



DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 271)

**FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

The Board of Directors of Dan Form Holdings Company Limited (the “Company”) is pleased to announce the results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2007 as follows:

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<i>Note</i>	2007 HK\$'000	2006 <i>HK\$'000</i>
Revenue	2	35,995	28,984
Cost of sales		(11,423)	(10,291)
Gross profit		24,572	18,693
Other income		11,066	30,533
Administrative expenses		(19,165)	(17,423)
Change in fair value of investment properties		84,963	31,627
Write back of provision for properties for sale		195	2,067
Operating profit	3	101,631	65,497
Finance costs		-	(5,542)
Share of profits/(losses) of associated companies		277,324	(1,044)
Profit before taxation		378,955	58,911
Taxation	4	(13,660)	(6,018)
Profit for the year		365,295	52,893
		HK cents	HK cents
Earnings per share			
Basic and diluted	5	32.2	4.7

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	2007 HK\$'000	2006 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		322	501
Investment properties		531,860	446,897
Prepayments of leasehold land		322	325
Associated companies		1,335,649	1,040,500
Available-for-sale financial assets		47,877	39,384
		<u>1,916,030</u>	<u>1,527,607</u>
Current assets			
Properties for sale		-	222,613
Investment for sale		-	55,416
Debtors and prepayments	6	20,466	30,806
Amounts due from associated companies		232,422	284,374
Taxation recoverable		460	336
Cash and bank balances		165,901	96,394
		<u>419,249</u>	<u>689,939</u>
Total assets		<u>2,335,279</u>	<u>2,217,546</u>
EQUITY			
Share capital		567,803	567,803
Reserves		1,674,826	1,307,443
Total equity		<u>2,242,629</u>	<u>1,875,246</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation liabilities		68,376	54,900
Current liabilities			
Creditors and accruals	7	16,133	222,978
Amounts due to associated companies		7,809	5,947
Bank loans		-	52,376
Taxation payable		332	6,099
		<u>24,274</u>	<u>287,400</u>
Total liabilities		<u>92,650</u>	<u>342,300</u>
Total equity and liabilities		<u>2,335,279</u>	<u>2,217,546</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

	Share capital HK\$'000	Reserves HK\$'000	Total HK\$'000
At 31 December 2005	567,803	1,255,634	1,823,437
Changes in exchange rates	-	(2,991)	(2,991)
Change in fair value of available-for-sale financial assets	-	1,907	1,907
Profit for the year	<u>-</u>	<u>52,893</u>	<u>52,893</u>
As 31 December 2006	567,803	1,307,443	1,875,246
Changes in exchange rates	-	(6,836)	(6,836)
Change in fair value of available-for-sale financial assets	-	8,493	8,493
Release of reserve upon liquidation of a subsidiary	-	431	431
Profit for the year	<u>-</u>	<u>365,295</u>	<u>365,295</u>
At 31 December 2007	<u><u>567,803</u></u>	<u><u>1,674,826</u></u>	<u><u>2,242,629</u></u>

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants under the historical cost convention as modified by the revaluation of certain properties and available-for-sale financial assets, which are carried at fair values.

For the year ended 31 December 2007, the Group has adopted the following new standards, amendment and interpretations, which are relevant to its operations:

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
HKAS 1 (amendment)	Presentation of Financial Statements: Capital Disclosures

The adoption of these new standard, amendment and interpretations does not have any significant impact on the results and financial position or changes in the accounting policies of the Group. However, HKAS 1 (amendment) and HKFRS 7 introduce additional disclosures relating to capital management and financial instruments respectively in the financial statements.

There are also certain new standards, amendments and interpretations that are mandatory for the accounting periods beginning on or after 1 January 2008 or later periods as follows:

HKFRS 2 (amendment)	Share-based Payment Vesting Conditions and Cancellations
HKFRS 3 (revised)	Business Combination
HKFRS 8	Operating Segments
HKAS 1 (revised)	Presentation of Financial Statements
HKAS 23 (revised)	Borrowing Costs
HKAS 27 (revised)	Consolidated and Separate Financial Statements
HK(IFRIC) - Int 11	HKFRS 2 - Group and Treasury Share Transactions
HK(IFRIC) - Int 12	Service Concession Arrangements
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group has not early adopted the above standards, amendments and interpretations and does not expect their adoption will have any significant impact on the results of operations and financial position of the Group.

2. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in property development, property investment, estate management and holding of investments. The Group reports its primary segment information by business segments and secondary segment information by geographical segments:-

(a) Business segments

	Property development HK\$'000	Property investment HK\$'000	Estate management HK\$'000	Investment holding HK\$'000	Unallocate d HK\$'000	Total HK\$'000
Year ended 31 December 2007						
Revenue	<u>3,671</u>	<u>21,042</u>	<u>7,856</u>	<u>3,426</u>		<u>35,995</u>
Operating profit	<u>965</u>	<u>99,367</u>	<u>5,938</u>	<u>4,496</u>	(9,135)	<u>101,631</u>
Share of profits/(losses) of associated companies	(17,825)	295,149	-	-		<u>277,324</u>
Profit before taxation						<u>378,955</u>
Taxation						<u>(13,660)</u>
Profit for the year						<u>365,295</u>
Year ended 31 December 2006						
Revenue	<u>3,213</u>	<u>19,222</u>	<u>5,492</u>	<u>1,057</u>		<u>28,984</u>
Operating profit	<u>3,874</u>	<u>43,341</u>	<u>5,775</u>	<u>28,041</u>	(15,534)	<u>65,497</u>
Finance costs						(5,542)
Share of (losses)/profits of associated companies	(50,684)	49,640	-	-		<u>(1,044)</u>
Profit before taxation						<u>58,911</u>
Taxation						<u>(6,018)</u>
Profit for the year						<u>52,893</u>

(b) **Geographical segments**

	2007		2006	
	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>
Hong Kong	32,301	98,719	25,350	35,740
Mainland China	3,694	2,912	3,634	29,757
	<u>35,995</u>	<u>101,631</u>	<u>28,984</u>	<u>65,497</u>

3. **OPERATING PROFIT**

Operating profit is arrived at after crediting and charging:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Crediting:		
Write back of provision for amount due from minority shareholder of a former subsidiary	-	20,888
Write back of provision for trade and other debtors	13	895
Charging:		
Depreciation and amortisation	146	136
Staff costs, including Directors' remuneration	<u>12,865</u>	<u>10,712</u>

4. **TAXATION**

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current		
Hong Kong profits tax	332	55
Deferred	<u>13,328</u>	<u>5,963</u>
	<u>13,660</u>	<u>6,018</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year.

5. **EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit attributable to equity holders of HK\$365,295,000 (2006: HK\$52,893,000) and 1,135,606,132 (2006: 1,135,606,132) shares in issue during the year. The diluted earnings per share equals to the basic earnings per share since there are no dilutive potential shares in issue during both years.

6. **DEBTORS AND PREPAYMENTS**

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Trade debtors	3,145	6,521
Other debtors	4,706	8,720
Prepayments and deposits	<u>12,615</u>	<u>15,565</u>
	<u>20,466</u>	<u>30,806</u>

Trade debtors represent rental and estate management fees receivable from tenants and are payable on presentation of invoices. The ageing analysis of the trade debtors of the Group, net of provision and in accordance with the dates of the invoices, is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	1,504	986
31 to 60 days	385	912
61 to 90 days	298	279
Over 90 days	958	4,344
	<u>3,145</u>	<u>6,521</u>

7. CREDITORS AND ACCRUALS

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Trade creditors	129	48,830
Other creditors	14,263	160,391
Accrued operating expenses	1,741	13,757
	<u>16,133</u>	<u>222,978</u>

The ageing analysis of the trade creditors of the Group is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	129	479
Over 90 days	-	48,351
	<u>129</u>	<u>48,830</u>

DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 December 2007 (2006 : Nil).

RESULTS

The Group recorded a revenue of HK\$35,995,000 for the year ended 31 December 2007, which represented an increase of approximately HK\$7,011,000 or 24% as compared with last year. The increase in revenue was mainly due to the increase in income generated from property sale and the increase in rental income from Hong Kong.

The Group's profit attributable to equity holders in this year was HK\$365,295,000, as compared to HK\$52,893,000 in last year. The increase in profit of this year was mainly attributable to increase in fair value of investment properties held by the Group and its associated companies.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operation

Hong Kong Business

Property

The Group's residential properties situated at Red Hill Peninsula (33.33% owned) and South Horizons recorded average occupancy levels of approximately 72% and 91% respectively, while the commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 71%. During the year, the Group's net rental income from property leasing was more than that in the last year.

