COSMOPOLITAN
INTERNATIONAL HOLDINGS LTD
四海國際集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 120)

ANNOUNCEMENT OF THE GROUP RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

FINANCIAL HIGHLIGHTS

	Year 2008	Year 2007	% Change
	HK$' M	*HK$' M*	
Turnover	**133.2**	17.3	+670%
Gross profit	**12.6**	7.4	+70%
Profit for the year	**76.8**	6.2	+1139%
Total assets	**778.8**	263.6	+195%
Net assets	**359.3**	193.2	+86%
Basic earnings per share	**HK4.47 cents**	HK0.94 cents	+376%

FINANCIAL AND BUSINESS REVIEW

FINANCIAL REVIEW

Cosmopolitan International Holdings Limited (the "Company") together with its subsidiaries (the "Group") achieved a consolidated profit of HK$76,805,000 for the year ended 31 March 2008, as compared with the comparative amount of HK$6,196,000 recorded last year. The consolidated profit for the year under review was attributed mainly to the following factors: -

(i) Satisfactory profits realised on securities trading.

(ii) Net increase in fair value of financial instruments marked to market closing prices as at 31 March 2008 amounting to HK$117,937,000.

(iii) Other income increased to HK$13,490,000 as compared to HK$1,500,000 last year.

The increase in fair value of financial instruments in item (ii) above includes the net increase in fair value of certain placement rights as at 31 March 2008 as compared with their fair value as at 31 March 2007, due to the rise in the market price of the Company's shares, both as valued by an independent professional appraiser. The placement rights relate to the two-year zero coupon convertible bonds due 2009 ("Convertible Bonds due 2009") in the principal amount of HK$56 million issued on 2 March 2007. The expiry date of the exercising period of the placement rights was extended for six months from 2 March 2008 to 2 September 2008. For further details of the Convertible Bonds due 2009, the relating placement rights and the extension of expiry date, please refer to the Company's announcements dated 10 January 2007 and 13 March 2008 respectively.

BUSINESS REVIEW

GENERAL

The principal activities of the Group during the year under review continue to be investments in properties and securities. The Company has been adopting a strategy of expanding the Group's investment portfolios in properties, property developments and securities investments. Following a review of the prospect of the Group's business in information technology, the Group has suspended the business activities in this sector.

In April 2007, the Group completed the issue of zero coupon convertible bonds totaling HK$205 million with maturity date on 10 April 2010 ("Convertible Bonds due 2010"). The Convertible Bonds due 2010 entitle the holders to convert into the ordinary shares of the Company at the initial conversion price of HK$0.205 per ordinary share. During October 2007, certain holders of the Convertible Bonds due 2010 had converted the Convertible Bonds due 2010 in an aggregate principal amount of HK$61,500,000 into 300,000,000 new ordinary shares at the initial conversion price of HK$0.205 per ordinary share. Immediately after such conversion, the issued ordinary share capital of the Company was increased to HK$1,896,300 comprising 1,896,300,000 ordinary shares of HK$0.001 each. The outstanding principal amount of the Convertible Bonds due 2010 after such conversion was reduced to HK$143,500,000.

The Group completed in January 2008 (i) the issue of zero coupon convertible bonds due 2013 ("Convertible Bonds due 2013") in an aggregate principal amount of HK$200,000,000 and (ii) the grant of options to further subscribe for not more than HK$200,000,000 principal amount of the Convertible Bonds due 2013 on the same terms. The Convertible Bonds due 2013 entitle the holders to convert into ordinary shares of the Company at the initial conversion price of HK$0.60 per ordinary share. Please refer to the Company's announcement dated 7 December 2007 for further details and terms of such bond issue.

The issues of the convertible bonds above have provided funding for the Group's business expansion and will broaden the capital base of the Company.

The cash position of the Group continues to be strong. While the Group is actively reviewing various investment opportunities, especially in the People's Republic of China (the "PRC"), it has already committed and entered into two acquisition agreements in two PRC projects, namely "Chengdu Project" and "Xinjiang Project". It is the Group's intention that the investments in the securities, properties and property development in the PRC and Hong Kong will continue to be the main focus of the Group in the medium to long term.

