K & P INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 675)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

RESULTS

The Board of Directors (the "Board") of K & P International Holdings Limited (the "Company") herein announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 together with the comparative figures for the corresponding year in 2006 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2007

	Notes	2007 HK$	2006 HK$
REVENUE	4	**390,487,370**	392,434,673
Cost of sales		**(307,152,131)**	(312,618,152)
Gross profit		**83,335,239**	79,816,521
Other income and gains	4	**9,028,934**	9,177,340
Selling and distribution costs		**(40,878,628)**	(38,525,888)
Administrative expenses		**(35,070,921)**	(36,052,548)
Other expenses		**(1,507,474)**	(2,929,762)
Finance costs	6	**(6,187,011)**	(7,847,329)
PROFIT BEFORE TAX	5	**8,720,139**	3,638,334
Tax	7	**(2,206,440)**	(2,251,374)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**6,513,699**	1,386,960
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic		**2.45 cents**	0.52 cent
Diluted		**2.45 cents**	N/A

CONSOLIDATED BALANCE SHEET

31 December 2007

	Notes	2007	2006
		HK$	*HK$*
NON-CURRENT ASSETS			
Property, plant and equipment		**108,003,007**	78,070,224
Prepaid land lease payments		**20,840,531**	20,747,231
Other intangible assets		**10,578,329**	10,405,833
Available-for-sale investment		**680,000**	680,000
Total non-current assets		**140,101,867**	109,903,288
CURRENT ASSETS			
Inventories		**48,387,597**	48,073,068
Prepayments, deposits and other receivables		**24,918,465**	19,084,685
Trade and bills receivables	*9*	**87,627,217**	70,267,865
Derivative financial instrument		**34,962**	–
Cash and cash equivalents		**32,843,997**	41,569,534
Total current assets		**193,812,238**	178,995,152
CURRENT LIABILITIES			
Trade payables	*10*	**44,759,641**	39,181,472
Accrued liabilities and other payables		**41,600,441**	28,062,481
Derivative financial instrument		**–**	1,444,685
Interest-bearing bank and other borrowings		**81,161,641**	60,524,148
Tax payable		**2,990,224**	3,388,279
Provision for product warranties		**527,210**	212,020
Total current liabilities		**171,039,157**	132,813,085
NET CURRENT ASSETS		**22,773,081**	46,182,067
TOTAL ASSETS LESS CURRENT LIABILITIES		**162,874,948**	156,085,355

	2007	2006
	HK$	*HK$*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**16,482,316**	16,522,557
Deferred tax liability	**1,308,449**	2,951,481
Total non-current liabilities	**17,790,765**	19,474,038
Net assets	**145,084,183**	136,611,317
EQUITY		
Issued capital	**26,550,480**	26,550,480
Reserves	**118,533,703**	110,060,837
Total equity	**145,084,183**	136,611,317

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings, a derivative financial instrument and an available-for-sale investment, which have been measured at fair value. These financial statements are presented in Hong Kong dollars.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2007. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
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 principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) ***Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures***

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

(c) ***HK(IFRIC)-Int 8 Scope of HKFRS 2***

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. The interpretation has had no effect on these financial statements.

(d) ***HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives***

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

(e) ***HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment***

The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

3. SEGMENT INFORMATION

(a) *Business segments*

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2007 and 2006.

