



# **KECK SENG INVESTMENTS (HONG KONG) LIMITED**

**激成投資（香港）有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 00184)

## **2007 FINAL RESULTS ANNOUNCEMENT**

The Directors of Keck Seng Investments (Hong Kong) Limited (the “Company”) hereby announce the consolidated final results of the Company and its subsidiaries (the “Group”), and associated companies for the year ended 31 December 2007. These results have been reviewed by the Audit Committee of the Board of Directors and the figures in respect of the preliminary announcement of these results have been compared by the Company’s auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft audited consolidated 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.

The consolidated profit attributable to equity shareholders of the Company for the year ended 31 December 2007 was HK\$235,355,000 (HK\$0.69 per share), compared to HK\$203,031,000 (HK\$0.60 per share) in 2006.

The Directors have recommended a final dividend of HK\$0.12 per share for the year (2006: HK\$0.10).

Subject to shareholders’ approval of the payment of the final dividend at the forthcoming Annual General Meeting of the Company, the proposed final dividend is expected to be paid on 9 July 2008.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

	<i>Note</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
<b>Turnover</b>		<b>638,263</b>	628,347
Cost of sales		<u>(88,404)</u>	<u>(95,404)</u>
		<b>549,859</b>	532,943
Other revenue	3	<b>40,711</b>	30,415
Other net income	4	<b>94,100</b>	41,153
Direct costs and operating expenses		<b>(197,650)</b>	(187,771)
Marketing and selling expenses		<b>(13,731)</b>	(13,704)
Depreciation of fixed assets		<b>(80,235)</b>	(91,782)
Administrative and other operating expenses		<u>(96,112)</u>	<u>(85,995)</u>
<b>Operating profit</b>		<b>296,942</b>	225,259
Increase in fair value of investment properties		<u>23,000</u>	<u>48,480</u>
		<b>319,942</b>	273,739
Finance Costs	5(a)	<b>(1,261)</b>	(8,120)
Share of profits less losses of associates		<b>20,407</b>	13,446
Gain on disposal of an associate		<u>–</u>	<u>2,420</u>
<b>Profit before taxation</b>	5	<b>339,088</b>	281,485
Income tax	6	<u>(11,029)</u>	<u>(15,822)</u>
<b>Profit for the year</b>		<b><u>328,059</u></b>	<b><u>265,663</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company	7	<b>235,355</b>	203,031
Minority interests		<u>92,704</u>	<u>62,632</u>
Profit for the year		<b><u>328,059</u></b>	<b><u>265,663</u></b>
Dividend attributable to the year:			
Interim dividend paid – HK\$0.05 (2006: HK\$0.03) per share		<b>17,010</b>	10,206
Proposed final dividend – HK\$0.12 (2006: HK\$0.10) per share		<u>40,824</u>	<u>34,020</u>
		<b><u>57,834</u></b>	<b><u>44,226</u></b>
<b>Basic and diluted earnings per share (cents)</b>	7	<b><u>69.2</u></b>	<b><u>59.7</u></b>