The turnover of the Group for the year under review was HK$133,169,000 which was 6.7 times more than that of previous year. The increment was mainly attributed to the increase in securities trading activities during the year.

Administrative expenses of the Group showed a reduction of HK$945,000 from last year. Due to the expansion in investment and corporate activities of the Group, a large portion of the administrative expenses was incurred on professional and compliance expenses. The financial costs of HK$17,245,000 this year were mainly the issuance costs and the effective interest expense relating to the convertible bonds issued during the year under review. The increase in impairment loss recognised for the year was due to a write-off of goodwill of HK$11,608,000 relating to the information technology business which has been suspended during the year.

PROPERTY INVESTMENT

During the year, the Group has embarked on a number of property development projects in the PRC.

Chengdu Project

The Group entered into an agreement dated 14 November 2007 to acquire 50% interest in Faith Crown Group which, through a wholly owned subsidiary incorporated in the PRC, undertakes on the development project in Chengdu. The land of the project, acquired at a public auction at a price of HK$223,785,450 (RMB213,129,000), was located in Xindu District, Chengdu City, Sichuan Province, the PRC, and has an area of approximately 168 acres and is proposed to be developed for hotel, commercial, office and residential uses with a total gross floor area of approximately 500,000 square meters. The acquisition of the 50% interest in Faith Crown Group was completed in February 2008. Funding commitment of the Group (as a 50% joint venture partner) to this project was provided to be not more than HK$250,000,000 under the relevant shareholders' agreement. Faith Crown Group entered into an agreement with the relevant government authority in the PRC in respect of the acquisition of the land use rights of the land in June 2008 and settled the land consideration in full in July 2008. Please refer to the Company's announcement dated 14 November 2007 for further details of the acquisition.

Xinjiang Project

The Group entered into an agreement dated 26 November 2007 to acquire 60% interest in Advanced Industry Limited ("AIL") which, through a wholly owned PRC incorporated company, is involved in re-forestation and landscape project in Urumqi City, Xinjiang Province, the PRC. In return for the ecological improvement works performed, the PRC company will be granted land use rights for 30% of the land involved for development use, free of any payment of land premium. Assuming full and successful completion of the project, the total construction site area acquired under the 'swap' scheme of ecological improvement for land use rights would be expected to be not less than 8,000 acres. Following re-negotiation and modification of the initially agreed terms, the agreement for the acquisition of 60% interest in AIL was finally completed on 19 May 2008. Please refer to the Company's announcements dated 7 December 2007, 29 February 2008 and 21 May 2008 for further details.

Shanxi Project

On 16 May 2008, the Group announced that it had entered into a Letter of Intent with Shanxi Broadcasting and Culture Industry Development Limited Company on a joint development of a cultural-themed multi-use real estate development project located in the Jinyang Lake area, Taiyuan City, Shanxi Province, the PRC, entailing a total construction site area of approximately 8,000 acres and total gross floor area of approximately 5 million square meters. Please refer to the Company's announcement dated 16 May 2008 for further details. The Group is presently negotiating on the definitive agreement in the development of the above project.

Other Projects

In order to concentrate more resources in the above-mentioned projects, the Group has suspended the negotiations on the other two property development projects at Caozhong District and Qi Pan Shan District respectively in Shenyang City, Liaoning Province, the PRC, which were mentioned in our interim report 2007.

With a view to enhancing the value and marketability of the investment property of Rainbow Lodge, involving 10 duplex apartment units plus 14 carparks in Yuen Long, New Territories, the management is in the process of assessing the merits of renovating and redecorating such duplex apartments and improving the surrounding landscaping of the compound for sale purposes.

SECURITIES AND OTHER INVESTMENTS

The Group continues to maintain an active investment portfolio of listed and unlisted securities. Total financial assets at fair value stood at HK$268,704,000 as at 31 March 2008 in comparison with HK$126,534,000 as at 31 March 2007. Part of the increase was due to the increase in fair value of HK$142,309,000 relating to the placement rights of the Convertible Bonds due 2009 as mentioned above, which had a fair value balance of HK$185,000,000 as at 31 March 2008, as valued by the independent professional appraiser.

