

Tsit Wing International Holdings Limited

(Incorporated in Bermuda with limited liabilities)

Full Year Financial Statements and Dividend Announcement for the year ended December 31, 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>Group</u>			<u>Group</u>		
	12 months ended <u>31/12/2008</u>	12 months ended <u>31/12/2007</u>	<u>Inc / (dec)</u>	3 months ended <u>31/12/2008</u>	3 months ended <u>31/12/2007</u>	<u>Inc / (dec)</u>
	HK\$'000	HK\$'000		HK\$'000	HK\$'000	
Revenue	402,412	362,774	10.9%	107,078	99,080	8.1%
Cost of sales	(262,311)	(223,057)	17.6%	(68,373)	(61,520)	11.1%
Gross profit	140,101	139,717	0.3%	38,705	37,560	3.0%
Other operating income	4,965	4,736	4.8%	3,087	2,435	26.8%
Distribution costs	(63,837)	(56,373)	13.2%	(18,120)	(15,761)	15.0%
Administrative expenses	(47,366)	(45,248)	4.7%	(11,876)	(12,963)	(8.4)%
Other operating expenses (Note)	(9,736)	-	N/A	(9,736)	-	N/A
Finance costs	(145)	(107)	35.5%	(32)	(32)	0.0%
Profit before income tax	23,982	42,725	(43.9)%	2,028	11,239	(82.0)%
Income tax expense	(3,975)	(7,302)	(45.6)%	428	(2,210)	(119.4)%
Profit for the year / period	<u>20,007</u>	<u>35,423</u>	<u>(43.5)%</u>	<u>2,456</u>	<u>9,029</u>	<u>(72.8)%</u>
Attributable to equity holders of the Company	<u>20,007</u>	<u>35,423</u>	<u>(43.5)%</u>	<u>2,456</u>	<u>9,029</u>	<u>(72.8)%</u>

Note:

<u>Other operating expenses:</u>	12 months ended <u>31/12/2008</u>	12 months ended <u>31/12/2007</u>		3 months ended <u>31/12/2008</u>	3 months ended <u>31/12/2007</u>	
	HK\$'000	HK\$'000		HK\$'000	HK\$'000	
Impairment loss on goodwill	(1,621)	-	N/A	(1,621)	-	N/A
Loss on derivative financial instruments	(8,115)	-	N/A	(8,115)	-	N/A
	<u>(9,736)</u>	<u>-</u>		<u>(9,736)</u>	<u>-</u>	

1(a)(ii) Profit from ordinary activities before taxation has been arrived at after charging / (crediting):

	<u>Group</u> 12 months ended <u>31/12/2008</u> HK\$'000	<u>Group</u> 12 months ended <u>31/12/2007</u> HK\$'000	<u>Group</u> 3 months ended <u>31/12/2008</u> HK\$'000	<u>Group</u> 3 months ended <u>31/12/2007</u> HK\$'000
Interest income from non-related companies	(1,835)	(3,192)	(462)	(891)
Interest expense to non-related companies	145	107	32	32
Foreign exchange gain	(2,870)	(943)	(2,779)	(419)
Loss (gain) on disposal of property, plant and equipment	63	(453)	(56)	(800)
Depreciation expense	14,462	12,892	3,684	3,790
Allowance for doubtful trade receivables	2,093	914	1,656	427
Allowance for inventories	497	129	497	129
Impairment loss on goodwill	1,621	-	1,621	-

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2008</u> HK\$'000	<u>31/12/2007</u> HK\$'000	<u>31/12/2008</u> HK\$'000	<u>31/12/2007</u> HK\$'000
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	76,647	67,599	146	68
Loans receivables (note b)	-	28,860	-	-
Trade receivables	56,634	48,445	-	-
Bills receivables	39	128	-	-
Other receivables and prepayments	11,494	4,565	1,031	1,556
Amounts due from subsidiaries	-	-	65,726	90,144
Held-to-maturity investments (note a)	6,192	-	-	-
Inventories	73,204	57,388	-	-
Total current assets	<u>224,210</u>	<u>206,985</u>	<u>66,903</u>	<u>91,768</u>
Non-current assets:				
Investments in subsidiaries	-	-	78,563	78,563
Property, plant & equipment	65,240	69,522	-	-
Goodwill	-	1,621	-	-
Deposits paid for acquisition of property, plant and equipment	469	1,078	-	-
Loans receivables (note b)	-	7,800	-	-
Deferred tax assets	219	121	-	-
Total non-current assets	<u>65,928</u>	<u>80,142</u>	<u>78,563</u>	<u>78,563</u>
Total assets	<u>290,138</u>	<u>287,127</u>	<u>145,466</u>	<u>170,331</u>

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2008</u>	<u>31/12/2007</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Trust receipts and other loans	4,353	1,949	-	-
Bills payables	225	786	-	-
Trade payables	25,093	20,329	-	-
Other payables	9,722	11,725	1,411	1,988
Derivative financial instruments	659	-	-	-
Income tax payable	-	896	-	-
Total current liabilities	<u>40,052</u>	<u>35,685</u>	<u>1,411</u>	<u>1,988</u>
Non-current liabilities:				
Deferred income tax	<u>4,023</u>	<u>4,620</u>	-	-
Capital and reserves:				
Share capital	48,236	48,236	48,236	48,236
Share premium	20,977	20,977	20,977	20,977
Contributed surplus	48,563	48,563	48,563	48,563
Translation reserve	4,364	3,906	-	-
Employee share option reserve	207	207	207	207
Retained earnings	123,716	124,933	26,072	50,360
Attributable to equity holders of the Company	<u>246,063</u>	<u>246,822</u>	<u>144,055</u>	<u>168,343</u>
Total liabilities and equity	<u>290,138</u>	<u>287,127</u>	<u>145,466</u>	<u>170,331</u>