## CONSOLIDATED BALANCE SHEET

At 31 December

	Note	2007 HK\$'000	2006 HK\$'000
<b>Non-current assets</b>			
Fixed assets			
– Investment properties		244,480	221,480
– Other properties and fixed assets		616,652	661,847
– Interests in leasehold land held for own use under operating lease		<u>122,245</u>	<u>120,567</u>
		983,377	1,003,894
Properties under development		24,016	–
Interest in associates		133,078	104,259
Available-for-sale securities		3,702	1,785
Deferred tax assets		<u>–</u>	<u>5,310</u>
		<u>1,144,173</u>	<u>1,115,248</u>
<b>Current assets</b>			
Trading securities		57,395	–
Properties held for sale		331,842	335,671
Inventories		2,446	1,850
Trade and other receivables	8	26,272	82,760
Deposits and cash		<u>1,089,415</u>	<u>842,011</u>
		<u>1,507,370</u>	<u>1,262,292</u>
<b>Current liabilities</b>			
Bank loans	9	9,749	48,669
Trade and other payables	10	151,807	104,122
Loans from associates		1,364	1,364
Loans from minority shareholders		37,232	38,174
Loans from an affiliated company		28,926	28,840
Amounts due to an affiliated company		28,562	29,561
Taxation payable		<u>30,315</u>	<u>38,578</u>
		<u>287,955</u>	<u>289,308</u>
<b>Net current assets</b>		<u>1,219,415</u>	<u>972,984</u>
<b>Total assets less current liabilities</b>		<u>2,363,588</u>	<u>2,088,232</u>
<b>Non-current liabilities</b>			
Loans from minority shareholders		90,616	81,241
Deferred tax liabilities		<u>10,917</u>	<u>10,635</u>
		<u>101,533</u>	<u>91,876</u>
<b>NET ASSETS</b>		<u><u>2,262,055</u></u>	<u><u>1,996,356</u></u>
<b>Capital and reserves</b>			
Share capital		340,200	340,200
Reserves		<u>1,563,373</u>	<u>1,371,676</u>
Shareholders' equity		1,903,573	1,711,876
Minority interests		<u>358,482</u>	<u>284,480</u>
<b>TOTAL EQUITY</b>		<u><u>2,262,055</u></u>	<u><u>1,996,356</u></u>

*Notes:*

**1. Basis of preparation of the financial statements**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The financial statements have been prepared under the historical cost convention except where stated otherwise in the accounting policies set out in the annual report to be despatched to equity shareholders.

The accounting policies are consistent with those used in the annual financial statements for the year ended 31 December 2006, with the addition of the following new and amended standards which are relevant to the Group’s operation and are mandatory for the financial year ended 31 December 2007:

HKFRS 7	Financial instruments: Disclosures
HKAS 1	Presentation of financial statements: Capital disclosures

Neither of the above have any material impact to the classification, recognition and measurement of the amounts recognised in the financial statements.

The following new standard, effective for accounting periods beginning on or after 1 January 2009, may result in new or amended disclosures in the Group’s financial statements and has not been early adopted:

HKFRS 8	Operating segments
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Certain comparative figures have been reclassified to conform with the current year’s presentation.

## 2. Segment information

Geographical segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

### Geographical segments

	2007					
	Macau HK\$'000	PRC HK\$'000	Vietnam HK\$'000	Canada HK\$'000	Others HK\$'000	Total HK\$'000
<b>Turnover</b>	<b>52,773</b>	<b>54,789</b>	<b>528,227</b>	<b>1,139</b>	<b>1,335</b>	<b>638,263</b>
Other revenue						
– allocated	15,384	275	1,344	–	–	17,003
– unallocated	–	–	–	–	23,708	23,708
Total revenue	<u>68,157</u>	<u>55,064</u>	<u>529,571</u>	<u>1,139</u>	<u>25,043</u>	<u>678,974</u>
Segment results	62,345	17,189	144,076	260	73,072*	296,942
Increase in fair value of investment properties	23,000	–	–	–	–	23,000
Finance costs	(347)	(635)	–	–	(279)	(1,261)
Share of profits less losses of associates	(7)	–	13,508	6,906	–	20,407
Profit before taxation	84,991	16,554	157,584	7,166	72,793	339,088
Income tax						(11,029)
Profit after taxation						<u>328,059</u>
Minority interests	33,001	9,723	47,920	–	2,060	<u>92,704</u>
Profit attributable to equity shareholders						<u>235,355</u>
Depreciation of fixed assets	5,843	10,222	63,994	–	176	80,235
Capital expenditure incurred during the year	<u>18,127</u>	<u>1,946</u>	<u>33,422</u>	<u>–</u>	<u>–</u>	<u>53,495</u>
Segment assets #	677,792	185,340	516,607	–	82,791	1,462,530
Interest in associates	–	–	43,764	54,684	34,630	133,078
Unallocated assets	–	–	–	–	1,055,935	1,055,935
Total assets	<u>677,792</u>	<u>185,340</u>	<u>560,371</u>	<u>54,684</u>	<u>1,173,356</u>	<u>2,651,543</u>
Segment liabilities #	60,686	17,379	109,269	67	46,975	234,376
Unallocated liabilities	–	–	–	–	155,112	155,112
Total liabilities	<u>60,686</u>	<u>17,379</u>	<u>109,269</u>	<u>67</u>	<u>202,087</u>	<u>389,488</u>
Minority interests						<u>358,482</u>

\* Segment results of “others” include exchange gain of HK\$56,603,000.

