

2007 ANNUAL RESULTS

CHAIRMAN'S STATEMENT

The year 2007 saw the Group progress its businesses both in Hong Kong and internationally culminating in early January 2008 with the signing of a new Scheme of Control Agreement (SCA) for our Hong Kong electricity business.

The new SCA signed by The Hongkong Electric Co., Ltd. (HEC) and the Hong Kong Government is for ten years commencing 1st January 2009 with a Government option to extend the SCA for a further term of 5 years. The agreement provides for a 9.99% permitted rate of return on average net fixed assets other than for renewable energy fixed assets for which the permitted return is 11%. The new SCA also contains provisions which encourage emission reduction, energy efficiency, operational performance, service quality and the use of renewable energy. I believe that in the current regulatory environment, the new SCA effectively balances the interests of our customers in reliable and secure electricity supply at reasonable prices while providing our shareholders with the benefit of the certainty and stability of a long term regulatory framework.

Outside of Hong Kong, the Group's international operations performed well with results for 2007 ahead of those for 2006. In December 2007, as part of our strategy of investing outside Hong Kong, we acquired an interest in six power plants in Canada with a total generating capacity of 1,352MW.

Results

The Group's consolidated net profit after tax for the year ended 31st December 2007 was HK\$7,448 million (2006 : HK\$6,842 million), an increase of 8.9%. Earnings from the Group's Hong Kong operations were HK\$6,727 million (2006 : HK\$6,173 million). Higher HEC unit sales of electricity and the impact of no special rebate in 2007 and higher interest income contributed to the higher earnings from Hong Kong operations. Earnings from the Group's international operations were HK\$721 million (2006 : HK\$669 million). The higher international operations earnings in 2007 were primarily due to higher earnings from the Australian electricity businesses.

Final Dividend

The Directors will recommend a final dividend of HK\$1.43 per share, payable on 16th May 2008 to those persons registered as shareholders on 15th May 2008. This, together with the interim dividend of HK\$0.58 per share, will give a total dividend of HK\$2.01 per share for the year (2006 : HK\$1.85 per share).

Hong Kong Operations

Unit sales of electricity grew by 1.1% in 2007 compared with 0.2% in 2006. The number of domestic and commercial customers increased slightly during the year while the number of industrial sector customers continued their declining trend. Maximum Demand in 2007 was 2,552 MW compared with 2,597 MW in 2006.

During 2007, Unit 9, HEC's first gas fired combined cycle unit which was commissioned in October 2006, generated 17% of the electricity sent out from the Lamma Power Station helping to reduce emissions levels at the power station. Gas for Unit 9 is supplied to the power station through a 92 kilometre submarine pipeline from the Guangdong Dapeng Liquefied Natural Gas Terminal in Shenzhen. The Lamma Power Station coal fired generating units which generate the majority of electricity at the power station operated satisfactorily during 2007.

Lamma Winds, the 800 kW wind turbine on Lamma Island with its associated exhibition centre on renewable energy continued to attract considerable interest in 2007.

High coal and gas prices continued to put pressure on fuel costs in 2007 with the higher costs continuing to be felt into 2008. In order to mitigate in part the impact of higher coal costs we continued to source and use a variety of coal during the year.

Our emission reduction programme at the Lamma Power Station progressed well during 2007. Civil construction work commenced for the flue gas desulphurisation (FGD) plant and low nitrogen oxide system retrofit works for the coal fired Units 4 and 5. The environmental permit for the coal fired Unit 2 FGD retrofit work has been issued and the contract for the supply of the FGD plant awarded. Conversion of GT57 from an oil fired combined cycle unit to a gas fired unit was substantially completed. By the end of 2010, it is expected that over 95% of the electricity generated at the Lamma Power Station will be generated by gas and by coal fired units fitted with FGDs and low nitrogen oxide burners resulting in lower emission levels as we work toward achieving the Hong Kong Government's emission targets.

