AEON STORES (HONG KONG) CO., LIMITED

永旺（香港）百貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 984)

2007 ANNUAL RESULTS

The Board of Directors of AEON Stores (Hong Kong) Co., Limited (the "Company") announces the results of the Company and its subsidiaries (the "Group" or "AEON") for the year ended 31 December 2007 together with comparative figures for the previous financial year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Notes	2007 HK$'000	2006 HK$'000
Revenue	2	**4,759,947**	4,286,972
Other income		**316,415**	272,314
Investment income		**46,593**	33,197
Purchases of goods and changes in inventories		**(3,104,046)**	(2,800,919)
Staff costs		**(517,900)**	(485,718)
Depreciation		**(136,004)**	(132,247)
Loss on disposal of property, plant and equipment		**(829)**	(1,197)
Pre-operating expenses		**(6,338)**	(3,451)
Impairment loss reversed in respect of property, plant and equipment		**–**	8,967
Royalty fee savings	3	**64,080**	–
Gain on disposals of available-for-sale investments		**6**	–
Other expenses		**(1,040,844)**	(968,229)
Finance costs		**(4,250)**	(767)
Profit before taxation		**376,830**	208,922
Income tax expenses	4	**(75,369)**	(52,217)
Profit for the year		**301,461**	156,705
Attributable to:			
Equity holders of the Company		**280,056**	148,347
Minority interests		**21,405**	8,358
		301,461	156,705
Dividends	5	**118,300**	50,700
Earnings per share – basic	6	**107.71 cents**	57.06 cents
Final dividend per share proposed after balance sheet date	5	**26.00 cents**	17.50 cents

CONSOLIDATED BALANCE SHEET

At 31 December 2007

	2007	2006
	HK$'000	*HK$'000*
Non-current Assets		
Property, plant and equipment	**335,692**	304,617
Available-for-sale investments	**29,395**	24,862
Deferred taxation	**13,129**	14,486
Rental deposits and prepayments	**94,986**	79,014
	473,202	422,979
Current Assets		
Inventories	**412,173**	367,282
Trade receivables	**34,323**	39,215
Other receivables, prepayments and deposits	**31,499**	41,310
Amounts due from fellow subsidiaries	**51,645**	45,159
Pledged bank deposits	**78,523**	–
Bank balances and cash	**1,651,084**	1,540,766
	2,259,247	2,033,732
Current Liabilities		
Trade payables	**1,036,747**	1,040,423
Other payables and accrued charges	**497,131**	378,096
Amounts due to fellow subsidiaries	**30,837**	24,754
Amount due to ultimate holding company	**27,816**	127,534
Bank borrowings	**100,387**	59,712
Income tax payable	**25,445**	9,359
Dividend payable	**383**	236
	1,718,746	1,640,114
Net Current Assets	**540,501**	393,618
Total Assets Less Current Liabilities	**1,013,703**	816,597
Capital and Reserves		
Share capital	**52,000**	52,000
Share premium and reserves	**865,534**	693,424
Equity attributable to equity holders of the Company	**917,534**	745,424
Minority interests	**71,857**	49,089
Total Equity	**989,391**	794,513
Non-current Liabilities		
Deposits received and accrued charges	**24,312**	22,084
	1,013,703	816,597

NOTES TO THE FINANCIAL STATEMENTS

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group and the Company have applied, for the first time, the following new standard, amendment and interpretations (new "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Company's/Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) – INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
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 Group and the Company have applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 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 and the Company have not early adopted the following new and revised standards, amendment 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]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – INT 11	HKFRS 2: Group and Treasury Share Transactions[3]
HK(IFRIC) – INT 12	Service Concession Arrangements[4]
HK(IFRIC) – INT 13	Customer Loyalty Programmes[5]
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

[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 March 2007
[4] Effective for annual periods beginning on or after 1 January 2008
[5] Effective for annual periods beginning on or after 1 July 2008

The application of HK(IFRIC) – INT 13 will result in change to the revenue recognition policy of the Group and the Company for its customer loyalty programme. The customer privilege programmes operated for the benefit of its customers falls within the scope of HK(IFRIC) – INT 13. Under the customer privilege programmes, the customers are entitled to receive bonus points which can be used to redeem cash coupon. Presently, the Group and the Company has accounted for the customer privilege programmes by recognising the full consideration from sales as revenue and cost of bonus points as expenses. However, HK(IFRIC) – INT 13 requires that such transactions be accounted for as "multiple element revenue transactions" and that the consideration received in the initial sales transaction be allocated between the sales of goods and the cost of bonus points that are earned by the customers.