# Segment assets and liabilities are before elimination of inter-segment balances.

## 2006

	Macau HK\$'000	PRC HK\$'000	Vietnam HK\$'000	Canada HK\$'000	Others HK\$'000	Total HK\$'000
Turnover	119,390	49,995	456,786	1,060	1,116	628,347
Other revenue						
– allocated	12,883	266	3,148	–	–	16,297
– unallocated	–	–	–	–	14,118	14,118
Total revenue	<u>132,273</u>	<u>50,261</u>	<u>459,934</u>	<u>1,060</u>	<u>15,234</u>	<u>658,762</u>
Segment results	98,002	8,555	86,631	371	34,120*	227,679
Increase in fair value of investment properties	48,480	–	–	–	–	48,480
Finance costs	(252)	(1,374)	–	(3)	(6,491)	(8,120)
Share of profits less losses of associates	(10)	2,298	2,703	8,455	–	13,446
Profit before taxation	146,220	9,479	89,334	8,823	27,629	281,485
Income tax						(15,822)
Profit after taxation						<u>265,663</u>
Minority interests	28,763	5,567	28,772	–	(470)	<u>62,632</u>
Profit attributable to equity shareholders						<u>203,031</u>
Depreciation of fixed assets	4,424	9,440	77,743	–	175	91,782
Capital expenditure incurred during the year	<u>27,740</u>	<u>2,926</u>	<u>11,429</u>	<u>–</u>	<u>–</u>	<u>42,095</u>
Segment assets #	679,805	179,087	555,364	–	17,873	1,432,129
Interest in associates	–	–	37,900	61,362	4,997	104,259
Unallocated assets	–	–	–	–	841,152	841,152
Total assets	<u>679,805</u>	<u>179,087</u>	<u>593,264</u>	<u>61,362</u>	<u>864,022</u>	<u>2,377,540</u>
Segment liabilities #	76,413	30,703	54,903	79	41,271	203,369
Unallocated liabilities	–	–	–	–	177,815	177,815
Total liabilities	<u>76,413</u>	<u>30,703</u>	<u>54,903</u>	<u>79</u>	<u>219,086</u>	<u>381,184</u>
Minority interests						<u>284,480</u>

\* Segment results of “others” include exchange gain of HK\$16,766,000.

# Segment assets and liabilities are before elimination of inter-segment balances.

*Business segments*

	<b>2007</b>			
	<b>Property development, investment and management <i>HK\$'000</i></b>	<b>Hotel and club operations <i>HK\$'000</i></b>	<b>Unallocated <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Revenue from external customers	50,236	588,027	–	638,263
Total assets #	753,330	802,632	1,095,581	2,651,543
Contribution to profit from operations	218,072	160,740	(58,870)	319,942
Capital expenditure incurred during the year	18,042	35,453	–	53,495

  

	<b>2006</b>			
	<b>Property development, investment and management <i>HK\$'000</i></b>	<b>Hotel and club operations <i>HK\$'000</i></b>	<b>Unallocated <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Revenue from external customers	117,131	511,216	–	628,347
Total assets #	694,317	835,710	847,513	2,377,540
Contribution to profit from operations	149,312	97,847	26,580	273,739
Capital expenditure incurred during the year	27,568	14,527	–	42,095

# Segment assets are before elimination of inter-segment balances

**3. Other revenue:**

	<b>2007 <i>HK\$'000</i></b>	<b>2006 <i>HK\$'000</i></b>
Interest income from bank deposits	39,622	26,258
Dividend income from available-for-sale securities	54	40
Other revenue from hotel and club operations and miscellaneous income	1,035	4,117
	<b><u>40,711</u></b>	<b><u>30,415</u></b>

**4. Other net income:**

	<b>2007 <i>HK\$'000</i></b>	<b>2006 <i>HK\$'000</i></b>
Exchange gain	111,824	42,777
Loss on disposal of fixed assets	(8,085)	(1,624)
Net realised and unrealised losses on trading securities	(9,253)	–
Others	(386)	–
	<b><u>94,100</u></b>	<b><u>41,153</u></b>