As at the date of this announcement, the placement rights of the Convertible Bonds due 2009 have not been exercised. Should the Group not be successful in procuring investors for such bonds covered under the placement rights before the extended expiry date, the carrying value of the placement rights at that time will be required to be written off by the Group, and a substantial loss might thereby be incurred and reflected in the coming financial year. In this regard, the Group is still actively reviewing various options for the possible placement of such bonds.

INFORMATION TECHNOLOGY

Management has reviewed the prospect of the information technology business in which the Group was engaged in and, having considered the loss incurred over the past years and the present focus of the Group's investment strategy, has taken steps to suspend such business activities.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCING

Current assets and current liabilities of the Group as at 31 March 2008 were HK$618,836,000 and HK$130,607,000 respectively (31 March 2007: HK$164,565,000 and HK$18,374,000 respectively). Cash and bank balances stood at HK$304,513,000 as at 31 March 2008 in comparison with HK$36,349,000 as at 31 March 2007.

The Group's gearing ratio as at 31 March 2008 based on the net borrowings (represented by convertible bond borrowings net of cash and bank balances) as a percentage of the net assets after deducting goodwill and minority interests was 11% (31 March 2007: 9%).

CAPITAL STRUCTURE

The ordinary shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As a result of the conversion of certain Convertible Bonds due 2010 into 300,000,000 new ordinary shares of the Company during the year, the total number of outstanding issued and fully paid shares of the Company as at 31 March 2008 was 1,896,300,000 ordinary shares.

REMUNERATION POLICY

The Group has 8 full time employees (including executive directors) working in Hong Kong and the PRC. Management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Group's operations to be compatible with market norm.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed annually based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include a mandatory provident fund scheme as well as medical insurance.

LITIGATIONS

A summons dated 18th October 2007 issued in the Supreme Court of the State of New York, County of New York, U.S.A. has been sent to Cosmopolitan Properties and Securities Limited ("CPSL"), a wholly owned subsidiary of the Company, requiring CPSL to answer a complaint lodged by Eric Edward Hotung, C.B.E. ("Eric Hotung") in which CPSL was named as a joint defendant with Sean Eric Mclean Hotung ("Sean Hotung") and Gabrielle Hotung-Davidsen, which related to two properties in the Osborne apartment block in New York that are currently registered in the name of CPSL holding in trust for Eric Hotung. CPSL has filed defence against the said complaint and denied allegation of any wrongdoings therein in its capacity as a trustee and is prepared and willing to abide by the Order of the Supreme Court of the State of New York with respect to the declaratory relief sought by the plaintiff relating to the two properties under the aforesaid litigation. In conjunction with this litigation, there were unrelated cross-claims filed by Sean Hotung, a defendant in this litigation, against CPSL and the Company (which is not a party to this litigation) for some specified amount of US$10.8 million and other claims on account and inquiry related to certain events alleged to have occurred in Hong Kong many years ago. The Company has sought initial legal advice and considers that such cross-claims were not supported by valid legal grounds. On 17 July 2008, the Supreme Court of the State of New York had also ruled that Eric Hotung has the sole and unencumbered right to transfer ownership/title of the apartments in question. Having considered the legal advice obtained, the Company's management considers that the aforesaid litigations (including the cross-claims referred to above) should have no material adverse impact on the financial position of the Group.

PROSPECTS

The Hong Kong economy generally continues to perform relatively well despite the effect of the sub-prime credit crisis as well as worldwide threat of inflation and high crude oil prices all affecting the global economies. The Group remains optimistic of the property development projects that are being undertaken in the PRC and intends to commit the necessary funding and resources to those projects. The Group at the same time is actively reviewing other potential investment and development projects in the PRC with a view to expanding the Group's property development and investment portfolio. Management believes that these projects will generate more asset growth and profitability to enhance the future prospect of the Group.

We are confident that with the resources available at present, the Group will be able to meet the challenges and create more value to the shareholders.

DIVIDENDS

The Board of Directors has resolved not to recommend the payment of a final dividend for the year ended 31 March 2008 (2007: Nil).