As we enter into the new regulatory framework for the electricity industry in Hong Kong, we plan to undertake a review of the mix of our generating capacity at the Lamma Power Station which comprises coal fired units, some of which will be nearing the end of their useful lives over the next ten years, gas fired generating plant, oil fired gas turbine generating plant, and renewable energy plant with a view to continuing to reduce the emission levels at the Lamma Power Station. Part of this review will include the evaluation of the potential for a 100 MW offshore wind farm. As part of this evaluation, we have commissioned a marine traffic impact assessment and an environmental impact assessment study which are expected to be completed in early 2009.

Supply reliability was maintained at over 99.999% in 2007 surpassing our pledged service standards. This world class supply reliability has been consistently maintained at above 99.999% since 1997. During the year, a network reliability and operations review was conducted on the reliability and safety of our transmission and distribution assets as part of our ongoing standard improvement efforts.

During 2007, we continued with our participation in environmental and community activities. The Smart Power 2006/2007 campaign which focused on reliable power concluded successfully with a record number of people taking part, the 2007/2008 campaign focusing on sustainability and energy conservation was launched in November 2007. The Hongkong Electric Clean Energy Fund continued its efforts in 2007 in promoting renewable energy. The Hongkong Electric Volunteers which celebrated its third anniversary in July 2007 now has a membership of over 750 employees. Volunteer activities in 2007 focused on care for the elderly and those in the community in need as well as on improving the environment. The Hongkong Electric Centenary Trust continued to provide scholarships for secondary students and funding for self learning centres for senior citizens.

International Operations

In Australia, ETSA Utilities in South Australia and Powercor and CitiPower in Victoria, our electricity distribution businesses, performed well in 2007 recording higher revenue and meeting their operational targets. Reliability levels contributed to improved customer service during the year.

In the U.K., Northern Gas Networks (NGN) which operates a gas distribution network in the north of England recorded results ahead of those for 2006. In a recent independent benchmarking performed by the U.K.'s gas and electricity regulator, NGN was benchmarked as the most efficient network in the U.K.'s gas industry setting the efficiency frontier for the industry. NGN recently concluded a regulatory price reset review for the regulatory period 2008-2013. The outcome was considered acceptable and should permit NGN to record a satisfactory return over the new regulatory period.

In Thailand, construction of the 1,400 MW gas fired Ratchaburi Power Station is nearing completion with the first 700 MW unit scheduled to commence commercial operation in March 2008 followed by the second unit in June 2008.

In Canada, the acquisition of a 50% interest in Stanley Power Inc. was completed at the end of 2007. Stanley Power holds a 49.99% interest in TransAlta Cogeneration L.P. TransAlta Cogeneration has interests in six power plants located in three Canadian provinces Alberta, Saskatchewan and Ontario with a total attributable generating capacity of 810 MW. Five of the power plants are gas fired and one coal fired.

Outlook

The current and past schemes of control have ensured that the necessary investment in Hong Kong's electricity infrastructure has been made over the years as Hong Kong transitioned from a developing economy with an industrial base to a developed economy with a service base and an international financial centre. With the signing of the new SCA, much of the recent uncertainty surrounding the electricity industry in Hong Kong has been removed and we can now focus on planning for the future so as to continue contributing to the economic development of Hong Kong.

Internationally, we will continue to look for investment opportunities so as to increase the proportion of Group earnings derived from activities outside Hong Kong.

On behalf of the Board, I would like to record our thanks and appreciation to Mr. Ewan Yee who resigned as a director at the beginning of 2008 for his contributions over 40 years of service to the Company.

I would also like to express my appreciation to the directors for their valuable counsel during the year and to the management and staff for their loyalty and hard work in 2007.

Canning Fok Kin-ning

Chairman

Hong Kong, 6th March 2008

FINANCIAL REVIEW

Capital Expenditure, Liquidity and Financial Resources

Capital expenditure during the year amounted to HK\$1,747 million, which was primarily funded by cash from operations. Total external borrowings outstanding at the year end were HK\$13,495 million (2006 : HK\$14,689 million), comprising unsecured bank loans and debt securities in issue. In addition, the Group had undrawn committed bank facilities of HK\$7,145 million (2006 : HK\$5,686 million) and available liquid funds of HK\$12,180 million (2006 : HK\$10,462 million).