## 5. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
<b>(a) Finance costs</b>		
Interest on bank advances and other borrowings wholly repayable within five years	1,001	7,952
Interest payable on amounts due to an affiliated company	200	110
Other borrowing costs	60	58
	<u>1,261</u>	<u>8,120</u>
<b>(b) Staff costs</b>		
Salaries, wages and other benefits	62,269	52,015
Contributions to defined contribution retirement plans	2,545	1,873
	<u>64,814</u>	<u>53,888</u>
<b>(c) Other items</b>		
Cost of properties sold	4,687	19,538
Cost of inventories	83,668	74,032
Auditors' remuneration		
– Audit services	1,334	1,251
– Tax and other non-audit services	403	310
Operating lease charges for hire of premises	186	278
Rentals receivable from investment properties		
less direct outgoings of HK\$2,506,000 (2006: HK\$2,077,000)	(15,842)	(11,109)
Other rental income less direct outgoings	<u>(9,505)</u>	<u>(20,236)</u>



## 6. Income tax

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	–	–
Current tax – Overseas		
Provision for the year	12,362	17,459
Over-provision in respect of prior years (Note ii)	(6,945)	(6,951)
	<u>5,417</u>	<u>10,508</u>
Deferred tax		
Increase in fair value of investment properties	1,852	6,107
Origination and reversal of temporary differences	989	–
Future benefit of tax losses utilised/(recognised)	2,771	(793)
	<u>5,612</u>	<u>5,314</u>
	<u><u>11,029</u></u>	<u><u>15,822</u></u>

*Note:* (i) The provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(ii) In prior years, the Group made the provisions for Macau complementary tax based on information available to the Group at that time. During the year ended 31 December 2007, the Directors have reassessed the adequacy of those provisions and as a result of this evaluation, provisions for Macau complementary tax charged to the income statement in previous years totalling HK\$6,945,000 (2006: HK\$6,950,000) have been credited to the consolidated income statement for the year ended 31 December 2007.

## 7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$235,355,000 (2006: HK\$203,031,000) and on the 340,200,000 ordinary shares in issue during the years ended 31 December 2007 and 2006.

There is no potential ordinary share during the years ended 31 December 2007 and 2006.

## 8. Trade and other receivables

Included in trade and other receivables are trade receivables (net of impairment losses for bad and doubtful debts) with the following ageing analysis:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current or less than 1 month overdue	10,187	9,678
1 to 3 months overdue	4,860	65,158
More than 3 but less than 12 months overdue	43	44
	<u>15,090</u>	<u>74,880</u>

The Group has a defined credit policy. The general credit terms allowed range from 0 to 30 days. Trade receivables with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted. The exposures to these credit risks are monitored on an ongoing basis.

## 9. Bank loans

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Secured	4,749	18,669
Unsecured	5,000	30,000
Total – all repayable within one year or on demand	<u>9,749</u>	<u>48,669</u>

## 10. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Due within 1 month or on demand	9,632	18,170
Due after 1 month but within 3 months	6,458	8,103
Due after 3 months but within 6 months	3,461	582
	<u>19,551</u>	<u>26,855</u>

## 11. Commitments

- (a) Capital commitments outstanding at 31 December 2007 not provided for in the financial statements are as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Contracted for	40,647	–
Authorised but not contracted for	<u>35,990</u>	<u>–</u>
	<u><u>76,637</u></u>	<u><u>–</u></u>

- (b) At 31 December 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Leases on premises expiring within one year	<u><u>192</u></u>	<u><u>192</u></u>

## OPERATIONS REVIEW

Our Group's turnover for 2007 increased by 2% to HK\$638 million, as compared to HK\$628 million in 2006.

A summary and analysis of the operations are as follows.

### Vietnam

2007 was a year of strong performance for the Vietnam economy. Tourism and hotel sectors benefited significantly from rising visitor arrivals, increased foreign direct investments, and strong local consumption. Total revenue for our Group from Vietnam rose to HK\$530 million, an increase of 15% compared to HK\$460 million in 2006.

