ASM PACIFIC TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0522)

ANNOUNCEMENT OF 2008 AUDITED RESULTS
YEAR ENDED 31 DECEMBER 2008

ASM's Performance in Year 2008

- **Group turnover of US$675 million, a reduction of 2.5% over the previous year**
- **Profit of HK$974 million and earnings per share of HK$2.49, a reduction of 23.3% over the previous year**
- **Equipment turnover of US$527 million, a decline of 4.7% year on year**
- **Record lead frame turnover, achieving 6.5% revenue growth and US$148 million sales**
- **Retained the world's No. 1 position in the assembly and packaging equipment industry held since 2002**
- **With zero debt and cash on hand of HK$846 million at the end of December 2008**

The Directors of ASM Pacific Technology Limited are pleased to make the following announcement:

RESULTS

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved a turnover amounting to **HK$5,258 million** in the fiscal year ended 31 December 2008, representing a decrease of 2.5% as compared with HK$5,393 million for the previous year. The Group's consolidated profit for the year is **HK$974 million**, which is 23.3% lower than the previous year's consolidated profit of HK$1,269 million. Basic earnings per share for the year amounted to **HK$2.49** (2007: HK$3.26).

DIVIDEND

In view of the Company's continuing strong liquidity and equity base, the Board of Directors has decided to recommend a final dividend of **HK$0.50** (2007: final dividend of HK$1.10 and second special dividend of HK$0.40) per share. Together with the interim dividend of HK$0.90 (2007: HK$0.70) and first special dividend of HK$0.50 (2007: HK$0.60) per share paid in August 2008, the total dividend payment for year 2008 will be **HK$1.90** (2007: HK$2.80) per share.

Having established its leadership position in the microelectronics market over the years, ASM intends to further its organic growth path in the near term not only by enlarging market share with its high-performance, diversified products but also by moving into untapped market space that provides the opportunity for highly profitable growth. The Group has consistently managed to generate significant positive cash flows from operations and there is no short term need for major cash outlay.

The Register of Members will be closed from 17 April 2009 to 24 April 2009, both days inclusive. In order to qualify for the proposed final dividend and attendance at annual general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong, not later than 4:00 p.m. on 16 April 2009. The proposed final dividend will be paid on or about 29 April 2009.

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December **2008** **HK$'000**	2007 HK$'000
Turnover	1	**5,258,413**	5,392,661
Cost of sales		**(3,163,227)**	(3,039,251)
Gross profit		**2,095,186**	2,353,410
Other income		**28,374**	36,316
Selling expenses		**(465,509)**	(440,043)
General and administrative expenses		**(195,751)**	(180,961)
Research and development expenses		**(358,734)**	(318,525)
Finance costs		**(2)**	(72)
Profit before taxation		**1,103,564**	1,450,125
Income tax expense	3	**(129,891)**	(180,628)
Proft for the year		**973,673**	1,269,497
Dividend paid	4	**1,132,821**	972,098
Dividend proposed	4	**196,178**	585,942
Earnings per share	5		
- Basic		**HK$2.49**	HK$3.26
- Diluted		**HK$2.48**	HK$3.25

CONSOLIDATED BALANCE SHEET

	Notes	At 31 December **2008** **HK$'000**	2007 HK$'000
Non-current assets			
Property, plant and equipment		**1,004,105**	995,963
Prepaid lease payments		**8,321**	9,255
Deposits paid for acquisition of property, plant and equipment		**12,434**	31,401
Deferred tax assets		**9,993**	4,140
		1,034,853	1,040,759
Current assets			
Inventories		**900,958**	912,347
Trade and other receivables	6	**1,003,243**	1,328,748
Prepaid lease payments		**489**	514
Bank balances and cash		**845,521**	778,183
		2,750,211	3,019,792
Current liabilities			
Trade and other payables	7	**647,940**	921,580
Taxation		**271,112**	187,324
		919,052	1,108,904
Net current assets		**1,831,159**	1,910,888
		2,866,012	2,951,647
Capital and reserves			
Share capital		**39,236**	39,063
Dividend reserve		**196,178**	585,942
Other reserves		**2,628,686**	2,325,114
Equity attributable to equity holders of the Company		**2,864,100**	2,950,119
Non-current liabilities			
Deferred tax liabilities		**1,912**	1,528
		2,866,012	2,951,647