Treasury Policies, Financing Activities and Capital Structure

The Company manages its financial risks in accordance with guidelines laid down in its treasury policy, which is approved by the Board. The Company aims to ensure that adequate financial resources are available for refinancing and business growth whilst managing the Group's currency, interest rate and counterparty credit risks.

In January 2007, The Hongkong Electric Company, Limited ("Hongkong Electric"), through its subsidiary, Hongkong Electric Finance Limited, issued HK\$500 million fixed rate notes due 2012 at a coupon rate of 4.32% p.a.. During the third quarter of 2007, Hongkong Electric refinanced HK\$5 billion of its bank facilities at competitive rates and at the same time, extended the Group's debt maturity profile.

Following a review of the financing structure of its UK investment, the Company refinanced approximately 50% of its equity contribution with bank borrowings in November 2007.

The Group's financial profile remained strong during the year. Standard and Poor's affirmed the A+ long term credit ratings of Hongkong Electric Holdings Limited and Hongkong Electric with a stable outlook in January 2008. As at 31st December 2007, net debt of the Group was HK\$1,315 million (2006 : HK\$4,227 million) with a net debt-to-equity ratio of 3% (2006 : 10%).

The profile of the Group's external borrowings, after taking into account currency and interest rate swaps, was as follows:-

- (1) 63% was denominated in Hong Kong dollars, 31% in Australian dollars and 6% in sterling pounds;
- (2) 75% was bank loans and 25% was capital market instruments;

- (3) 16% was repayable within 1 year, 70% was repayable between 2 to 5 years and 14% was repayable beyond 5 years;
- (4) 59% was fixed rate and 41% was floating rate.

Currency and interest rate risks are actively managed in accordance with the Group's treasury policy. Derivative financial instruments are used primarily for managing interest rate and foreign currency risks and not for speculative purposes. Treasury transactions are only executed with counterparties with acceptable credit ratings to control credit risk exposure.

The Group's policy is to maintain a portion of its debt in fixed or capped interest rates. Interest rate risk is managed by either securing fixed or floating rate borrowings or by using interest rate swaps and caps. As at 31st December 2007, 59% of the Group's total borrowings were fixed rate.

The Group's principal foreign currency exposures arise from its overseas investments and from the import of fuel and capital equipment for Hongkong Electric. Foreign currency transaction exposure is managed, utilising forward contracts and currency swaps. As at 31st December 2007, over 95% of the Group's transaction exposure was either denominated in US dollars or hedged into Hong Kong or US dollars. Where considered appropriate, foreign currency exposure arising from the Group's overseas investments is mitigated by financing those investments in local currency borrowings. Foreign currency fluctuations will affect the translated value of the net assets of overseas investments, with the resultant translation differences included in the Group's reserve account. Since such differences do not have any impact on cash flows until the investments are disposed of, currency translation exposure is not hedged.

The contractual notional amounts of derivative financial instruments outstanding at 31st December 2007 amounted to HK\$9,576 million (2006 : HK\$5,306 million).

Charges on Group Assets

The shares of an associate were pledged as part of the security arrangements for project financing facilities for that associate. The carrying value of the associate as at 31st December 2007 was HK\$281 million (2006 : HK\$75 million).

Contingent Liabilities

The Company had given guarantees in respect of banking facilities made available to an associate amounting to HK\$2,482 million (2006 : HK\$nil).

The Company had given guarantees and indemnities in respect of bank and other borrowing facilities made available to and financial commitments of subsidiaries totalling HK\$5,286 million (2006 : HK\$5,563 million). Out of this amount, HK\$5,156 million (2006 : HK\$5,257 million), while being a contingent liability of the Company, is reflected in the Consolidated Balance Sheet of the Group.

A wholly-owned subsidiary of the Company, Hongkong Electric, has given guarantees to third parties in respect of the value of leased equipment of HK\$210 million (2006 : HK\$210 million) at expiry of the lease.

Employees

The Group continues its policy of pay by performance and market pay levels are monitored to ensure competitiveness is maintained. The Group's total remuneration costs for the year ended 31st December 2007, excluding directors' emoluments, amounted to HK\$843 million (2006 : HK\$887 million). As at 31st December 2007, the Group employed 1,879 (2006 : 1,931) permanent staff. No share option scheme is in operation.