*Sheraton Saigon Hotel & Towers and Executive Residences* Average room rate for the year improved to US\$189 per room night in 2007, as compared to US\$152 in 2006. The 92 units of serviced apartments in the Executive Residences are being converted into 112 luxurious hotel rooms. The entire project is expected to be completed by June 2008. This will enable the hotel continue to be a premier hotel in the city.

*Caravalle Hotel* For 2007, average room rate for the year improved to US\$168 per room night, as compared to US\$126 in 2006. Contribution to our Group's profit after tax increased to HK\$13.5 million for the year, a significant increase as compared to HK\$2.7 million in 2006.

## **Macau**

Profit before tax from Macau operations in 2007 was HK\$85 million, a reduction of 42% as compared to HK\$146 million in 2006. Our Group takes the view that property values in Macau will continue to rise against a background of strong economic growth underpinned by rising visitor arrivals, increasing investment in fixed assets, and low unemployment rates. Hence, sale of properties in our Group will be timed to take advantage of market conditions.

## **The People's Republic of China**

*Holiday Inn Riverside Wuhan* Total revenue from the hotel for the year 2007 increased to HK\$55 million as compared to HK\$50 million in 2006, an increase of 10%. Average room rate for the year increased to RMB393 per room night, as compared to RMB376 in 2006. During the year, occupancy rate declined to 67%, as compared to 74% in 2006. The lower occupancy rate is consistent with the performance of other hotels in the city. Competition continues to be vibrant in this market.

## **Canada**

Operating conditions in Canada in 2007 was affected by the strength of the Canadian currency as compared to the US dollar, as well as rising oil prices, both of which dampened the demand for hotel rooms in Canada in general. Profit contribution to our Group from Canadian operations for 2007 declined to HK\$7 million, a reduction of 22%, as compared to HK\$9 million in 2006.

*The Sheraton Ottawa Hotel* reported an increase in average room rate to C\$164 for 2007, as compared to C\$154 in 2006. There was a reduction in occupancy rate for the year to 61%, as compared to 64% in 2006. This reduction was a result of the reasons above mentioned, and that there was a union strike that occurred in the hotel in September 2007, which was settled in October 2007.

*Doubletree by Hilton* at the Toronto Airport reported improved net earnings. Average room rate declined marginally to C\$112.62 in 2007, from C\$113.25 in 2006. This was more than offset by the increase in occupancy to 74% in 2007, from 72% in 2006.

*Four Points by Sheraton* in Quebec also reported improved net earnings. Average room rate improved to C\$108.72 in 2007, from C\$100.75 in 2006. Occupancy remained stable at around 64% for both 2007 and 2006.

## **FINANCIAL REVIEW**

The Group's turnover was HK\$638,263,000 for the year ended 31 December 2007, an increase of 2% over the corresponding period in 2006. This increase was due primarily to higher revenue generated from the operation of the Sheraton Saigon Hotel in Vietnam. Profit from operations was HK\$319,942,000 for the year ended 31 December 2007 as compared to HK\$273,739,000 in 2006. Profit attributable to equity shareholders amounted to HK\$235,355,000.

As 31 December 2007, the Group has total bank loans and other borrowings of HK\$196,449,000 and bank deposits and cash of HK\$1,089,415,000. All bank loans totalling HK\$9,749,000 are repayable within twelve months.

The Group's bank borrowings are in Hong Kong Dollars and United States Dollars. Bank deposits and cash are mostly in Vietnamese Dong, Pounds Sterling, Euro, Australian dollars and Canadian dollars. The Group's bank borrowings are on a floating rate basis. Taking into account cash in hand and available credit facilities, the Group has sufficient working capital for its present requirements

## **PLEDGE OF ASSETS**

As at 31 December 2007, certain properties held for sale with aggregate value of HK\$98,510,000 were mortgaged to various banks to secure banking facilities granted to the Group.

## **CONTINGENT LIABILITIES**

At 31 December 2007, there were outstanding counter indemnities relating to guarantees issued by bankers of a subsidiary in favour of the Macau SAR Government in respect of properties held for sale amounting to HK\$8,252,000 (2006: HK\$6,311,000).

At 31 December 2007, guarantees given by the Company to banks to secure banking facilities made available to an associate amounted to HK\$82,589,000 (2006: HK\$68,932,000).