	Precision parts and components		Consumer electronic products		Corporate and others		Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Segment revenue:										
Sales to external customers	207,229,134	197,552,370	183,258,236	194,882,303	–	–	–	–	390,487,370	392,434,673
Intersegment sales	4,729,798	6,138,645	–	–	–	–	(4,729,798)	(6,138,645)	–	–
Other income and gains	7,127,846	6,970,957	654,310	927,267	311,365	27,459	–	–	8,093,521	7,925,683
Total	219,086,778	210,661,972	183,912,546	195,809,570	311,365	27,459	(4,729,798)	(6,138,645)	398,580,891	400,360,356
Segment results	19,473,446	16,289,813	(5,297,506)	(4,577,002)	(204,203)	(1,478,805)	–	–	13,971,737	10,234,006
Bank interest income									935,413	1,251,657
Finance costs									(6,187,011)	(7,847,329)
Profit before tax									8,720,139	3,638,334
Tax									(2,206,440)	(2,251,374)
Profit for the year									6,513,699	1,386,960
Assets and liabilities										
Segment assets	189,153,981	144,115,251	98,579,330	88,695,733	16,447,563	16,207,651	(3,110,766)	(1,689,729)	301,070,108	247,328,906
Unallocated assets									32,843,997	41,569,534
Total assets									333,914,105	288,898,440
Segment liabilities	52,653,340	32,629,196	31,426,646	33,825,671	2,807,290	1,001,090	16	16	86,887,292	67,455,973
Unallocated liabilities									101,942,630	84,831,150
Total liabilities									188,829,922	152,287,123
Other segment information										
Depreciation and amortisation	12,078,759	15,311,849	12,392,992	10,248,241	497,584	373,501	–	–	24,969,335	25,933,591
Impairment of trade receivables	634,043	250,060	–	85,017	–	–	–	–	634,043	335,077
Impairment of other receivable	–	–	–	–	–	1,150,000	–	–	–	1,150,000
Provision for slow-moving inventories	291,936	218,089	480,000	404,253	–	–	–	–	771,936	622,342
Surplus on revaluation of buildings credited to the asset revaluation reserve	–	–	–	–	1,890,438	760,060	–	–	1,890,438	760,060
Recognition of prepaid land lease payments	296,073	283,766	–	–	199,601	199,602	–	–	495,674	483,368
Capital expenditure	41,296,805	18,243,611	11,898,584	11,135,851	55,480	70,670	–	–	53,250,869	29,450,132

(b) Geographical segments

The following table presents revenue, and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2007 and 2006.

	Segment revenue		Other segment information			
	Sales to external customers		Segment assets		Capital expenditure	
	2007	2006	**2007**	2006	**2007**	2006
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Hong Kong	**93,270,954**	102,456,554	**85,507,520**	101,189,142	**4,885,490**	6,012,299
Mainland China	**22,079,691**	29,250,519	**179,671,640**	141,938,843	**48,064,215**	23,265,285
Total in the People's Republic of China (the "PRC")	**115,350,645**	131,707,073	**265,179,160**	243,127,985	**52,949,705**	29,277,584
Japan	**26,853,169**	29,815,271	**4,179,438**	3,132,589	**–**	–
Other Asian countries*	**27,626,622**	12,497,500	**17,147,090**	5,971,405	**60,170**	6,162
Total in Asia	**169,830,436**	174,019,844	**286,505,688**	252,231,979	**53,009,875**	29,283,746
Germany	**54,897,238**	71,620,338	**8,772,055**	3,875,537	**–**	–
Other European countries**	**106,837,887**	108,908,257	**21,330,440**	15,295,221	**–**	–
Total in Europe	**161,735,125**	180,528,595	**30,102,495**	19,170,758	**–**	–
North America	**50,084,919**	26,960,340	**15,871,406**	10,559,663	**240,994**	166,386
Others***	**8,836,890**	10,925,894	**1,434,516**	6,936,040	**–**	–
Consolidated	**390,487,370**	392,434,673	**333,914,105**	288,898,440	**53,250,869**	29,450,132

* *Other Asian countries mainly comprise Taiwan, Singapore, Malaysia, Thailand, Indonesia and Korea.*

** *Other European countries mainly comprise Italy, the United Kingdom, France, the Netherlands, Austria, Switzerland, Denmark, Sweden and Spain.*

*** *Others mainly comprise South America, Australia and New Zealand.*

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

An analysis of the Group's revenue, other income and gains is as follows:

	2007	2006
	HK$	*HK$*
Revenue		
Sale of goods	**390,487,370**	392,434,673
Other income and gains		
Bank interest income	**935,413**	1,251,657
Tooling charge income	**3,609,088**	3,215,023
Sale of scrap	**159,609**	1,248,606
Sales commissions	**–**	2,239,860
Fair value gain on a derivative financial instrument		
– transaction not qualifying as a hedge	**1,479,647**	–
Gain on disposal of items of property, plant and equipment	**–**	5,359
Subcontracting fee income	**–**	79,604
Foreign exchange differences, net	**1,109,217**	–
Others	**1,735,960**	1,137,231
	9,028,934	9,177,340