Notes:

1. SEGMENT INFORMATION

Segment turnover and results

By business segments

	Year ended 31 December	
	2008	2007
	HK$'000	HK$'000
Turnover		
Equipment	**4,104,507**	4,309,020
Lead frame	**1,153,906**	1,083,641
	5,258,413	5,392,661
Result		
Equipment	**1,037,483**	1,329,550
Lead frame	**54,053**	93,908
	1,091,536	1,423,458
Interest income	**12,030**	26,739
Finance costs	**(2)**	(72)
Profit before taxation	**1,103,564**	1,450,125
Income tax expense	**(129,891)**	(180,628)
Profit for the year	**973,673**	1,269,497

By geographical segments

	Turnover		Profit before taxation	
	Year ended 31 December		Year ended 31 December	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
a. Location of operation				
People's Republic of China ("PRC"), including Hong Kong and Mainland China	**3,413,663**	3,111,250	**852,036**	877,145
Singapore and Malaysia	**1,844,750**	2,281,411	**239,500**	546,313
	5,258,413	5,392,661	**1,091,536**	1,423,458
Interest income			**12,030**	26,739
Finance costs			**(2)**	(72)
Profit before taxation			**1,103,564**	1,450,125

b. Location of market	Turnover Year ended 31 December 2008 HK$'000	2007 HK$'000
Mainland China	**1,860,038**	1,731,626
Taiwan	**888,940**	1,207,183
Malaysia	**707,276**	703,496
Hong Kong	**355,402**	371,511
Korea	**308,033**	398,557
Thailand	**277,771**	261,153
Philippines	**239,359**	225,957
Japan	**197,335**	95,972
United States of America and Latin America	**158,786**	160,297
Singapore	**144,990**	117,939
Europe	**79,646**	86,968
Others	**40,837**	32,002
	5,258,413	5,392,661

2. DEPRECIATION

During the year, depreciation of HK$219 million (2007: HK$198 million) was charged in respect of the Group's property, plant and equipment.

3. INCOME TAX EXPENSE

	Year ended 31 December 2008 HK$'000	2007 HK$'000
Current tax:		
Hong Kong	**117,380**	169,379
Other jurisdictions	**18,158**	15,177
	135,538	184,556
Under(over)provision in prior years:		
Hong Kong	**(32)**	-
Other jurisdictions	**133**	(484)
	101	(484)
Deferred tax credit		
Current year	**(5,748)**	(3,444)
	129,891	180,628

Hong Kong Profits Tax has been calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the “New Law”) by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation Regulations, the Enterprise Income Tax rate of the Group’s subsidiaries in the PRC was increased from 10% and 15% to 25% progressively from 1 January 2008 onwards. The relevant tax rates for the Group’s subsidiaries in the PRC range from 18% to 25% (2007: 10% to 15%).

The Group's profit arising from the manufacture of semiconductor equipment and materials in Singapore is non-taxable under a tax incentive covering certain new products under the Manufacturing Headquarters ("MH") status granted by the Singapore tax authority. The tax exemption applies to profits arising for a period of 10 years from 1 January 2001, subject to the fulfilment of certain criteria during the period.

Pursuant to the relevant laws and regulations in the PRC, certain subsidiaries of the Group were exempted from PRC Income Taxes for two years starting from their first profit-making year, which is 2003, followed by a 50% reduction for the next three years.

The Company continued to receive letters from the Hong Kong Inland Revenue Department during the year ended 31 December 2008 seeking information relating to Profits Tax and other tax affairs of certain subsidiaries of the Company. The enquiry might lead to additional tax being charged on profits from some overseas subsidiaries that have not previously been included in the scope of charge for Hong Kong Profits Tax. The Group purchased tax reserve certificates amounting to HK$73,000,000 (2007: HK$47,000,000).

Based on legal and other professional advice that the Company has sought, the directors are of the opinion that there would have a case to pursue. The directors also consider that sufficient provision for taxation has been made in the financial statements and the amounts paid under the tax reserve certificates are finally recoverable.

