 17 June 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

NON-COMPLIANCE WITH THE LISTING RULES 3.10(1) AND 3.21

Rules 3.10(1) and 3.21 of the Listing Rules require every listed company must appoint at least three independent non-executive directors (the "INED(s)") and the audit committee of the Company must comprises at least three INEDs. After the resignation of Mr. Chow Siu Ngor and Mr. Ting Leung Hue Stephen as INEDs and the appointment of Mr. Yeung King Wah ("Mr. Leung") as an INED on 3 July 2007, the Company had only two INEDs and had not complied with both Listing Rules 3.10(1) and 3.2. until the appointment of Mr. Lau Kam Ying ("Mr. Lau") as an INED on 5 October 2007.

CORPORATE GOVERNANCE

Save as disclosed above, the Company has complied with all requirements set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules, except for Code Provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term, subject to re-election. There is no service contract between the Company and Mr. Lam Bing Kwan ("Mr. Lam") whom is not appointed for a specific term but is subject to retirement by rotation at the annual general meeting in accordance with the Bye-laws of the Company. His appointment will be reviewed when he is due for re-election and the Company is of the view that this meets the same objectives of the said code provision. Further information on the Company's corporate governance practices is set out in the "Corporate Governance Report" contained in the annual report for 2007.

REVIEW BY AUDIT COMMITTEE

The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management its internal controls and financial reporting matters. The audit committee has reviewed the audited financial statements of the Group for the year ended 31 December 2007.

DISCLOSURE OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The annual report for the year ended 31 December 2007, containing all the information required by Appendix 16 to the Listing Rules, will be dispatched to shareholders of the Company and published on the Stock Exchange's website in due course.

By Order of the Board
Leung Chung Shan
Chairman and Executive Director

Hong Kong, 18 April 2008

At the date of this announcement, the Board comprises Mr. Leung Chung Shan and Mr. Tam Lup Wai, Franky being Executive Directors and Mr. Lam Bing Kwan, Mr. Yeung King Wah and Mr. Lau Kam Ying being Independent Non-Executive Directors.