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2007	2006
	HK$	*HK$*
Cost of inventories sold	**301,752,691**	308,039,143
Auditors' remuneration	**1,915,434**	1,827,952
Depreciation	**20,341,831**	21,976,924
Recognition of prepaid land lease payments	**495,674**	483,368
Minimum lease payments under operating leases on land and buildings	**3,545,064**	3,444,966
Amortisation of other intangible assets*	**4,627,504**	3,956,667
Provision for slow-moving inventories*	**771,936**	622,342
Staff costs (including directors' other emoluments):		
Wages and salaries	**97,252,697**	93,150,148
Equity-settled share option expense	**57,881**	23,253
Pension scheme contributions	**686,373**	1,167,804
	97,996,951	94,341,205
Less: Amount capitalised in deferred development costs	**(4,800,000)**	(4,800,000)
	93,196,951	89,541,205
Product warranty provision	**1,058,483**	360,610
Fair value loss/(gain) on a derivative financial instrument – transaction not qualifying as a hedge	**(1,479,647)**	1,444,685
Foreign exchange differences, net	**(1,109,217)**	1,136,871
Loss/(gain) on disposal of items of property, plant and equipment	**873,431**	(5,359)

* *The amortisation of other intangible assets and the provision for slow-moving inventories for the year are included in "Cost of sales" on the face of the consolidated income statement.*

6. FINANCE COSTS

	Group	
	2007	2006
	HK$	*HK$*
Interest on bank loans and overdrafts wholly repayable within five years	**6,060,345**	7,395,403
Interest on finance leases	**126,666**	451,926
	6,187,011	7,847,329

7. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2007	2006
	HK$	*HK$*
Group:		
Current – Hong Kong		
Charge for the year	**3,017,824**	2,310,156
Overprovision in prior years	**(434,792)**	–
Current – Elsewhere	**1,266,440**	601,218
Deferred	**(1,643,032)**	(660,000)
Total tax charge for the year	**2,206,440**	2,251,374

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate are as follows:

Group

	2007	2006
	HK$	*HK$*
Profit before tax	**8,720,139**	3,638,334
Tax at the statutory tax rate of 17.5% (2006: 17.5%)	**1,526,024**	636,708
Adjustments in respect of current tax of previous periods	**(434,792)**	–
Effect of different rates for companies operating in other jurisdictions	**405,498**	282,390
Income not subject to tax	**(1,533,294)**	(1,638,885)
Expenses not deductible for tax	**879,371**	952,344
Tax losses utilised from previous periods	**(48,974)**	(255,399)
Tax losses not recognised	**249,068**	2,266,407
Others	**1,163,539**	7,809
Tax charge at the Group's effective rate of 25.3% (2006: 61.9%)	**2,206,440**	2,251,374

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings per share are based on:

	2007	2006
	HK$	*HK$*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	**6,513,699**	1,386,960
Shares		
Number of ordinary shares in issue during the year used in the basic earnings per share calculation	**265,504,800**	265,504,800
Effect of dilution – weighted average number of ordinary shares:		
Share options	**656,133**	–
Weighted average number of ordinary shares adjusted for the effect of dilution	**266,160,933**	265,504,800

Diluted earnings per share amounts for the year ended 31 December 2006 had not been disclosed, as the share options outstanding during the year has anti-dilutive effect on the basic earnings per share for the year.

9. TRADE AND BILLS RECEIVABLES

	Group	
	2007	2006
	HK$	*HK$*
Trade receivables	**90,190,699**	69,016,311
Bills receivable discounted with recourse	**70,200**	3,390,559
Impairment	**(2,633,682)**	(2,139,005)
	87,627,217	70,267,865

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 60 days of issuance, except for certain well-established customers, where the terms are extended from 60 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing. Bills receivable discounted with recourse are interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

	Group	
	2007	2006
	HK$	*HK$*
Within 90 days	**79,273,304**	56,097,927
Between 91 to 180 days	**6,690,952**	8,966,591
Over 180 days	**1,592,761**	1,812,788
	87,557,017	66,877,306

An aged analysis of the bills receivable as at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2007	2006
	HK$	*HK$*
Within 90 days	**70,200**	3,390,559

The movements in provision for impairment of trade receivables are as follows:

	Group	
	2007	2006
	HK$	*HK$*
At 1 January	**2,139,005**	1,844,462
Impairment losses recognised	**634,043**	335,077
Amount written off as uncollectible	**(125,366)**	(40,534)
Impairment losses reversed	**(14,000)**	–
	2,633,682	2,139,005

The above provisions are for individually impaired trade receivables which related to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	Group	
	2007	2006
	HK$	*HK$*
Neither past due nor impaired	**53,552,273**	33,145,207
Less than 1 month past due	**21,758,816**	21,448,799
1 to 3 months past due	**10,256,736**	9,947,219
3 to 6 months past due	**1,989,192**	2,336,081
	87,557,017	66,877,306

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

10. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2007	2006
	HK$	*HK$*
Within 90 days	**42,263,060**	38,132,629
Between 91 to 180 days	**2,434,994**	849,474
Over 180 days	**61,587**	199,369
	44,759,641	39,181,472

The trade payables are non-interest-bearing and are normally settled on terms varying from 60 to 120 days.