4. DIVIDENDS

	Year ended 31 December	
	2008	2007
	HK$'000	HK$'000
Dividend Paid		
Interim dividend paid for 2008 of HK$0.90 (2007: HK$0.70) per share on 390,628,000 (2007: 388,839,000) shares	**351,565**	272,188
First special dividend paid for 2008 of HK$0.50 (2007: HK$0.60) per share on 390,628,000 (2007: 388,839,000) shares	**195,314**	233,303
Final dividend for 2007 paid of HK$1.10 (2007: final dividend for 2006 paid of HK$1.00) per share on 390,628,000 (2007: 388,839,000) shares	**429,691**	388,839
Second special dividend for 2007 paid of HK$0.40 (2007: second special dividend for 2006 paid of HK$0.20) per share on 390,628,000 (2007: 388,839,000) shares	**156,251**	77,768
	1,132,821	972,098
Dividend Proposed		
Proposed final dividend for 2008 of HK$0.50 (2007: HK$1.10) per share on 392,356,700 (2007: 390,628,000) shares	**196,178**	429,691
Proposed second special dividend for 2007 of HK$0.40 per share on 390,628,000 shares (2008: nil)	**-**	156,251
	196,178	585,942

The final dividend of HK$0.50 (2007: final dividend of HK$1.10 and second special dividend of HK$0.40) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Year ended 31 December	
	2008	2007
	HK$'000	HK$'000
Earnings for the purposes of basic and diluted earnings per share	**973,673**	1,269,497
	Number of shares (in thousand)	
Weighted average number of shares for the purposes of basic earnings per share	**390,708**	388,927
Effect of dilutive potential shares from the Employee Share Incentive Scheme	**1,383**	1,384
Weighted average number of shares for the purposes of diluted earnings per share	**392,091**	390,311

6. TRADE RECEIVABLES

Included in trade and other receivables are trade receivables with the aging analysis as follows:

	At 31 December	
	2008	2007
	HK$'000	HK$'000
Not yet due	**546,857**	779,057
Overdue within 30 days	**121,404**	212,449
Overdue within 31 to 60 days	**76,278**	90,183
Overdue within 61 to 90 days	**57,678**	60,976
Overdue over 90 days	**52,836**	56,954
	855,053	1,199,619

7. TRADE PAYABLES

Included in trade and other payables are trade payables with the aging analysis as follows:

	At 31 December	
	2008	2007
	HK$'000	HK$'000
Not yet due	**74,635**	381,608
Overdue within 30 days	**107,776**	147,105
Overdue within 31 to 60 days	**84,774**	32,360
Overdue within 61 to 90 days	**36,480**	2,667
Overdue over 90 days	**20,966**	470
	324,631	564,210

REVIEW

The past financial year has effectively been a year of two halves. During the first six months of 2008, the company's performance was impressive, ultimately achieving record equipment and lead frame turnover during the second quarter. Despite the warning signs of an emerging downturn appearing on the horizon last year, ASM was successful in grasping the opportunities which were then available. However, the global economic conditions started to seriously deteriorate during the third quarter. The semiconductor industry (including ASM) is not immune from the problems spilling over from other major sectors of the economy.

Over the past few years, ASM has consistently outperformed its industry peers. Last year, we achieved a Group turnover of US$675 million and net profit of HK$974 million. This represents 2.5% and 23.3% contraction respectively over the previous year, although one should bear in mind that 2007 was an unprecedented year in which record turnover and profits were attained. The contraction was mainly attributable to the latter part of the year, during which almost all our products were affected by the growing economic malaise, although the performance for the year was boosted by the strong first half showing. Return on capital employed and on sales were 38.5% and 20.8%, which continues to reflect ASM's industry leadership and the consistently growing acceptance of our products and services.

We again saw strong demand from IDMs and the smaller subcontractors, accounting for far more orders as compared to the world's largest subcontractors. Our geographical and product diversification continues to be well spread out. On a geographical basis, China, Taiwan and Malaysia are still the greatest contributors to our sales. China remains our largest market, with Taiwan coming in second. The gap between China and Taiwan had increased from 43.4% in 2007 to 109.2% in 2008. In 2007, our top 5 customers accounted for only 19.4% of the Group's revenue, whereas in 2008, our top 5 customers accounted for even less of the Group's revenue, at 15.5%, demonstrating the growing acceptance of the Group's products by a larger pool of customers.