Beijing Business

The Wangfujing Project

Lot F1

According to the supplementary sale and purchase agreements entered between Turbo Dragon Limited ("Turbo Dragon"), a wholly-owned subsidiary of the Group, and China Yintai Investment Company Limited ("China Yintai") on 8 February 2006, Turbo Dragon has sold its 61.1% interest in Beijing Lucky Building Company Limited ("Beijing Lucky") to China Yintai for a total consideration of RMB134,070,000 (approximately HK\$131,047,000) and interest thereon of approximately RMB12,225,000 (approximately HK\$12,012,000).

As at 31 December 2007, Turbo Dragon has received five instalments of consideration and the accrued interest from China Yintai, and the 61.1% shareholding of Beijing Lucky was transferred to China Yintai. The interest of the Group in Beijing Lucky was transferred in stages in proportion to the actual amount received from China Yintai. The deposit and the first to the fourth instalments, representing 50.6% shareholding of Beijing Lucky, together with the accrued interests and the relevant penalties amounted to RMB120,468,000 (approximately HK\$117,232,000) were received in 2006. The fifth instalment, which is the last instalment, of approximately RMB22,870,000 (approximately HK\$22,870,000), representing the remaining 10.5% shareholding of Beijing Lucky, together with the accrued interest and penalty of approximately RMB2,957,000 (approximately HK\$2,957,000) were received on 9 February 2007.

At present, the Group has no control in shareholdings and management of Beijing Lucky.

Dan Yao Building (85% owned)

On 11 May 2007, the Second Intermediate People's Court of Beijing Municipality (the "PRC Court") confirmed the appointment of Beijing Enterprise Liquidation Co., Ltd. and Beijing Weiheng Law Firm as the receivers (the "Receivers") of Beijing Dan Yao Property Company Limited ("Dan Yao") through the open draw and on 14 June 2007, granted approval for the liquidation of Dan Yao. On 19 June 2007, the Receivers have been stationed in Dan Yao and started to carry out the liquidation work. Since August 2007, Dan Yao has been audited by Zhong Yi Certified Public Accountants Co., Ltd again. Currently, the Receivers are verifying the assets and are also confirming the liabilities of Dan Yao. They are also preparing the first creditors' meeting of Dan Yao to be held on 16 April 2008. The Receivers have issued notices

to all tenants of the apartments in Dan Yao Building and have requested them to vacate the apartments in the early of February 2008. The operations of the shopping mall of Dan Yao Building are basically stable.

In 2008, Dan Yao will continue to cooperate with the Receivers to carry out the liquidation and management work in order to maintain the stability and safety in operations of the building. Dan Yao will also assist the Receivers to manage and dispose the assets of Dan Yao.

The Xidan Project (29.4% owned)

During 2007, Beijing Jing Yuan Property Development Co., Ltd. (“Jing Yuan”) has completed the issue of separate real estate certificates for four out of sixteen commercial units and sixteen out of twenty-six individual business units of the building located at Lot No. 2. Jing Yuan has received the full amount of the consideration of RMB1,220,000,000 (approximately HK\$1,162,176,000) for the sale of land Lot No. 4 specified in the sale and purchase agreement. The land and the building ownership certificates of the property at Lot No. 5, which was sold to China United Telecommunication Corporation (“China United Telecom”), has been registered in the name of China United Telecom; the remaining consideration of RMB 39,244,000 (approximately HK\$39,244,000) as stated in the sale and purchase agreement had been received. The arrangement of the main building ownership certificate in respect of the project at Lot No. 8 has been completed; nine out of three hundreds and eighty-one units’ separate ownership certificates and eight out of three hundreds and seventy-two residential returned units’ ownership certificates have not been arranged. The marketing of the building at Lot No. 9 is still carried on. At the same time, testing and maintenance of the building facilities have also been carried on. Concerning the project at Lot No. 10, the transfer of title has been carried out. According to the preliminary agreement of assignment of land at Lot No. 10 entered with Beijing Yonganxingye Property Development Co., Ltd. (“Yonganxingye”), the intended price for the sale of land is RMB110,000,000 (approximately HK\$116,773,000) and RMB45,000,000 (approximately HK\$45,464,000) has been received.

In 2008, it is expected that the issue of separate real estate certificate for each of the units of the project at Lot No. 2 and Lot No. 8 will continue. The marketing of the building at Lot No. 9 will be carried on. It is also expected that the transfer of title of land at Lot No. 10 will be completed and the official sale and purchase agreement will be signed with Yonganxingye. On 3rd February 2008 the sum of RMB10,000,000 (HK\$10,870,000) was received, and on 11th March 2008 the sum of RMB50,000,000 (HK\$54,945,000) was received. The remaining consideration of RMB5,000,000 (approximately HK\$5,495,000) of the sale of land will also be received.