FINANCIAL RESULTS

The Group's turnover for the year ended 31 December 2007 amounted to approximately HK$390.5 million, representing 0.5% decrease from the previous year. Overall gross profit increased from approximately HK$79.8 million in the previous year to approximately HK$83.3 million this year. Profit attributable to equity holders was approximately HK$6.5 million (2006: HK$1.4 million).

Basic earnings per share for the year ended 31 December 2007 amounted to HK2.45 cents (2006: HK0.52 cent) per share.

BUSINESS REVIEW

During the year under review, we continue our focus on developing the Group's core businesses, including consumer electronic products and precision parts and components.

The sales turnover of the consumer electronic products segment decreased from HK$194.9 million of last year to HK$183.3 million this year, representing a decrease of 6.0%. After having a record high in the financial year 2006 and healthy growth in the first half of 2007, the sales turnover of the consumer electronic products segment of some of the markets had contracted in the second half of this year. However, sales to the North American market have continued the growth and increased by approximately 102.5% from last year as a result of signing some new customers during this financial year.

In the first quarter of 2007, we entered into a license agreement with a weather information provider for the European market. The related consumer electronic products for receiving this information have been developed and launched into the market in the third quarter of this year. These products have been well accepted by the customers and are anticipated to bring additional revenue to the Group in year 2008.

With the decrease in sales turnover for the year, the operating loss of the consumer electronic products segment was approximately HK$5.3 million, increased by approximately HK$0.7 million from the previous year.

The sales turnover of the precision parts and components segment increased by 4.9% from HK$197.6 million of last year to HK$207.2 million this year. During the year under review, we have continued our strategy on phasing out certain low end products and expanding our marketing activities for the overseas markets in order to maintain profitability and growth in sales turnover. We are pleased to report that the sales to overseas customers increased by approximately 43.9% from HK$66.9 million last year to HK$96.3 million this year. The operating profit of this segment was approximately HK$19.5 million, improved by approximately HK$3.2 million from the previous year.

Like most of the manufacturers in Hong Kong, we have been under the pressure of escalated production costs. We have continued our strategy of developing new products with higher gross profit margin, implementing cost control measures and improving production efficiency for the year 2007. As a result, the overall gross profit margin of the Group has been improved from 20.3% of last year to 21.3% in the current year.

FUTURE PLAN AND PROSPECT

In recent years, the operating environment has become difficult to some manufacturers in Hong Kong. Factors such as appreciation of Renminbi, rising of raw material costs and labor wages, labor shortage, implementation of new laws and regulations such as new labor laws in Mainland China have adversely affected their operations and operating costs. Moreover, the slowdown of US and other countries economy have also created additional challenges to the manufacturers. Faced with these difficulties and challenges, we would continue to look at ways to improve our production capability, efficiency and gross profit margin as well as to expand our sales turnover.

The products of the precision electronic parts and components segment comprise keypads, synthetic rubber, plastics components and parts, and liquid crystal displays. We have completed the processes of consolidating various businesses, streamlining the operations and simplifying the group structure of this segment. This new structure that has been in place since early 2008 is expected to enhance and strengthen the Group's competitive edge in providing "One Stop Shopping" solution to our customers of the precision electronic parts and components segment in a way that they can procure more than one kind of precision components and parts effectively through us.

The construction of the new manufacturing facility in Zhongshan, the PRC was completed after the year end in accordance with our plan. This new facility is being used mainly for the precision parts and components business' production. As a result, the production capacity of the precision parts and components segment has been expanded from the previous year by more than 50% and will provide a strong support to our business growth plan.

We have also planned to relocate the manufacturing facilities of the consumer electronic products segment to a new factory premises. Moreover, we would also acquire machinery for new production processes. It is anticipated that the new production plant would enable the consumer electronic products segment to improve its production efficiency as well as its production capability. This would enable this segment to provide a wider-range of products and services to its customers.

The precision parts and components segment has expanded its sales to overseas markets successfully in recent years. We will explore more overseas markets in order to bolster the Group's sales turnover.