Apart from well-established training schemes for university graduates, trainee technicians and apprentices, the Group provides training for employees in management and functional skills, language skills, computer knowledge and technology relevant to the Group's industry by both classroom training and e-learning platforms. Educational courses relevant to the job are also provided to develop and enhance the general skills and knowledge of employees.

HONGKONG ELECTRIC HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2007

	Note	2007 HK\$ million	2006 HK\$ million
Turnover	3	12,524	12,181
Direct costs		<u>(4,218)</u>	<u>(4,083)</u>
		8,306	8,098
Other revenue and other net income		1,547	1,044
Other operating costs		(984)	(808)
Finance costs		<u>(634)</u>	<u>(420)</u>
Operating profit		8,235	7,914
Share of profits less losses of associates		<u>524</u>	<u>229</u>
Profit before taxation	4	8,759	8,143
Income tax:	5		
Current		(1,301)	(1,314)
Deferred		5	13
		<u>(1,296)</u>	<u>(1,301)</u>
Profit after taxation		7,463	6,842
Scheme of Control transfers			
From /(To) :			
Development Fund		(14)	-
Rate Reduction Reserve		(1)	-
		<u>(15)</u>	<u>-</u>
Profit attributable to equity shareholders			
Hong Kong operations		6,727	6,173
International operations		721	669
		<u>7,448</u>	<u>6,842</u>
Profit for the year		<u>7,448</u>	<u>6,842</u>
Dividends payable to equity shareholders of the Company attributable to the year:			
Interim dividend paid during the year	6	1,238	1,238
Final dividend proposed after the balance sheet date		3,052	2,710
		<u>4,290</u>	<u>3,948</u>
Earnings per share			
Basic and diluted	7	\$3.49	\$3.21

HONGKONG ELECTRIC HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AT 31ST DECEMBER 2007

	Note	2007 HK\$ million	2006 HK\$ million
Non-current assets			
Fixed assets			
- Property, plant and equipment		41,112	41,763
- Assets under construction		2,623	2,355
- Interests in leasehold land held for own use under operating leases		2,323	2,378
		<u>46,058</u>	<u>46,496</u>
Interest in associates		9,071	6,339
Other non-current financial assets		66	1,687
Derivative financial instruments		122	47
Deferred tax assets		-	1
Employee retirement benefit assets		1,106	578
		<u>56,423</u>	<u>55,148</u>
Current assets			
Inventories		539	484
Trade and other receivables	8	1,197	1,119
Fuel Clause Account		336	566
Bank deposits and cash		12,180	10,462
		<u>14,252</u>	<u>12,631</u>
Current liabilities			
Trade and other payables	9	(1,071)	(1,095)
Bank overdrafts – unsecured		-	(4)
Current portion of bank loans and other borrowings		(2,191)	(1,089)
Current taxation		(424)	(551)
		<u>(3,686)</u>	<u>(2,739)</u>
Net current assets		<u>10,566</u>	<u>9,892</u>
Total assets less current liabilities		<u>66,989</u>	<u>65,040</u>
Non-current liabilities			
Interest-bearing borrowings		(11,304)	(13,596)
Derivative financial instruments		(7)	(1)
Customers' deposits		(1,585)	(1,537)
Deferred tax liabilities		(5,444)	(5,432)
Employee retirement benefit liabilities		(530)	(389)
		<u>(18,870)</u>	<u>(20,955)</u>
Rate Reduction Reserve		<u>(1)</u>	-
Development Fund		<u>(14)</u>	-
NET ASSETS		<u>48,104</u>	<u>44,085</u>
CAPITAL AND RESERVES			
Share capital		2,134	2,134
Reserves		45,970	41,951
Total equity attributable to equity shareholders of the Company		<u>48,104</u>	<u>44,085</u>

Notes to Annual Results

1. Review of Annual Results

The annual results have been reviewed by the Audit Committee.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2007 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

2. Changes in Accounting Policies

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Interpretations that are first effective or available for early adoption for the current accounting period of the Group.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these new standards and interpretations. However, as a result of the adoption of HKFRS 7, Financial instruments: Disclosures and the amendment to HKAS 1, Presentation of financial statements: Capital disclosures, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure regarding the significance of the Group's financial instruments and the nature and extent of risk arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information regarding the level of capital and the Group's objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of any amounts recognised in the financial statements.