The directors of the Company have assessed the potential impact and confirm that the application of the above standards, amendment or interpretations will not have material impact on the results and the financial position of the Group and the Company.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents the invoiced value of goods, net of discounts, sold to customers, and income from concessionaire sales during the year.

	2007	2006
	HK$'000	*HK$'000*
Direct sales	**4,054,818**	3,680,621
Income from concessionaire sales	**705,129**	606,351
Revenue	**4,759,947**	4,286,972

Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China ("PRC") (other than Hong Kong). The locations of operations are the basis on which the Group reports its primary segment information.

Geographical segment information by location of assets and market is presented below:

For the year ended 31 December 2007

	Hong Kong	**PRC**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***
Revenue	**3,090,709**	**1,669,238**	**4,759,947**
Segment result	**295,936**	**38,545**	**334,481**
Dividend income			**665**
Interest income			**45,928**
Gain on disposals of available-for-sale investments			**6**
Finance costs			**(4,250)**
Profit before taxation			**376,830**
Income tax expenses			**(75,369)**
Profit for the year			**301,461**

For the year ended 31 December 2006

	Hong Kong	PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Revenue	2,903,314	1,383,658	4,286,972
Segment result	171,991	4,501	176,492
Dividend income			759
Interest income			32,438
Finance costs			(767)
Profit before taxation			208,922
Income tax expense			(52,217)
Profit for the year			156,705

Business segments

No analysis for business segments has been presented by principal activities because the Group is solely engaged in the operation of general merchandise stores.

3. ROYALTY FEE SAVINGS

On 12 December 2006, the Company entered into a conditional amendment agreement ("Amendment Agreement") with AEON Co., Ltd., the ultimate holding company, to amend the technical assistance agreement which was entered into on 31 December 1993 for the provision by AEON Co., Ltd. to the Company of technical assistance including the right to use certain trade marks of AEON Co., Ltd. and the system of information and know-how in consideration of an annual fee paid by the Company to AEON Co., Ltd. ("Technical Assistance Agreement"). Pursuant to the Amendment Agreement and in lieu of the calculation provisions in the Technical Assistance Agreement, the Group shall pay a royalty fee to AEON Co., Ltd. for each financial year in the amount of 0.4% (the "New Royalty Rate") of the audited consolidated Total of Revenue of the Company and its Affiliates as defined in the Amendment Agreement for the relevant financial year. The New Royalty Rate will be adopted retrospectively with effect from 1 January 2003.

Details of the above are set out in the circular issued by the Company on 3 January 2007. The resolution of adopting the Amendment Agreement was duly approved by the shareholders of the Company (AEON Co., Ltd. and its affiliates having abstained from voting) and passed at the extraordinary general meeting held on 26 January 2007.

Under the Amendment Agreement, the New Royalty Rate is to be applied retrospectively with effect from 1 January 2003. This gives rise to royalty fee savings of HK$64,080,000, which is recognised in the consolidated income statement during the year. The royalty fee savings are computed based on the difference between the royalty fee incurred by the Company and its Affiliates from 1 January 2003 to 31 December 2006 pursuant to the Technical Assistance Agreement, and the royalty fee which would have been incurred by the Company and its Affiliates on the basis that the New Royalty Rate has been adopted during the corresponding years.

Another supplementary agreement ("Supplementary Agreement") was entered into between AEON Co., Ltd. and the Company to amend the definition of the Total of Revenue, and there is no effect on the royalty fee savings. Details are set out in the circular issued by the Company on 24 April 2007. The resolution of adopting the Supplementary Agreement was duly approved by the shareholders of the Company (AEON Co., Ltd. and its affiliates having abstained from voting) and passed at the extraordinary general meeting held on 23 May 2007.

4. INCOME TAX EXPENSES

	2007	2006
	HK$'000	*HK$'000*
The charges comprise:		
Current tax		
Hong Kong	**44,800**	36,730
Other regions in the PRC	**26,595**	15,034
	71,395	51,764
Underprovision in prior years		
Other regions in the PRC	**2,617**	3,314
	74,012	55,078
Deferred taxation		
Current year	**1,357**	(2,861)
Income tax expenses for the year	**75,369**	52,217

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

The PRC income tax is calculated at 15% and 33% of the estimated assessable profits of the subsidiaries.