Last year, our equipment revenue was US$527 million, representing 78.1% of the Group's turnover and a decline of 4.7% over the previous year. ASM was again the top player in its industry, keeping the premier position we have held since 2002. We have again widened the gap between ourselves and our closest rival from US$187 million in 2007 to US$303 million in 2008, representing a lead of over 135.0%. Significantly, this was achieved through our conservative path of organic growth whereas some of our peers have sought to grow through mergers and acquisitions. Our lead frame business continues to grow and our lead frames revenue in 2008 was a record US$148 million, growing by 6.5%, largely as a result of a strong gain in market share. This highlights the success of our efforts to further enhance our market position in the lead frames business.

Our BEP business unit has demonstrated solid progress. It achieved double-digit growth over 2007. This again validates the investments which we have made in our BEP business unit, and we see it as an important driver of future growth for the company.

New order bookings for 2008 amounted to US$578 million, which is a decrease of 21.7% as compared to the previous year. Book-to-bill ratio, representing net bookings over billings, was 0.86.

Notwithstanding the strong overall results for the year, we could not avoid the effects of the industry downturn which gathered pace towards the end of the year. The financial tsunami triggered by the sub-prime mortgage crisis in the United States and its aftershocks have spread worldwide faster than anyone could have anticipated. Many countries in the world are either officially in recession, or have experienced sharp falls in economic growth. In this uncertain environment, it is not surprising that companies would cut back on capital expenditure and even lay-off their staff, and the situation is further aggravated by the current credit crunch which makes it more difficult for companies to invest in capital expansion.

Our strategy to pursue multiple application markets had proven to be very successful for ASM in the past, particularly in coping with industry downturns. However, this time, due to the simultaneous contraction of all the application markets that we serve, ASM suffered its biggest quarterly drop in both billing and booking in the fourth quarter of 2008. Admittedly, since the fourth quarter is usually a seasonally low period, that would also have contributed to the decline.

During the fourth quarter of 2008, Equipment revenue decreased by 46.8% to US$79 million from the same period a year ago and decreased by 48.7% from the preceding quarter. Lead frame revenue decreased by 35.9% from the same quarter last year to US$26 million and decreased by 37.0% from the preceding quarter. Lead frame revenue contributed to 25.3% of the Group's turnover.

As a result of the widespread falls in demand, our bookings have been declining faster than billings, and our backlog has markedly deteriorated in the fourth quarter. New order bookings for the fourth quarter of 2008 amounted to US$35 million, which is a sharp fall of 78.4% as compared to the preceding three months and a decrease of 83.4% from same period last year. Our order backlog which was at US$150 million at the beginning of the year has now shrunk to US$53 million as of 31 December 2008. Our overall book-to-bill ratio for the previous quarter dropped to only 0.33.

Notwithstanding the reduction in our gross margin, it is notable that our successful cost reduction has so far allowed us to remain profitable in the fourth quarter in spite of deteriorating market conditions. We achieved our target of 10% cost reduction by the end of 2008 as compared to the preceding quarter. We are making progress towards further cost reductions in 2009. Our focus is on streamlining our business and manufacturing processes, adopting automation in our manufacturing and achieving significant reduction of our product costs. The benefits of such cost reduction efforts will continue to be reflected in subsequent quarters and it will considerably improve our gross margin when the market recovers.

LIQUIDITY AND FINANCIAL RESOURCES

We recognize that liquidity is the key to survive this once-in-a-century financial crisis. We are of the opinion that we are still in a healthy financial position. Due to our aggressive working capital management through reduction of inventory and aggressive collection efforts, our year-ending cash position is similar to that of a year ago although sales in the fourth quarter were significantly lower. As we continue to convert our working capital into cash, we expect our strong cash position to be maintained in the near future.

Cash on hand as of 31 December 2008 was HK$846 million (2007: HK$778 million). During the twelve-month period, HK$1,133 million was paid as dividends and HK$241 million was spent in capital investments. A good portion of the capital investments was funded by the year's depreciation of HK$219 million. Accounts receivable have been tightly monitored during the year and with our aggressive collection efforts together with lower sales during the fourth quarter, accounts receivable have been reduced to 59.5 days sales outstanding (2007: 81.2 days).

