STARLITE

STARLIGHT INTERNATIONAL HOLDINGS LIMITED

升岡國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 485)

FINANCIAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2008

FINANCIAL RESULTS

The Board of Directors (the "Directors" or "We") of Starlight International Holdings Limited (the "Company") is pleased to announce the financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2008 together with the comparative figures for 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For The Year Ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Turnover	2	**2,199,033**	2,434,241
Cost of sales		**(1,666,311)**	(1,951,018)
Gross profit		**532,722**	483,223
Other income		**22,194**	25,709
Distribution costs		**(295,479)**	(213,620)
Administrative expenses		**(168,461)**	(170,154)
Increase in fair value of investment properties		**27,531**	3,322
Increase in fair value of derivative financial instruments		**2,599**	3,576
(Decrease) increase in fair value of financial assets designated at fair value through profit or loss		**(2,167)**	1,120
(Decrease) increase in fair value of investments held for trading		**(7,976)**	1,949
Impairment loss recognised in respect of available-for-sale investments		**–**	(150)
Gain on deemed partial disposal of a subsidiary		**279**	10,194
Gain on disposal of a subsidiary		**–**	99
Finance costs		**(47,590)**	(26,975)
Share of profits of associates		**373**	1,613
Profit before taxation	3	**64,025**	119,906
Taxation	4	**(18,531)**	(9,715)
Profit for the year		**45,494**	110,191

* *For identification purposes only*

	Notes	**2008** **HK$'000**	2007 HK$'000
Attributable to:			
Shareholders of the Company		**45,914**	105,196
Minority interests		**(420)**	4,995
		45,494	110,191
Dividends recognised as distribution during the year			
– Interim dividend for 2008 of HK4.8 cents (2007: HK4.5 cents) per share		**37,938**	34,466
– Final dividend for 2007 of HK3.5 cents (2007: final dividend for 2006 of HK3 cents) per share		**27,677**	22,735
		65,615	57,201
Proposed final dividend of Nil (2007: HK3.5 cents) per share	5	**–**	27,677
		HK cents	*HK cents*
Earnings per share	6		
– Basic		**5.81**	13.8
– Diluted		**5.75**	13.5

CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	Note	2008 HK$'000	2007 HK$'000
Non-current assets			
Investment properties		**108,652**	81,121
Property, plant and equipment		**298,575**	305,842
Prepaid lease payments		**65,062**	4,136
Product development costs		**607**	954
Goodwill		**27,671**	25,494
Interest in associates		**8,573**	8,200
Available-for-sale investments		**24,052**	24,075
Deferred tax assets		**7,542**	1,263
Deposit for acquisition of land use rights		**–**	14,711
		540,734	465,796
Current assets			
Inventories		**543,606**	451,244
Debtors, deposits and prepayments	7	**269,025**	343,704
Prepaid lease payments		**1,386**	121
Amounts due from related parties		**–**	17,196
Amounts due from associates		**3,989**	3,989
Taxation recoverable		**9,852**	11,659
Investments held for trading		**20,381**	25,613
Derivative financial instruments		**120**	480
Financial assets designated at fair value through profit or loss		**8,149**	20,795
Bank balances and cash		**77,068**	92,401
		933,576	967,202

	Note	2008 *HK$'000*	2007 *HK$'000*
Current liabilities			
Creditors and accrued charges	8	**176,212**	273,829
Amount due to an associate		**2,809**	2,809
Derivative financial instruments		**518**	438
Taxation payable		**16,603**	4,752
Borrowings – amount due within one year		**430,160**	329,515
Bank overdrafts		**8,171**	1,722
		634,473	613,065
Net current assets		**299,103**	354,137
Total assets less current liabilities		**839,837**	819,933
Non-current liabilities			
Deferred tax liabilities		**5,171**	7,583
Borrowings – amount due after one year		**34,890**	–
		40,061	7,583
Net assets		**799,776**	812,350
Capital and reserves			
Share capital		**316,151**	315,043
Reserves		**465,588**	482,074
Equity attributable to shareholders of the Company		**781,739**	797,117
Share option reserve of a listed subsidiary		**253**	66
Minority interests		**17,784**	15,167
Total equity		**799,776**	812,350

NOTES:

1. 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 and revised Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs"), amendment, or Interpretations ("INTs") (hereinafter collectively referred to as the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for the Group's accounting periods beginning 1 April 2007. The adoption of the new HKFRSs has no material effect on how the results and financial position for the current or prior accounting years are prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) "Capital disclosures" and HKFRS 7 "Financial instruments: Disclosures" retrospectively. Certain information presented in prior year under the requirements of HKAS 32 "Financial instruments: Disclosure and presentation" has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1(Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operation 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.