5. DIVIDENDS

	2007	2006
	HK$'000	*HK$'000*
Final dividend paid for 2006 of 17.5 HK cents (2005: 14.0 HK cents) per ordinary share	**45,500**	36,400
Interim dividend paid for 2007 of 8.0 HK cents (2006: 5.5 HK cents) per ordinary share	**20,800**	14,300
Special dividend paid for 2007 of 20.0 HK cents (2006: nil) per ordinary share	**52,000**	–
	118,300	50,700

The Board of Directors has recommended a final dividend of 26.0 HK cents per share (2006: 17.5 HK cents) to be paid on or before 18 June 2008, subject to shareholders' approval at the forthcoming annual general meeting on 23 May 2008. Together with the interim dividend of 8.0 HK cents (2006: 5.5 HK cents) per share and a special dividend of 20.0 HK cents (2006: nil) per share, this represented a total dividend of 54.0 HK cents (2006: 23.0 HK cents) per share for the year.

6. EARNINGS PER SHARE

The calculation of earnings per share attributable to the equity holders of the Company is based on the Group's profit for the year attributable to the equity holders of the Company of HK$280,056,000 (2006: HK$148,347,000) and on 260,000,000 (2006: 260,000,000) ordinary shares in issue during the year.

There were no dilutive potential shares in both years.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 20 May 2008 to 23 May 2008 (both days inclusive), during which period no share transfers will be effected. In order to qualify for the proposed final dividend, all share transfers accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Tricor Secretaries Limited, at 26 Floor Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 19 May 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group had a successful year in 2007, which also marked its 20th anniversary in Hong Kong. The Group's revenue grew by 11% to HK$4,760 million (2006: HK$4,287 million), mainly driven by the rapid revenue growth of the stores in the PRC. Gross margin increased slightly from 34.7% to 34.8%. Profit attributable to shareholders for the year, including a one-off write back of royalty savings of HK$64 million, surged by 89% to the record high of HK$280 million (2006: HK$148 million). Earnings per share also surged by 89% to 107.71 HK cents (2006: 57.06 HK cents).

Staff costs to revenue ratio dropped from 11.3% to 10.9%, while rental costs to revenue ratio also dropped from 10.6% to 10.2%.

As at 31 December 2007, the Group maintained a net cash position with cash and bank balances of HK$1,651 million (2006: HK$1,541 million) and short-term bank loans of HK$100 million (2006: HK$60 million). The loans were denominated in Renminbi, bearing floating interest rates at 4.8-5.9% per annum.

The Group's bank deposits of HK$64 million (2006: nil) and HK$14 million (2006: nil) were pledged to banks for guarantee in favour of bank borrowings and guarantee to landlords for rental deposits.

Capital expenditures for the year were HK$155 million, mainly used in renovating existing stores and opening new stores, including a supermarket, three JUSCO $10 Plaza and two Bento Express in Hong Kong, as well as two new GMS and a shopping centre in the PRC.

The Group had sufficient financial resources and will continue to finance capital expenditures with internal resources and short-term bank borrowings.

Exchange rate fluctuation during the year had no material impact on the Group as less than 5% of its total purchases was settled in foreign currencies.

BUSINESS REVIEW

Although stock markets in Asia in particular had been highly volatile in the second half of 2007, the flourishing PRC economy and stable economic growth in Hong Kong continued to benefit the Group's business. In Hong Kong, consumption sentiment has been improving with unemployment rate staying low and salary level rising and boost from a prosperous property market. In 2007, gross domestic product of the PRC grew rapidly and the annual per capita disposable income of urban households also recorded a 12.2%[1] year-on-year growth. With consumers having more to spend and more willing to spend, the retail industry thrived last year and is expected to continue to prosper.

Hong Kong Operations

The Hong Kong economy on recovery translated into sustained consumption desire and in turn satisfactory performance of the Group. Notwithstanding the closure of JUSCO Tseung Kwan O Store in the second half year, revenue of the Hong Kong operations rose by 7% to HK$3,091 million (2006: HK$2,903 million). Hong Kong segment result surged by 72% to HK$296 million from HK$172 million last year. Less the one-off write-back of the royalty savings, Hong Kong operations still achieved a 35% growth to HK$232 million.

The Group speeded up expansion of its business in Hong Kong in the second half year. Encouraged by the success of the two JUSCO Supermarket in Kwun Tong and Lam Tin, the Group opened a third supermarket in August 2007. The about 31,000 sq. ft. new supermarket in Grand Waterfront Plaza is the largest supermarket of its kind in To Kwa Wan. Targeting mass consumers as well as middle-income families, the supermarket provides over 8,000 food and grocery items, over 40% of which are directly imported from Japan. The Group sees abundant opportunities for the new store as more new private housing estates are expected to be completed in the area for occupation in the next few years.