At 31 December 2007, guarantees given by a subsidiary and the Company to a bank to secure banking facilities made available to its associate amounted to HK\$39,975,000 (2006: HK\$33,365,000).

## **PROSPECTS**

Global uncertainties arising from the slowdown of the US economy, and the sub-prime mortgage market, have dominated headlines worldwide and have negatively impacted market sentiments in Asia as well. However, the fundamental strength of the economies of China and other Asian countries has continued to provide strong impetus to increased capital investments and economic activities in the region.

Our Group has always taken a positive view on the long-term growth prospects of the region and has continued to maintain a large proportion of its assets in Asia. Vietnam and Macau, where the majority of our Group's core assets are domiciled, have witnessed robust economic growth in the past few years, and are expected to continue to perform well.

The successful conversion of serviced apartments into 112 luxurious hotel rooms at the Sheraton Saigon this year will increase the number of rooms in that property to 496. This will allow the property to capitalize on the underlying strength of the Vietnam tourism market to increase revenue in the coming years.

The launch of the Lot W serviced apartments in Ocean Gardens, Macau at the end of last year will contribute to the continuing increase of rental revenue in 2008.

Wuhan will continue to be a competitive market for hotels of all categories, due to the significant number of hotel rooms being added every year. Holiday Inn Riverside Wuhan is, however, a branded property and generally recognized to be a well managed hotel. It will continue to perform satisfactorily.

The US recession is likely to impact the Canadian economy and visitor arrivals to the country. The strength of the Canadian currency against the US dollar will also drive up the cost of staying in Canadian hotels. Our Group has an experienced management team in Canada which will be taking appropriate measures to enhance revenue and maintain effective cost control.

Our Group maintains long term perspectives for investment and operations, as seen by our commitment to Vietnam and Macau, areas which will continue to be the prime focus for our Group. With strong financial discipline, we are well placed to weather any short term cyclical lows in the economic cycle. Our ample funding resources will also allow us to make prompt investment decisions when such opportunities arise.

## **PERSONNEL**

At 31 December 2007, the Group had approximately 1,728 employees. A policy of localizing as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the year under review.

## **CORPORATE GOVERNANCE**

The Company will continue its policy of maintaining a solid, balanced and sensible framework of corporate governance.

The Company has conducted a review of its corporate governance regime and framework during the year, and will continue to do so, with a view towards ensuring that such practices are in line with evolving regulatory developments and market expectations.

The Company, for the accounting period covered by the financial statements, had been in compliance with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that the Company had not appointed a chief executive officer, since day-to-day operations of the Group were undertaken by the management teams in the respective geographical locations under the supervision of the executive directors. In respect of the management of the Board of Directors of the Company, the role was undertaken by Mr HO Kian Guan, Executive Chairman of the Company. The Board of Directors is of the view that this structure has

served the Company well in the past years and does not impair the balance of responsibility between the Board and the management of the business. Further, the non-executive directors of the Company were not appointed for a specific term. In practice, however, they are subject to retirement by rotation not less than once every three years.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Board of Directors of the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries of all Directors who have confirmed compliance with the required standards set out in the Model Code during the period under review.

## **REGISTER OF MEMBERS**

The Register of Members will be closed from Tuesday, 24 June 2008 to Friday, 27 June 2008, both dates inclusive. To qualify for the proposed final dividend, all share transfers must be lodged with the Company’s share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 23 June 2008.

## **ANNUAL GENERAL MEETING**

The forthcoming Annual General Meeting of the Company will be held on Friday, 27 June 2008.

By Order of the Board  
**Keck Seng Investments (Hong Kong) Limited**  
**HO Kian Guan**  
*Executive Chairman*

Hong Kong, 24 April 2008

*As at the date of this announcement, the Board of Directors of the Company comprises Mr HO Kian Guan, Mr HO Kian Hock, Mr TSE See Fan Paul, Mr CHAN Lui Ming Ivan and Ms YU Yuet Chu Evelyn as executive directors; Mr HO Kian Cheong as non-executive director; and Dr CHAN Yau Hing Robin, Mr KWOK Chi Shun Arthur and Ms WANG Poey Foon Angela as independent non-executive directors.*