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of HKFRS 3 (Revised) may affect the accounting treatment for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results or financial position of the Group.

2. SEGMENT INFORMATION

(a) Business segments

The Group is organised into two operating divisions, namely design, manufacture and sale of electronic products and securities trading. These divisions are the basis on which the Group reports its primary segment information. The Group has one more operating division, namely property development, in both years. However, the Group did not earn any turnover from this division and that the segment results, assets and liabilities of this division are insignificant. Accordingly, segment information in respect of the property development division is not presented. Such information included in note 6(a) of the Group's annual financial statements for the year ended 31 March 2007 in now considered as "unallocated" below.

(i) An analysis of the Group's turnover, which represents sale of goods, and results by business segments is as follows:

Year ended 31 March 2008	Design, manufacture and sale of electronic products HK$'000	Securities trading HK$'000	Consolidated HK$'000
TURNOVER	2,199,033	–	2,199,033
SEGMENT RESULTS	97,406	(6,110)	91,296
Interest income			4,342
Unallocated income			3,773
Unallocated expenses			(15,979)
Increase in fair value of investment properties			27,531
Gain on deemed partial disposal of a subsidiary			279
Finance costs			(47,590)
Share of profits of associates	373	–	373
Profit before taxation			64,025
Taxation			(18,531)
Profit for the year			45,494
OTHER INFORMATION			
Additions of property, plant and equipment	48,593	–	48,593
Amortisation of product development costs	347	–	347
Prepaid lease payments made	48,550	–	48,550
Gain on disposal of property, plant and equipment	10	–	10
Release of prepaid lease payments	1,070	–	1,070
Depreciation of property, plant and equipment	55,198	–	55,198
Allowance for doubtful debts	5,961	–	5,961
Net allowance for obsolete and slow-moving inventories	1,648	–	1,648

Year ended 31 March 2007	Design, manufacture and sale of electronic products *HK$'000*	Securities trading *HK$'000*	Consolidated *HK$'000*
TURNOVER	2,434,241	–	2,434,241
SEGMENT RESULTS	136,149	7,736	143,885
Interest income			1,468
Unallocated income			5,815
Unallocated expenses			(19,365)
lmpairment loss recognised in respect of available-for-sale investments			(150)
Increase in fair value of investment properties			3,322
Gain on deemed partial disposal of a subsidiary			10,194
Gain on disposal of a subsidiary			99
Finance costs			(26,975)
Share of profits of associates	1,613	–	1,613
Profit before taxation			119,906
Taxation			(9,715)
Profit for the year			110,191
OTHER INFORMATION			
Additions of property, plant and equipment	63,383	–	63,383
Amortisation of product development costs	346	–	346
Release of prepaid lease payments	121	–	121
Depreciation of property, plant and equipment	52,542	–	52,542
Loss on disposal of property, plant and equipment	155	–	155
Allowance for doubtful debts	4,489	–	4,489
Net allowance for obsolete and slow-moving inventories	4,057	–	4,057

(b) Geographical segments

(i) An analysis of the Group's turnover in respect of design, manufacture and sale of electronic products by geographical markets based on location of customers is as follows:

	2008	2007
	HK$'000	*HK$'000*
North America	**1,348,799**	1,579,914
Europe	**782,738**	685,520
Hong Kong	**17,463**	54,295
Mainland China	**422**	6,723
Japan and Korea	**4,221**	1,336
Other countries	**45,390**	106,453
	2,199,033	2,434,241

(ii) An analysis of the carrying amount of segment assets and capital additions analysed by the geographical areas in which the assets are located is as follows:

	Carrying amount of segment assets		**Capital additions**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**310,903**	643,381	**28,226**	36,408
North America	**424,317**	333,234	**3,853**	6,689
Mainland China	**426,183**	214,431	**16,514**	20,281
Other countries	**55,360**	10,922	**–**	5
	1,216,763	1,201,968	**48,593**	63,383