GROUP ASSETS POSITION AND CHARGE

The total assets of the Group have increased from HK\$2,217,546,000 in last year to HK\$2,335,279,000 in this year. The net assets of the Group have also increased from HK\$1,875,246,000 to HK\$2,242,629,000. The Group had no bank borrowings as at 31 December 2007, whereas borrowings amounting to HK\$52,376,000 as at 31 December 2006 were secured by a pledge of property.

GROUP FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The total liabilities of the Group have decreased from HK\$342,300,000 as at 31 December 2006 to HK\$92,650,000 as at 31 December 2007. The Group had cash and bank balances of HK\$165,901,000 as at 31 December 2007 (2006 : HK\$96,394,000). The ratio of total liabilities to total assets was approximately 4% (2006 : 15%). As at 31 December 2007, the Group had no bank loans (2006 : HK\$52,376,000) and the total equity was HK\$2,242,629,000 (2006 : HK\$1,875,246,000), and therefore the capital gearing ratio was zero (2006 : 3%). As from 3 March 2008, banking facilities have been obtained from a bank, comprising an overdraft facility and a revolving short-term loan to the extent of HK\$25,000,000 each, totalling HK\$50,000,000.

As at 31 December 2007, the current assets of the Group, amounting to HK\$419,249,000 (2006 : HK\$689,939,000), exceeded its current liabilities by HK\$394,975,000 (2006 : HK\$402,539,000). Given that the PRC Court has approved the application for liquidation of Dan Yao, no further payments except for a small amount of liquidation expenses are required for Dan Yao. The other operations of the Group can generate sufficient cash flows to meet its requirements.

For the year ended 31 December 2007, the exchange rates of Renminbi to Hong Kong dollars has been appreciating, resulting an exchange gain of HK\$9,418,000 from our bank deposit in Renminbi currency. Save as disclose above, the Group has no exposure to fluctuation in exchange rates and related hedges and there were no contingent liabilities.

EMPLOYEES

As at 31 December 2007, the Group, excluding associated companies, employed 50 people of which 38 were employed in Hong Kong.

In addition to basic salaries, employees in Hong Kong are provided with medical insurance and some of them are included under a defined contribution provident fund scheme and mandatory provident fund scheme. Employees in the Mainland China are provided with medical insurance, elderly insurance, loss of job insurance, injury insurance and provident fund for housing. Some of them are also provided with birth insurance.

PROSPECTS

The Group has undergone about five years in adjusting its business structure and strategy in operations, which would result in improving its assets structure and liquidity, and uplifting the ability of risk control and management. However, with the increasing unstability of the world economy, the Group is acting cautiously, and is adopting a wait and see approach to capture new opportunities for the Group's business development.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive Directors, Mr. Jesse Nai Chau Leung, Mr. Xiang Bing and Mr. Edward Shen. During the year, the Audit Committee has discussed the financial reporting matters with management, including the review of the financial reporting process of the Group, the adequacy and effectiveness of the Group's systems of internal control, and the interim and annual financial statements of the Group.

The annual results of the Group for the year ended 31 December 2007 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

The Company applied the principles and complied with all requirements set out in the Code on Corporate Governance Practices, contained in Appendix 14 of the Main Board Listing Rules, except with a deviation from code provision A.2.1 due to the fact that, currently the Group is still adjusting its business structure and strategy and therefore, at present the Group has no separation of the role of the chairman and chief executive. Mr. Dai Xiaoming is still responsible for the roles of chairman and chief executive.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2007 have been agreed by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the financial statements of the Company for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on the preliminary announcement.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of the shareholders of the Company will be held at Meeting Room 608, Level 6, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Friday 30 May 2008 at 10:00 a.m. and the Notice of Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules of the Stock Exchange in due course.

By Order of the Board
Dai Xiaoming
Chairman

Hong Kong, 17 April 2008

As at the date hereof, the Board of Directors of the Company comprises five Directors, of which two are Executive Directors, namely Mr. Dai Xiaoming and Mr. Kenneth Hiu King Kon; and three are independent Non-Executive Directors, namely Mr. Jesse Nai Chau Leung, Mr. Xiang Bing and Mr. Edward Shen.

Website : <http://www.danform.com.hk>

All the information required by paragraphs 45(1) to 45(8) inclusive of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on the website of the Stock Exchange in due course.