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	**2008**	2007
		HK$'000	*HK$'000*
Turnover	2	**133,169**	17,294
Direct cost		**(120,564)**	(9,875)
Gross profit		**12,605**	7,419
Other income	4	**13,490**	1,500
Excess of net assets acquired over cost of investment		**—**	2,190
Distribution expenses		**—**	(238)
Administration expenses		**(13,961)**	(14,906)
Impairment loss recognised in respect of goodwill		**(11,608)**	(238)
Changes in fair value of financial instruments, net		**117,937**	10,949
Share of profit of an associate		**—**	537
Share of results of jointly controlled entities		**(2,148)**	—
Finance costs	5	**(17,245)**	(1,017)
Profit before taxation	6	**99,070**	6,196
Income tax expense	7	**(22,265)**	—
Profit for the year		**76,805**	6,196
Attributable to:			
Equity holders of the Company		**77,048**	7,108
Minority interests		**(243)**	(912)
		76,805	6,196
Earnings per share	8		
– Basic		**4.47HKcents**	0.94HKcents
– Diluted		**2.79HKcents**	0.48HKcents

CONSOLIDATED BALANCE SHEET
As at 31 March 2008

	2008	2007
	HK$'000	*HK$'000*
Non-current assets		
Property and equipment	**574**	1,030
Investment properties	**75,000**	72,000
Goodwill	**—**	11,608
Available-for-sale investments	**—**	14,000
Club membership	**360**	360
Interests in jointly controlled entities	**84,069**	—
	160,003	98,998
Current assets		
Accounts receivable	**—**	1,040
Prepayments, deposits and other receivables	**5,568**	642
Held-for-trading investments	**55,630**	83,843
Derivative financial assets	**213,074**	42,691
Available-for-sale investments	**40,051**	—
Cash and bank balances	**304,513**	36,349
	618,836	164,565
Current liabilities		
Accounts payable	**1,444**	681
Accrued liabilities and other payables	**2,812**	14,377
Derivative financial liabilities	**45,000**	—
Income tax payable	**22,265**	—
Amounts due to minority shareholders	**3,378**	3,316
Convertible bonds	**55,708**	—
	130,607	18,374
Net current assets	**488,229**	146,191
Total assets less current liabilities	**648,232**	245,189
Non-current liability		
Convertible bonds	**288,953**	52,035
	359,279	193,154
Capital and reserves		
Share capital	**1,896**	1,596
Reserves	**356,564**	190,496
Equity attributable to equity holders of the Company	**358,460**	192,092
Minority interests	**819**	1,062
	359,279	193,154

NOTES:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), that are effective for the Group's financial year beginning on 1 April 2007.

Hong Kong Accounting Standard ("HKAS") 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Interpretation ("Int") 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective as at 31 March 2008. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
Amendments to HKAS 32 and HKAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Share-based Payments – Vesting Conditions and Cancellation[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 12	Service Concession Arrangements[3]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[4]
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009.

[2] Effective for annual periods beginning on or after 1 July 2009.

[3] Effective for annual periods beginning on or after 1 January 2008.

[4] Effective for annual periods beginning on or after 1 July 2008.

2. TURNOVER

Turnover represents revenue arising on securities trading, and providing information technology services for the years. An analysis of the Group's turnover for the years is as follows:

	2008	2007
	HK$'000	*HK$'000*
Securities trading	**133,100**	13,951
Service income from providing information technology	**69**	3,343
	133,169	17,294

3. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

(a) Securities trading - invest in listed and unlisted securities;

(b) Property investment and development - invest in properties for their rental income potential and property development; and

(c) Information technology - provide information technology service.

Segment information about these businesses is presented below.