3. PROFIT BEFORE TAXATION

	2008	2007
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging and (crediting):		
Depreciation of property, plant and equipment	**55,198**	52,542
Allowance for doubtful debts	**5,961**	4,489
Net allowance for obsolete and slow-moving inventories	**1,648**	4,057
Interest on borrowings wholly repayable within five years	**40,586**	25,656
Interest income	**(4,342)**	(1,468)

4. TAXATION

	2008	2007
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
Current year	**15,843**	4,275
Over provision in prior years	**(7)**	(312)
	15,836	3,963
Taxation in other jurisdictions		
Current year	**2,058**	3,589
Underprovision in prior years	**9,328**	1,472
	11,386	5,061
Deferred taxation	**(8,691)**	691
Taxation	**18,531**	9,715

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profit for the year.

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The underprovision in prior years mainly arise from a settlement of corporate tax audit with the Canada Revenue Agency related to allocation of income by a subsidiary of the Group between Canada and Hong Kong for the two years ended 31 March 2004 and 2005. The tax audits are now closed for these years.

On 16 March 2007, the People's Republic of China ("PRC") government promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for certain of the Group's PRC subsidiaries from 1 January 2008. For those PRC subsidiaries enjoying privilege rate of 12%, the new tax rate is progressively increasing to 25% over five years from 1 January 2008. The adjustment of tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled does not have any significant impact to the Group.

5. DIVIDENDS

During the year, scrip alternative was offered in respect of the 2007 final dividend. The scrip alternative was accepted by the shareholders, as follows:

	HK$
Dividends:	
Cash	18,908
Scrip alternative	8,769
	27,677

The Board resolved not to recommend the payment of a final dividend for the year ended 31 March 2008 (2007: final scrip dividend with cash option of HK3.5 cents per share).

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2008 ***HK$'000***	2007 *HK$'000*
Earnings attributable to shareholders of the Company for the purpose of basic and diluted earnings per share	**45,914**	105,196
Weighted average number of shares for the purpose of basic earnings per share	**790,246,143**	762,850,032
Effect of dilutive potential shares relating to share options	**8,080,944**	16,681,079
Weighted average number of shares for the purpose of diluted earnings per share	**798,327,087**	779,531,111

7. DEBTORS, DEPOSITS AND PREPAYMENTS

The aged analysis of trade debtors net of allowance for doubtful debts at the balance sheet date is as follows:

	2008	2007
	HK$'000	*HK$'000*
0 – 30 days	**103,982**	229,768
31 – 60 days	**38,261**	11,950
61 – 90 days	**17,269**	2,072
Over 90 days	**33,291**	35,840
	192,803	279,630

8. CREDITORS AND ACCRUED CHARGES

The aged analysis of trade creditors at the balance sheet date is as follows:

	2008	2007
	HK$'000	*HK$'000*
0 - 30 days	**70,671**	146,779
31 - 60 days	**17,887**	21,159
61 - 90 days	**5,500**	10,782
Over 90 days	**7,526**	14,561
	101,584	193,281

BUSINESS REVIEW AND PROSPECT RESULTS

In summary, the Group experienced mixed results in fiscal 2008. While we recorded an increase in gross profit, the Group saw a 9.7% reduction in turnover in the current year while profit attributable to shareholders decreased by 56%. These results, illustrate the rapidly changing landscape of doing business in our industry. Certain challenges were out of the Group's control: an appreciating RMB, a weakening US dollar, changing Chinese labour laws, increases in the price of oil, key component shortages and a general malaise in domestic US consumer spending. As a result of these factors the Group was caught between price commitments to customers in the first half of the year and increasing costs and expenses incurred after those commitments were made.

To meet these challenges, Management focused on ways to cut cost and better position itself to do business in a new world of increased economic pressure. Over-all, the Group's results reflect our doing business in this changing environment – fairing reasonably well (with some bright spots) while having to take measures to adapt to the challenges we face. We emerged from fiscal 2008 with a better perspective of our industry and are positioned to better compete on the world stage in fiscal 2009.

Electronics Division

Annual sales totals in the Electronics Division in 2008 were 9.7% lower than in fiscal 2007. This decrease coincided with reduced consumer spending in the United States which fell sharply during and after the 2007 holiday selling season despite reasonably strong sales in the first half of the year. In addition, a shortage of small TFT screen panels not only adversely affected the performance of the industry as a whole, it forced us to reduce sales of small screen TFT products (such as portable DVD players) to those for which we could secure panels. All the while severe competition in the video products business continued to make it difficult to increase sales in the opening price point DVD category.