To meet the growing demand for healthy and delicious meals among Hong Kong consumers, the Group introduced a new business model – Bento Express – in Hong Kong and opened two shops during the year. "Bento" is a single-portion takeout or home-packed meal common in Japanese cuisine. Borrowing this concept from Japan, Bento Express provides "low cholesterol, low salt, low sugar and high fibre" healthy Japanese food and beverage take-away service at affordable prices. The first shop was opened in September in Wanchai and the second in December in Mongkok, targeting office goers and students in those districts.

The Group also opened its 12th JUSCO $10 Plaza in December in Sai Wan, a densely populated residential area with many nuclear families on Hong Kong Island. The 5,200 sq. ft. shop carries over 8,000 products at HK$10 each. The new shop also offers more than 800 food items all directly imported from Japan and stocked weekly to ensure a variety of new choices for customers.

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[1] Source: National Bureau of Statistics of China

PRC Operations

Despite that macroeconomic austerity measures were implemented in the PRC in the first half year, the economy maintained strong growth momentum during the year. Regions in south China, in particular, grew in leaps and bounds, creating a strong retail market. Thanks to the satisfactory growth in sales of existing and new stores, revenue of the PRC operations climbed 21% to HK$1,669 million (2006: HK$1,384 million). PRC segment result also rose by more than 7 times to HK$39 million from HK$5 million last year.

In January 2007, the Group opened its first shopping centre AEON Shunde Shopping Centre in Shunde, Guangdong, marking a milestone in its development. The over 47,000 sq. m. shopping centre has an 18,500 sq. m. GMS and more than 90 retail outlets, and is equipped with 2,000 parking spaces to give customers the convenience of park and shop. It is within 10 minutes' ride for 438,000 residents and near residential projects soon to be completed, meaning it has abundant business opportunities now and in the future.

During the year, the Group continued to expand its store network to capture the huge business potential in south China. In April 2007, the Group opened its fourth GMS in Shenzhen at Coco Park. Near the end of the year, the Group opened one more GMS in Nanshan, Shenzhen. With a floor area of 22,059 sq. m., the two-storey store accommodates about 35 specialty stores offering comprehensive choices to customers. Served by a well-established transportation network and with a neighbourhood population of over 165,000, the store expects to enjoy high customer flows.

20th Anniversary Activities

The Group commemorated its 20th anniversary in 2007, which was delightfully complemented by record breaking financial results. We expressed our sincere gratitude and shared our joy with shareholders, customers, business partners and staff at different occasions and through various activities. And for shareholders in particular, the Group declared payment of special dividend of 20 HK cents per share in September 2007 to show appreciation for their confidence in the Group.

For customers, the Group provided merchandise in special 20th anniversary packaging and specific types of merchandise in larger portion to reward patronage. To reward our patrons, the new J CARD was launched in September last year encompassing offer of more exclusive privileges to loyal customers. To thank business partners for their continual support over the years, the Group organised a gala dinner at the InterContinental Hong Kong in June last year. Last but not least, to express our gratitude to our staff whose efforts have been critical to the success of our business, in addition to organising staff gatherings and different staff events, we also issued special discount card for their families. We are ready to brave new heights and share the Group's promising future together with all stakeholders.

Human Resources

As at 31 December 2007, the Group had about 4,900 full-time and 2,300 part-time employees in Hong Kong and the PRC. The Group remunerates employees with reference to their performance, experience and prevailing practices of the industry. A team of excellent employees is vital to the success of a corporation. Thus, the Group has in place a system of recruitment and internal training to make sure it has an effective workforce. By providing the necessary mechanisms for professional improvement and boosting competence of staff members at all levels, and creating a platform for sharing of knowledge and experience, the Group and its parent company, AEON Co. hope to create and amplify synergies that can benefit all the Group's different operations.

PROSPECTS

Hong Kong Operations

The Hong Kong economy was reviving in the past year and is expected to keep moving steadily on the recovery path in the foreseeable future. While the general outlook is positive, there are specific factors that may adversely affect the retail industry including rising inflation rate and rental costs. Therefore, the Group remains cautiously optimistic about its operations in Hong Kong.

To meet the ever-changing needs of customers and the community, the Group will partially close JUSCO Kornhill Store for renovation from April 2008. The investment cost for the work is around HK$60 million and the renovated store is scheduled to re-open in the second half of 2008.

To expand its revenue source, the Group is exploring the opportunities to diversify into in-door amusement centre business. The Group also will continue to look for suitable locations to open more stores, speed up opening new JUSCO $10 Plaza and Bento Express especially, as well as explore other new opportunities to provide more comprehensive services and strengthen its retail network in Hong Kong.