3. Turnover and Segment Information

(a) Business Segments

For the year ended 31st December

HK\$ million	Sales of Electricity		Infrastructure Investments		Unallocated & Other Items		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenue								
Group turnover	12,478	12,139	-	-	46	42	12,524	12,181
Other revenue	426	26	46	78	36	216	508	320
Segment revenue	12,904	12,165	46	78	82	258	13,032	12,501
Result								
Segment result	7,858	7,347	46	78	(74)	185	7,830	7,610
Interest income	-	-	519	461	520	263	1,039	724
Finance costs	(369)	(186)	(265)	(234)	-	-	(634)	(420)
Operating profit	7,489	7,161	300	305	446	448	8,235	7,914
Share of profits less losses of associates	-	-	523	228	1	1	524	229
Profit before taxation	7,489	7,161	823	533	447	449	8,759	8,143
Income tax	(1,290)	(1,286)	(1)	(2)	(5)	(13)	(1,296)	(1,301)
Profit after taxation	6,199	5,875	822	531	442	436	7,463	6,842
Scheme of Control transfers	(15)	-	-	-	-	-	(15)	-
Profit attributable to equity shareholders	6,184	5,875	822	531	442	436	7,448	6,842

(b) Geographical Segments

For the year ended 31st December

HK\$ million	Hong Kong		Australia		Unallocated & Other Items		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenue								
Group turnover	12,503	12,166	-	-	21	15	12,524	12,181
Other revenue	460	65	46	78	2	177	508	320
Segment revenue	12,963	12,231	46	78	23	192	13,032	12,501
Result								
Segment result	7,885	7,394	45	82	(100)	134	7,830	7,610
Interest income	520	263	519	460	-	1	1,039	724
Finance costs	(369)	(186)	(257)	(234)	(8)	-	(634)	(420)
Operating profit	8,036	7,471	307	308	(108)	135	8,235	7,914
Share of profits less losses of associates	1	1	327	254	196	(26)	524	229
Profit before taxation	8,037	7,472	634	562	88	109	8,759	8,143
Income tax	(1,295)	(1,299)	(2)	(2)	1	-	(1,296)	(1,301)
Profit after taxation	6,742	6,173	632	560	89	109	7,463	6,842
Scheme of Control transfers	(15)	-	-	-	-	-	(15)	-
Profit attributable to equity shareholders	6,727	6,173	632	560	89	109	7,448	6,842

4. Profit before Taxation

Profit before taxation is shown after charging/(crediting):

	2007 <u>HK\$ million</u>	2006 <u>HK\$ million</u>
Depreciation	1,963	1,832
Amortisation of leasehold land	57	55
Fixed assets written off	22	21
Net profit on sale of fixed assets	(3)	(8)

5. Income Tax

	2007 <u>HK\$ million</u>	2006 <u>HK\$ million</u>
Current Tax - Hong Kong Profits Tax		
Provision for the year	1,300	1,313
Current Tax - Overseas		
Provision for the year	1	1
	<u>1,301</u>	<u>1,314</u>
Deferred Tax		
Origination and reversal of temporary differences	(5)	(13)
	<u><u>1,296</u></u>	<u><u>1,301</u></u>

Hong Kong Profits Tax has been provided for at the rate of 17.5% (2006 : 17.5%) based on the estimated assessable profits for the year. Overseas taxation has been provided for at the applicable rate on the estimated assessable profits for the year.

6. Dividends

	2007 <u>HK\$ million</u>	2006 <u>HK\$ million</u>
Interim dividend declared and paid of 58 cents per ordinary share (2006 : 58 cents per ordinary share)	1,238	1,238
Final dividends proposed after the balance sheet date of \$1.43 per ordinary share (2006 : \$1.27 per ordinary share)	3,052	2,710
	<u><u>4,290</u></u>	<u><u>3,948</u></u>

The final dividend proposed after the balance sheet date is based on 2,134,261,654 ordinary shares (2006 : 2,134,261,654 ordinary shares), being the total number of issued shares at the year end. The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

7. Earnings per Share

The calculation of earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$7,448 million (2006 : HK\$6,842 million) and 2,134,261,654 ordinary shares (2006 : 2,134,261,654 ordinary shares) in issue throughout the year.