There was no bank borrowing as of 31 December 2008. Current ratio was 2.99, with a debt-equity ratio of 32.2%. As there were no long term borrowings, gearing of the Group was zero, the same as for the past nine years. The Group's shareholders' funds decreased slightly to HK$2,864 million as at 31 December 2008 (2007: HK$2,950 million).

The Group has moderate currency exposure as the majority of all sales were denominated in U.S. dollars. On the other hand, the disbursements were mainly in U.S. dollars, Hong Kong dollars, Singapore dollars, Malaysian Ringgit and Renminbi. The limited yen-based receivables were offset by some accounts payable in yen to Japanese vendors.

After consideration of our cash flow needs for the next few quarters and in anticipation of ongoing positive cash flow from organic growth operations, ASM management is of the view that the cash on hand available permits us to continue to recommend returning part of the Group's excessive cash holdings to shareholders in the form of dividends. However, in view of the potential challenges ahead, we have decided to adopt a more conservative approach in dividend payout. We will continue to seek ways to reward our shareholders while maximizing the utilization of our resources. We will also closely monitor the further development of the macroeconomic conditions and make necessary adjustments.

HUMAN RESOURCES

ASM recognizes human resources as one of the Company's most important assets. Recruiting and retaining high calibre employees is always of high priority in ASM. Besides offering competitive remuneration packages ASM also commits to specialized yet demanding staff development and training programs. In general, salary review is conducted annually. In addition to salary payments, other benefits include contributions to provident fund schemes, medical and training subsidies. Discretionary bonus and incentive shares may be granted to eligible staff based on the Group's financial results and individual performance.

In order to control costs, recruitment has been frozen since October 2008. As of 31 December 2008, the total headcount of the Group worldwide was 10,063 people. It represents a reduction of 4.8% as compared to the end of the third quarter last year, mainly through natural attrition in ASM's production facilities in China and Malaysia. However, we recognize that it is still about 1% higher than a year ago. It is likely that in the absence of any major change to the current economic conditions, we shall allow further attrition to occur to a level which optimizes the company's long-term competitiveness.

PROSPECTS

We do not expect a fast recovery of the semiconductor industry from its current malaise. In our view, unless there is a drastic about-turn in the world economy, our performance in 2009 will be worse than in 2008. The current downturn may be more severe than the one in 2001. The 2001 downturn was related more to excess supply rather than what appears to be today's problem of weak demand, which is potentially more worrisome. In the case of weak demand, recovery may take more time. Still, following the stimulus packages which have been announced by the governments in all the major markets that we operate in, it is hopeful that the tide will turn soon with improved consumer sentiment and demand.

Based upon seasonal demand patterns, the first quarter of 2009 may see further decline as compared to the fourth quarter of 2008. Many of our customers have shut down production for the Christmas, New Year and Chinese Lunar New Year holidays. As a result, there is little impetus for production expansion during this period. Some people believe that there may have been an overreaction to the current economic situation, but only time will tell.

Some analysts have predicted that, after a dismal 2009, a recovery in semiconductor capital expenditure will materialize only in 2010 and 2011, with the second quarter of 2009 being the first quarter of a possible initial recovery. In all, some people forecast that semiconductor revenue will be down in excess of 20% in 2009, with liquidity and capital constraints being major impediments on the semiconductor industry as a whole. Nevertheless, it is arguable that there is not enough visibility at present to give accurate forecasts given the signs of panic in the market.

Although the macroeconomic situation is not within our control, we can implement measures to put our own house in order to better ride through the downturn. Cost reduction and liquidity can be used as a means to reshape and refocus our business. In order to prepare for the rebound in the world economy, we are particularly looking into innovative efforts to improve our long-term cost advantages. For the purpose of achieving the cost reduction targets which we have set for ourselves by the end of this year and to attain a lower permanent cost structure, we intend to focus on streamlining our business and manufacturing processes, driving down the costs of our products, reducing our time to market and driving automation in our manufacturing.