On the other hand, sales in our karaoke and musical instruments category, through the Group's subsidiary, The Singing Machine Company, Inc. ("SMC") increased by 27%; contrary to the general downward trend in consumer spending, the Group's products in this category fulfill a specialty segment of the consumer market which has gained general acceptance in US households for wholesome "family entertainment". We also experienced strong performance in our other branded businesses with our Disney™ line meeting Management's expectations.

Notwithstanding these challenges the Group was able to forge an overall increase in annual gross profit margin due to Management's execution of a strategy to change product mix and sales focus. In particular, we refocused our sales efforts to increase domestic inventory transactions. This allowed us to sell smaller minimum order quantities at more favourable prices. By increasing our distribution presence in the United States we were able to sell directly to major retail chains through our three United States based subsidiaries: SMC, Cosmo Communications Corporation, and Starlite Consumer Electronics (USA) Inc. This strategy opened new avenues for the Group to reach out to leading retailers by providing them shorter delivery schedules and customized quantities. As a whole the Group's gross profit margin increased from 20% in 2007 to 24% in 2008 notwithstanding weaker second half sales and increased distribution and financing costs caused by the need to carry inventory and to provide warehousing and freight transportation.

Gross profit margin in the second half of the year, however, was well below expectations for a number of reasons – many of which were beyond Management's control. While pricing for products was set in the first half of the year, we were forced to absorb cost increases without being able to pass the costs on to customers. The industry as a whole saw a sharp rise in the prices of plastic resin and key components such as TFT small screen panels. Labour cost was also affected as a result of the change in China legistration. In addition surges in oil prices worldwide led to a significant increase in freight and transportation costs over 2007. Selling and distribution costs increased by 38% over the previous year as did the Group's royalty payments which include fees paid to Disney. To stimulate sales, we sponsored a rebate program with a leading US department store chain and expended promotional funds to promote our Disney line leading to a HK$24 million increase in advertising expense in fiscal 2008. Finance expense also grew due to increased factoring activities and inventory carrying costs.

We continued to carry unexpected inventory balances in the last quarter of the fiscal year as a result of weaker sales in the United States. No less significant is the fact that manufacturing in China continued to present the Group with many challenges caused by the rapid growth of the Chinese economy and the steep appreciation of the Chinese RMB.

In response to these difficult conditions the Group implemented cost controls to hold the line on administrative expenses and we saw a decrease in administrative costs over 2007. Management has also taken additional steps to reduce inventory to appropriate levels and have revised our forecasts for the new fiscal year based on current market conditions.

Securities Trading

The Group recorded a segment result of a loss of HK$6.1 million for the year.

PROSPECTS

Management is cautiously optimistic in its outlook for 2009. The full effect of Management's operational changes and strategies should lead to more efficiency and greater performance at lower cost in the coming year. Our belief is based on seeing 2008's operational changes to increase the Group's efficiency while our cost cutting measures should increase performance.

The Group should see the benefits from 2008's cost cutting measures at its Chinese manufacturing facilities as well as increased efficiencies in total administration costs. The price of key supplies and raw materials should stabilize including small screen TFT panels. We believe that the recent economic measures taken in China should stabilize the value of the RMB.

Growth in karaoke and musical instruments business should increase and we will continue to build our Disney branded business with popular character based specialty products. We will also be developing advanced higher margin products such as Blu-Ray DVD players in collaboration with Sony and its affiliates. We look forward to launching new product lines including Hamilton Beach branded kitchen electronics and specialty Youth Electronics products targeted to children between the ages of eight and thirteen in collaboration with Wal-Mart who has ordered these products for over 3,000 stores for delivery in third quarter of 2008.

We believe that our refocus on factory to retailer sales coupled with more efficient operations will position the Group to outperform the industry and the challenges presented by an uncertain economic environment. Our goal for 2009, therefore, will be to deliver profitable operations and to enhance shareholders' value. With our current Management and infrastructure we expect to achieve these goals.

FINANCIAL POSITION

Liquidity and Financial Resources

The financial position of the Group remained stable. As at 31 March 2008 cash and deposits and marketable securities amounted to HK$106 million, as compared to HK$139 million last year.