8. Trade and Other Receivables

	2007 HK\$ million	2006 HK\$ million
Trade debtors (see note (a) below)	643	635
Other receivables	519	452
	<hr/>	<hr/>
	1,162	1,087
Derivative financial instruments		
- held as cash flow/fair value hedging instruments	10	19
Deposits and prepayments	25	13
	<hr/>	<hr/>
	1,197	1,119
	<hr/> <hr/>	<hr/> <hr/>

(a) Debtors' ageing is analysed as follows:

Current	600	596
1 to 3 months overdue	32	29
More than 3 months overdue but less than 12 months overdue	11	10
	<hr/>	<hr/>
Total trade debtors (see note (b) below)	643	635
	<hr/> <hr/>	<hr/> <hr/>

(b) Electricity bills issued to domestic, small industrial, commercial and miscellaneous customers for electricity supplies are due upon presentation whereas maximum demand customers are allowed a credit period of 16 working days. If settlements by maximum demand customers are received after the credit period, then a surcharge of 5% can be added to the electricity bills.

9. Trade and Other Payables

	2007 HK\$ million	2006 HK\$ million
Creditors measured at amortised cost (see note below)	1,068	1,090
Derivative financial instruments		
- held as cash flow/fair value hedging instruments	3	5
	<hr/>	<hr/>
	1,071	1,095
	<hr/> <hr/>	<hr/> <hr/>
Creditors' ageing is analysed as follows:		
Due within 1 month or on demand	474	349
Due after 1 month but within 3 months	240	267
Due after 3 months but within 12 months	321	441
	<hr/>	<hr/>
	1,035	1,057
Other payables	33	33
	<hr/>	<hr/>
	1,068	1,090
	<hr/> <hr/>	<hr/> <hr/>

OTHER INFORMATION

Purchase, Sale or Redemption of Shares

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

Code on Corporate Governance Practices

As Directors, including the Non-executive Directors, are required to retire and be subject to re-election by shareholders every three years, the Non-executive Directors have not been appointed for a specific term as provided for under Code A.4.1 of the Code on Corporate Governance Practices ("Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). From 15th October 2007, in order to comply fully with the Code, the Non-executive Directors have been appointed for specific terms. Save as mentioned above, the Company has complied with the applicable code provisions set out in the Code throughout the year ended 31st December 2007.

Closing of Register of Members

The register of members will be closed from Thursday, 8th May 2008 to Thursday, 15th May 2008, both days inclusive. To qualify for the final dividend and the right to attend and vote at the Annual General Meeting to be held on 15th May 2008 (or any adjournment thereof), all transfers accompanied by the relevant share certificates should be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 7th May 2008.

Annual General Meeting

The Annual General Meeting of the Company will be held on 15th May 2008. Notice of the Annual General Meeting will be published and sent to shareholders in the manner as required by the Listing Rules in due course.

Board Composition

As at the date of this announcement, the Directors of the Company are:

Executive Directors: Mr. FOK Kin Ning, Canning (Chairman), Mr. TSO Kai Sum (Group Managing Director), Mrs. CHOW WOO Mo Fong, Susan (also alternate to Mr. FOK Kin Ning, Canning and Mr. Frank John SIXT), Mr. Andrew John HUNTER, Mr. KAM Hing Lam (alternate to Mr. KAM : Mr. CHAN Loi Shun), Mr. LEE Lan Yee, Francis, Mr. LI Tzar Kuoi, Victor, Mr. Neil Douglas MCGEE, Mr. Frank John SIXT, Mr. WAN Chi Tin and Mr. YUEN Sui See.

Non-executive Directors: Mr. Ronald Joseph ARCULLI and Mr. George Colin MAGNUS.

Independent Non-executive Directors: Mr. Holger KLUGE, Mr. Ralph Raymond SHEA and Mr. WONG Chung Hin.