The global economic slowdown is expected to cause a major change in consumer spending patterns. When the economy normalizes once again, it is expected that consumer demand will increasingly shift towards lower-priced products. It is thus likely that a lot of semiconductor production capacity may either be installed or converted to meet this shift. ASM's R&D strategy will also be re-aligned accordingly. In the next 12 months, more R&D resources and effort will be devoted to introducing new generations of products that will address the need for cost-competitive products.

During the past two years, ASM has been developing a new platform called the NuMotion platform, which benefits from the multi-core computational power of the state-of-the-art processors used in our equipment for increasing processing speed, coupled with the adoption of optical fibre technology to replace traditional copper wires. When implemented, a single optical fibre cable may serve to replace multiple copper cables. This approach is expected to significantly bring down both the electronic hardware and system assembly costs of our equipment while simultaneously delivering improved performance. It is one of the pillars that ASM will build upon for its new generation of cost-competitive equipment.

We believe that the recovery of the world economy will very likely be an unsynchronized one with the emerging economies, such as China, leading the recovery. If this scenario is to happen, ASM will be in a prime position to benefit from it.

Since there is no need to increase our production capacity at this time due to the weak market conditions, our capital expenditure in 2009 is likely to be lower than in 2008, and such capital expenditure is likely to be fully funded by depreciation. There are no plans at present to increase any factory space to bolster our production capacity. On the other hand, we continue to invest in R&D, and our new R&D centre in Chengdu, Sichuan, China is progressing at the projected pace. The main utilization of our capital expenditure this year will be for R&D activities to improving our competitive edge, the strengthening of our management information system (MIS), as well as for increasing the scope of automation of our production. In the present fast-changing market conditions, it is probably unrealistic to adhere to a rigid plan for the current year. Instead, we will have to be flexible and modify our plan as necessary according to the changing conditions.

ASM's management team has always sought to adopt a long-term business strategy that would enable the company both to ride on the crest of the good times and maintain its competitiveness and profitability even in the face of a slowdown. We will continue to adhere to our guiding philosophy of adopting long-term business strategies to strengthen our investments. These include offering multiple products serving diversified application markets, customer-centric focusing on customer value creation, vertical integration strategy and strategic choice of low-cost manufacturing locations, and providing customers with innovative, total packaging solutions based on ASM's equipment and lead frames to meet their ever-expanding new product requirements.

Management is confident that ASM's strong financial background, advanced in-house developed enabling technologies, extensive marketing network and dedicated employees will help the company to surmount the current challenges and to emerge stronger. Semiconductor technology has become a key enabling technology for our modern lifestyles. After the downturn and when the robust growth of emerging economies like China, India and other Asian countries continues unabated, we are confident that the future demand for semiconductor devices will again grow at a healthy pace.

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

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

The Group has complied with all the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the year ended 31 December 2008 except the following deviation:

The Company had not yet adopted Code Provision A.4.1 which provides that Non-executive Directors should be appointed for a specific term, subject to re-election. All the Non-executive Directors are not appointed for specific term, but they are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years pursuant to the Articles of Association of the Company. As such, the Company considers that such provisions in the Articles of Association are sufficient to meet the underlying objective of the relevant provision of the CG Code.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

The Group has adopted procedures governing directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules. Specific confirmation has been obtained from all directors to confirm compliance with the Model Code during the year ended 31 December 2008.

AUDIT COMMITTEE

The audit committee is comprised of three Independent Non-executive Directors and one Non-executive Director who together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's financial statements for the year ended 31 December 2008 in conjunction with the Company's auditor.

REVIEW OF THE PRELIMINARY ANNOUNCEMENT BY AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December 2008 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Arthur H. del Prado (Chairman), Mr. Peter Lo Tsan Yin (Vice Chairman), Mr. Lee Wai Kwong, Mr. James Chow Chuen and Mr. Eric Tang Koon Hung as Executive Directors, Mr. Arnold J.M. van der Ven as Non-executive Director and Miss Orasa Livasiri, Mr. Robert Lee Shiu Hung and Mr. John Lok Kam Chong as Independent Non-executive Directors.

On behalf of the Board
Lee Wai Kwong
Director

Hong Kong, 25 February 2009