For the year ended 31 March	Securities trading 2008 HK$'000	Securities trading 2007 HK$'000	Property investment and development 2008 HK$'000	Property investment and development 2007 HK$'000	Information Technology 2008 HK$'000	Information Technology 2007 HK$'000	Consolidated 2008 HK$'000	Consolidated 2007 HK$'000
Segment turnover	**133,100**	13,951	**—**	—	**69**	3,343	**133,169**	17,294
Segment results	**(9,584)**	30,356	**3,000**	—	**(2,858)**	(1,789)	**(9,442)**	28,567
Unallocated corporate income							**7,711**	1,500
Excess of net assets acquired over cost of investment	**—**	—	**—**	2,190	**—**	—	**—**	2,190
Unallocated corporate expenses							**(10,507)**	(10,421)
Change in fair value of derivative financial instruments							**142,309**	(14,922)
Impairment loss recognised in respect of goodwill	**—**	—	**—**	—	**(11,608)**	(238)	**(11,608)**	(238)
Finance costs							**(17,245)**	(1,017)
Share of result of jointly controlled entities	**—**	—	**(2,148)**	—	**—**	—	**(2,148)**	—
Share of result of an associate (note)	**—**	537	**—**	—	**—**	—	**—**	537
Profit before taxation							**99,070**	6,196
Income tax expense							**(22,265)**	—
Profit for the year							**76,805**	6,196

Note: The Group had disposed of the interest in an associate in the year ended 31 March 2007.

Consolidated balance sheet	Securities trading		Property investment and development		Information technology		Unallocated		Consolidated	
As at 31 March	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**124,115**	125,192	**75,000**	72,000	**746**	2,351	**—**	—	**199,861**	199,543
Interest in jointly controlled entities	**—**	—	**84,069**	—	**—**	—	**—**	—	**84,069**	—
Goodwill	**—**	—	**—**	—	**—**	11,608	**—**	—	**—**	11,608
Unallocated corporate assets	**—**	—	**—**	—	**—**	—	**494,909**	52,412	**494,909**	52,412
Total assets									**778,839**	263,563
Segment liabilities	**4,414**	12,573	**—**	—	**2,843**	1,649	**40,586**	—	**47,843**	14,222
Unallocated corporate liabilities	**—**	—	**—**	—	**—**	—	**371,717**	56,187	**371,717**	56,187
Total liabilities									**419,560**	70,409
Other segment information: For the year ended 31 March										
Depreciation	**—**	—	**—**	—	**484**	460	**51**	17	**535**	477
Capital expenditure	**—**	211	**—**	—	**6**	228	**22**	—	**28**	439
Allowance for bad and doubtful debts	**—**	—	**—**	—	**1,090**	—	**161**	—	**1,251**	—
Impairment loss recognised in respect of goodwill	**—**	—	**—**	—	**11,608**	238	**—**	—	**11,608**	238
Loss on disposal of property and equipment	**—**	—	**—**	—	**9**	—	**—**	—	**9**	—
Excess of net assets acquired over cost of investment	**—**	—	**—**	2,190	**—**	—	**—**	—	**—**	2,190
Change in fair value of derivative financial instrument, net	**(24,372)**	10,949	**—**	—	**—**	—	**142,309**	—	**117,937**	10,949

Geographical Segments

In determining the Group's geographical segments, turnover is attributed to the segments based on the location of the stock exchange and customers, and assets are attributed to the segments based on the location of the assets.

The following table presents certain turnover, assets and expenditure information for the geographical segments of the Group.

	Hong Kong ("HK")		The People's Republic of China ("PRC") (excluding HK)		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment turnover	**133,100**	13,951	**69**	3,343	**133,169**	17,294
Carrying amount of segment assets	**778,093**	261,212	**746**	2,351	**778,839**	263,563
Other segment information:						
Capital expenditure	**22**	211	**6**	228	**28**	439

4. OTHER INCOME

	2008	2007
	HK$'000	*HK$'000*
Interest income	**8,641**	1,257
Dividend income	**1,387**	—
Increase in fair value of investment properties	**3,000**	—
Exchange gain, net	**430**	—
Sundry income	**32**	243
	13,490	1,500

5. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on other borrowings repayable within five years	**316**	—
Convertible bonds issuance costs	**413**	683
Imputed interest expense on convertible bonds	**16,516**	334
	17,245	1,017

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:	**2008** **HK$'000**	2007 *HK$'000*
Staff costs (excluding directors' emoluments)		
Wages and salaries	**1,271**	1,164
Retirement benefits scheme contributions	**64**	40
	1,335	1,204
Auditors' remuneration		
– current year	**510**	358
– under-provision in previous years	**42**	—
Depreciation on property and equipment	**535**	477
Operating lease charges on rented premises	**805**	501
Loss on disposal of property and equipment	**9**	—
Allowance for bad and doubtful debts	**1,251**	—
Foreign exchange losses, net	**—**	48
Decrease in fair value of financial assets	**27,597**	14,922
Increase in fair value of financial liabilities	**6**	—
and after crediting:		
Write off of government lease regrant premium	**—**	38
Increase in fair value of financial assets	**142,540**	25,871
Decrease in fair value of financial liabilities	**3,000**	—

7. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 17.5% of the estimated assessable profit for the year ended 31 March 2008.