PRC Operations

The macroeconomic austerity measures implemented in the PRC have not significantly hindered economic growth and the retail industry has continued to flourish. With an established brand name and providing excellent shopping experiences to customers, the Group believes its existing and new stores will continue to benefit from strong consumer demand for quality merchandise and services.

In 2008, the Group is going to open its second shopping centre in Guangdong. In East Lake Garden in Huizhou, the 66,000 sq. m. shopping centre will house a GMS, restaurants and a wide array of retailers and entertainment facilities and provide 1,700 parking spaces. The Group will attempt to replicate in this project the success it has running its first shopping centre in Shunde. It will take reference of local preferences, culture and habits to ensure its merchandise and services match specific customer needs. The project involves a total investment of around RMB82 million.

The Group will also open a new GMS in Foshan, Guangdong in the second half of 2008. It has earmarked about RMB33 million for the investment. It will bring the total number of GMS of the Group in the PRC to 12 and give the Group enhanced economies of scale.

As the Group is optimistic about the prospects of the retail market and its operation in Shenzhen, in January 2008, it signed an agreement to acquire the remaining 35% interests in the registered capital of AEON Shenzhen. Details of the agreement were given in the announcement of the Company dated 18 January 2008. The aggregate consideration of RMB94.5 million for the acquisition is to be paid in cash by the Group using internal resources. When the acquisition is completed, the Group will hold 100% stake in AEON Shenzhen, certain operational functions of which can be integrated with those of the Group to improve cost-effectiveness. The Group will also be able to achieve greater economies of scale and enjoy stronger bargaining power with suppliers. The acquisition is expected to bring strong synergies to the Group in the next few years.

The Group will strive to identify suitable locations for new stores and study the feasibility of introducing proven new business models in Hong Kong to south China to accelerate expansion of its business in that market.

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

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

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The existing Articles of Association ("Articles") of the Company provide that the number of Directors shall not be more than ten. The Directors wish to propose an amendment ("Amendment") to the Articles to increase the number of Directors from ten to twelve. The purpose of the Amendment is to enable the Company to invite more high calibers to join the Board of the Company to broaden its skill, experience and business relationship networks in furtherance of its expansion pace in future. The Amendment is subject to the shareholders' approval at the forthcoming annual general meeting of the Company. The Company will dispatch a circular to provide further details of the Amendment to its shareholders in due course.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied throughout the year with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, save that in the review of the effectiveness of the system of internal control of the Group, the Directors identified a weakness in a subsidiary's reporting system which led to the late announcement of a tenancy agreement entered into between the subsidiary and the joint venture partner of that subsidiary. Under the Listing Rules, the tenancy agreement constituted a continuing connected transaction of the Company and should have been announced when it was entered into by the parties. The late announcement was caused by a change of management of the subsidiary in April 2006 and the new management had not notified the Company of the tenancy agreement when it was entered into in November 2006. Upon becoming aware of the execution of the tenancy agreement in June 2007, the Company took immediate steps to engage an independent financial adviser and valuer to review and opine on the terms of the tenancy agreement. In addition, the Company has stepped up its monitoring and reporting procedures by (i) carrying out discussions with the management of the subsidiary in question and other subsidiaries with a particular emphasis on the importance of adhering to the requirements stipulated in the Listing Rules; (ii) reviewing the internal reporting and compliance system within the Group; (iii) arranging for seminars and training sessions for management of the Group to ensure that they are up-to-date with the requirements stipulated in the Listing Rules; and (iv) requiring all subsidiaries involved in continuing connected transactions to report to the management on a regular basis. The Company will continuously monitor and review the connected transactions and will comply with the requirements set out in Chapter 14A of the Listing Rules.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, the Company confirmed that they have fully complied with the required standard set out in the Model Code throughout the year ended 31 December 2007.

The Audit Committee of the Company comprises three independent non-executive Directors and one non-executive Director. The Group's audited financial statements for the year ended 31 December 2007 have been reviewed by the Audit Committee.

By Order of the Board
Lam Man Tin
Managing Director

Hong Kong, 28 March 2008

As at the date of this announcement, the executive Directors of the Company are Mr. Lam Man Tin, Mr. Yutaka Fukumoto, Mr. Wong Mun Yu and Mr. Yutaka Agawa; the non-executive Directors are Mr. Akihito Tanaka, Mr. Masaaki Toyoshima and Mr. Kazumasa Ishii; and the independent non-executive Directors are Madam Lam Pei Peggy, Mr. Sham Sui Leung, Daniel and Ms. Cheng Yin Ching, Anna.