Under the current challenging environment, we still believe that our core businesses have room for expansion and would explore opportunities to expand them further.

OPERATIONS REVIEW

The following highlights the Group's results for the year ended 31 December 2007.

- Turnover decreased by 0.5% from the prior year to HK$390.5 million for the year.

- Gross profit increased by approximately HK$3.5 million from 2006 to approximately HK$83.3 million for the year.

- Profit from operating activities before finance costs was HK$14.9 million, increased by HK$3.4 million from last financial year.

- Finance costs decreased by HK$1.7 million from last year to HK$6.2 million.

- Profit for the year was approximately HK$6.5 million.

In the year under review, sales turnover of the precision parts and components segment has increased by approximately 4.9% as compared with the previous financial year. On the other hand, sales turnover of the consumer electronic products segment has decreased by approximately 6.0% from the previous year.

The Group's overall gross profit has improved by approximately 4.4% from the previous year.

The Group's finance costs decreased to HK$6.2 million from the prior year due to the decreased market interest rate.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers and other financial institutions in Hong Kong.

The total borrowings from banks and financial institutions include long term loans, finance leases, overdraft, import and export loans, amounted to approximately HK$97.6 million as at 31 December 2007, of which HK$81.2 million is repayable in 2008.

The Group's financial position remains healthy. At the balance sheet date, the aggregate balance of cash and cash equivalents of the Group amounted to approximately HK$32.8 million.

The Group's borrowings are on a floating rate basis and are mainly denominated in either Hong Kong dollars or United States dollars. These match with the principal currencies in which the Group conducts it business. Therefore, the Group does not have any significant foreign exchange risk.

The gearing ratio on the basis of total debts to total assets as at 31 December 2007 is 56.6% (2006: 52.7%).

CHARGE ON THE GROUP ASSETS

As at 31 December 2007, none of the bank borrowings are secured by charges over the Group's assets.

CONTINGENT LIABILITIES

Except for corporate guarantees given to banks and other financial institutions in relation to facilities granted to the subsidiaries, the Company has no other contingent liabilities as at the balance sheet date.

CAPITAL STRUCTURE

As at 31 December 2007, the Company had approximately 265.5 million shares in issue with total shareholders' fund of the Group amounting to approximately HK$145.1 million.

Pursuant to the share option scheme, the Board of Directors granted share options to certain supplier of services, senior executives and employees of the Group. The exercise in full of those share options granted but remaining not exercised would result in the issue of 2.6 million additional shares and proceeds of approximately HK$0.66 million.

FUND RAISING

Other than obtaining additional general banking facilities to finance the Group's trading requirements, we did not have any special fund raising exercise during the year 2007.

EMPLOYEES

As at 31 December 2007, the Group had a total workforce of approximately 3,100 of which approximately 85 were based in Hong Kong, approximately 15 were based overseas and approximately 3,000 were based in the PRC.

The Group remunerates its employees largely based on the prevailing industry practice and labor laws. Since December 1996, the Company has adopted a share option scheme for the purpose of providing incentives and rewards to the employees of the Group.

Moreover, under the Mandatory Provident Fund Scheme Ordinance of Hong Kong, the Group has operates a defined contribution Mandatory Provident Fund retirement benefits scheme for all its Hong Kong employees. For overseas and PRC employees, the Group is required to contribute a certain percentage of its payroll costs to the central pension scheme operated by the respective local government.

FINAL DIVIDEND

The directors have resolved not to recommend the payment of a final dividend for the year ended 31 December 2007 (2006: Nil)

CLOSURE OF REGISTERS

The Register of Members will be closed from Friday, 23rd May, 2008 to Wednesday, 28th May, 2008, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for attending the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 22nd May, 2008.

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.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), throughout the year ended 31 December 2007 except for the deviation in respect of the separation of the roles of chairman and chief executive officer. Further information will also be included in the 2007 Annual Report.

REVIEW OF ACCOUNTS

The Audit committee has reviewed the Group's 2007 final results before they were tabled for the Board's review and approval.

By order of the Board
LAI PEI WOR
Chairman

Hong Kong, 25 April 2008

As at the date of this announcement, the Board comprises Messrs. Lai Pei Wor, Chan Yau Wah and Chung Yik Cheung, Raymond (being executive Directors) and Messrs. Kung Fan Cheong, Leung Man Kay and Li Yuen Kwan, Joseph (being independent non-executive Directors).