Hong Kong profits tax is calculated at 17.5% on the estimated assessable profit, however, Hong Kong profits tax has not been provided for the year ended 31 March 2007 as all group entities did not derive any assessable profit for the year.

Income tax expense arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No tax is payable for other jurisdictions as the subsidiaries did not derive any such assessable profits for both years.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

	2008	2007
	HK$'000	*HK$'000*
Profit before taxation	**99,070**	6,196
Tax at the Hong Kong profits tax rate of 17.5%	**17,337**	1,084
Tax effect of expenses not deductible for tax purpose	**9,500**	69
Tax effect of income not taxable for tax purpose	**(3,914)**	(5,332)
Utilised tax loss not recognised in prior years	**(2,612)**	—
Deferred tax asset in respect of tax losses not recognised	**1,954**	4,179
Income tax expense for the year	**22,265**	—

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2008	2007
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share (profit for the year attributable to equity holders of the Company)	**77,048**	7,108
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds (net of tax)	**14,351**	334
Earnings for the purpose of diluted earnings per share	**91,399**	7,442

	2008	2007
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,721,968**	756,142
Effect of dilutive potential ordinary shares: Convertible bonds	**1,549,041**	800,000
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	**3,271,009**	1,556,142

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options and certain convertible bonds as their exercise/conversion price are higher than the average market price of the ordinary shares of the Company for the year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

REVIEW OF RESULTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 March 2008, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

CORPORATE GOVERNANCE

Following the issue of the Code on Corporate Governance Practices (the "Code"), as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Company has carefully reviewed and considered the Code, and carried out a detailed analysis on the corporate governance practices of the Company against the requirement of the Code.

Throughout the financial year ended 31 March 2008, except for the requirement that (i) the role of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual and (ii) the Non-executive Directors and the Independent Non-executive Directors should be appointed for specific terms, the Company has complied with all code provisions. The deviation in item (i) above is due to the practical necessity and effective management on account of the Group's corporate operating structure.

Although the Non-executive Directors and the Independent Non-executive Directors of the Company were not appointed for specific terms, arrangements have been put in place such that all Directors would retire, and are subject to re-election, either in accordance with the articles of association of the Company or in a voluntary basis, at least once every three years.

The Company has received, from each of the Independent Non-executive Directors, a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all Independent Non-executive Directors to be independent.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as a code of conduct regarding securities transactions by Directors. Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year under review.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be convened and be held on 26 August 2008. The notice of the annual general meeting will be published on the websites of the Stock Exchange and the Company on www.hkex.com.hk and www.irasia.com/listco/hk/cosmopolitan respectively and will be sent to the shareholders of the Company, together with the Company's 2008 Annual Report, in due course.

DIRECTORS AND STAFF

Taking this opportunity, I would like to thank my fellow Directors on the Board for their contribution and advice and all the management and staff members for their efforts and dedication over the past year.

On behalf of the Board
Bong Shu Yin, Daniel
Chairman

Hong Kong, 25 July 2008

As at the date of this announcement, the Board comprises nine Directors, namely Messrs. Bong Shu Yin, Daniel (Chairman) and Cheng Sui Sang, who are the Executive Directors, and Messrs. Wang Baoning (Vice-Chairman), Bong Shu Ying, Francis, Ng Kwai Kai, Kenneth and Leung So Po, Kelvin who are the Non-executive Directors, and Mr. Li Ka Fai, David, Mr. Lee Choy Sang and Ms. Ka Kit, who are the Independent Non-executive Directors.

* *for identification purpose only*