Gearing ratio, calculated as total borrowings to shareholders' fund was 0.6 (2007: 0.4), and net bank borrowings to shareholders' fund was 0.51 for the year (2007: 0.30). Current ratio calculated as current assets to current liabilities decreased from 1.58 in last year to 1.47 for this year.

Financing and Capital Structure

The Group finances its operations by a combination of equity and bank borrowings. As at 31 March 2008, the Group's total borrowings of about HK$473 million (2007: HK$331 million), of which HK$438 million are repayable within one year and HK$35 million are repayable within five years.

The Group's transactions were mostly denominated in US dollars and Hong Kong dollars. The exposure to exchange risk was insignificant.

Pledge of Assets

At 31 March 2008, the Group pledged certain assets and securities with carrying value of HK$133,827,000 (2007: HK$136,058,000) to secure the general credit facilities and the margin accounts with brokers.

Contingent Liabilities

SMC, which was acquired by the Group during the year ended 31 March 2007, is one of the defendants in a lawsuit relating to copyright infringement In September 2005, the defendants, including SMC, filed multiple motions to dismiss the complaint from the publisher owners of musical compositions. In October 2005, the plaintiff filed a motion for summary judgment. In January 2006, the court granted the motions of the defendants and denied the motion of the plaintiff, thereby dismissing the case against the defendants with prejudice. The plaintiff thereafter appealed the decision. During the year, the claims against SMC were dismissed with prejudice and the lawsuit was concluded.

As at 31 March 2007, the Group was a defendant in a lawsuit in the amount of US$100,000 (equivalent to HK$770,000). The case was settled during the year.

STAFF

As at 31 March 2008, the Group had a total staff of 3,610 of which 3,488 were employed in the PRC for the Group's manufacturing and distribution business.

The Group provides employee benefits such as staff insurance, retirement scheme, discretionary bonus and share option scheme and also provides in-house training programmes and external training sponsorship.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased its shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as follows:

Month	Number of Shares	Price per share Lowest	Highest	Aggregate consideration
		HK$	*HK$*	*HK$'000*
October 2007	2,222,500	1.42	1.54	3,371
November 2007	2,942,500	1.43	1.52	4,333
	5,165,000			7,704

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium on repurchase was charged against accumulated profits. An amount equivalent to the nominal value of the shares cancelled was transferred from accumulated profits to the capital redemption reserve.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. The Board of directors of the Company ("the Board") firmly believes that to maintain a good, solid and sensible framework of corporate governance will ensure the Company to run its business in the best interests of its shareholders as a whole.

The Company adopted all the code provisions in the Code on Corporate Governance Practices ("the Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") as its own code on corporate governance practices.

During the year ended 31 March 2008, the Company has complied with the Code except the following:

1. Pursuant to code provision A.2.1, the roles of chairman and chief executive officer of an issuer 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. Philip Lau Sak Hong is currently the chairman and managing director of the Company. Having considered the current business operation and the size of the Group, the board of directors of the Company is of the view that Mr. Lau acting as both the chairman and managing director of the Company is acceptable and in the best interest of the Company. The Board will review this situation periodically.

2. The Company was incorporated in Bermuda and enacted by private act, the Starlight International Holdings Limited Company Act, 1989 of Bermuda (the "1989 Act"). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the bye-laws of the Company ("the Bye-laws"). As the Company is bound by the provisions of the 1989 Act, the Bye-laws cannot be amended to fully reflect the requirements of the code provision A.4.2 which stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

To enhance good corporate governance practices, Mr. Philip Lau Sak Hong, the chairman and managing director of the Company will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that, being eligible for re-election, he may offer himself for re-election at the annual general meeting.

AUDIT COMMITTEE

The audit committee comprises two independent Non-Executive Directors and a Non-Executive Director and reports directly to the Board of Directors. The audit committee meets regularly with the Group's senior management and the Company's external auditors to review the financial reporting and internal control systems of the Group as well as the financial statements of the Company. The audit committee has reviewed the annual results of the Group for the year ended 31 March 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, the directors have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2008.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors comprises three executive directors, namely Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony, Mr. Lau Sak Yuk, Andy and a non-executive director, namely Mr. Hon Sheung Tin, Peter and three independent non-executive directors namely, Mr. Ho Hau Chong, Norman, Mr. Chan Chak Chung and Mr. Winston Calptor Chuck.

By Order of the Board
Lau Sak Hong, Philip
Chairman

Hong Kong, 22 July, 2008