Note:

- (a) Held-to-maturity investments represent bonds carried at amortised cost. The bonds, which the Group intends to hold to maturity, bearing interests and mature not more than one year.
- (b) Loans receivable represent certificates of deposit, notes and other deposits placed with licensed banks and other financial institutions. These receivables, which the Group intends to hold to maturity, are principal-guaranteed, interest bearing and mature within one year.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	4,353	-	1,949

Details of any collateral

Nil

1(c) Cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>Group</u>		<u>Group</u>	
	12 months ended <u>31/12/2008</u> HK\$'000	12 months ended <u>31/12/2007</u> HK\$'000	3 months ended <u>31/12/2008</u> HK\$'000	3 months ended <u>31/12/2007</u> HK\$'000
Operating activities:				
Profit before income tax	23,982	42,725	2,028	11,239
Adjustments for:				
Depreciation expense	14,462	12,892	3,684	3,790
Impairment loss on goodwill	1,621	-	1,621	-
Interest expense	145	107	32	32
Allowance for inventories	497	129	497	129
Allowance for doubtful trade receivables	2,093	914	1,656	427
Loss (gain) on disposal of plant and equipment	63	(453)	(56)	(800)
Unrealised loss on derivatives	659	-	659	-
Interest income	(1,835)	(3,192)	(462)	(891)
Operating cash flows before movements in working capital	41,687	53,122	9,659	13,926
Bills receivables	89	(128)	(39)	(128)
Trade receivables	(10,282)	(4,375)	(7,894)	(1,503)
Other receivables and prepayments	(4,965)	2,004	1,530	2,215
Inventories	(16,233)	(2,838)	5,491	1,332
Bills payables	(561)	786	225	786
Trade payables	4,764	3,935	3,341	744
Other payables	(2,003)	1,492	(1,569)	1,762
Cash generated from operations	12,496	53,998	10,744	19,134
Dividend paid	(21,224)	(21,224)	-	-
Interest paid	(145)	(107)	(32)	(32)
Interest received	1,835	3,192	462	891
Income tax paid	(7,530)	(7,135)	(6,458)	(5,240)
Net cash (used in) from operating activities	(14,568)	28,724	4,716	14,753
Investing activities:				
Purchase of property, plant and equipment	(9,061)	(15,944)	(1,090)	(6,239)
Deposits paid for acquisition of property, plant and equipment	(259)	(337)	(682)	760
Proceeds from disposal of property, plant and equipment	464	2,695	129	1,937
Purchase of held-to-maturity investments	(6,192)	-	(8)	-
Loans receivables	36,660	20,380	-	-
Net cash from (used in) investing activities	21,612	6,794	(1,651)	(3,542)
Financing activities:				
Proceeds from trust receipts and other loans	66,972	25,404	16,027	6,165
Repayment of trust receipts and other loans	(64,568)	(26,135)	(16,102)	(9,076)
Net cash from (used in) financing activities	2,404	(731)	(75)	(2,911)
Net increase in cash and cash equivalents	9,448	34,787	2,990	8,300
Cash and cash equivalents at beginning of the period	67,599	30,986	76,189	57,719
Effect of foreign exchange rate changes	(400)	1,826	(2,532)	1,580
Cash and cash equivalents at end of the period	76,647	67,599	76,647	67,599

1(d)(i) Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Share Premium	Contributed Surplus	Translation Reserve	Employee Share Option Reserve	Retained Earnings	Attributable to equity holders of the company
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Group							
Balance at 1 January 2008	48,236	20,977	48,563	3,906	207	124,933	246,822
Currency translation differences	-	-	-	458	-	-	458
Net profit for the year	-	-	-	-	-	20,007	20,007
Dividend paid	-	-	-	-	-	(21,224)	(21,224)
Balance at 31 December 2008	48,236	20,977	48,563	4,364	207	123,716	246,063
Balance at 1 January 2007	48,236	20,977	48,563	1,112	422	110,519	229,829
Currency translation differences	-	-	-	2,794	-	-	2,794
Net profit for the year	-	-	-	-	-	35,423	35,423
Effect of share options forfeited	-	-	-	-	(215)	215	-
Dividend paid	-	-	-	-	-	(21,224)	(21,224)
Balance at 31 December 2007	48,236	20,977	48,563	3,906	207	124,933	246,822

	Share Capital	Share Premium	Contributed Surplus	Employee Share Option Reserve	Retained Earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Company						
Balance at 1 January 2008	48,236	20,977	48,563	207	50,360	168,343
Net profit for the year	-	-	-	-	(3,064)	(3,064)
Dividend paid	-	-	-	-	(21,224)	(21,224)
Balance at 31 December 2008	48,236	20,977	48,563	207	26,072	144,055
Balance at 1 January 2007	48,236	20,977	48,563	422	42,701	160,899
Net profit for the year	-	-	-	-	28,668	28,668
Effect of share options forfeited	-	-	-	(215)	215	-
Dividend paid	-	-	-	-	(21,224)	(21,224)
Balance at 31 December 2007	48,236	20,977	48,563	207	50,360	168,343

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

During the fourth quarter of 2008, there was no movement in the Company's share capital (2007: Nil). No share option was granted under the Tsit Wing Employee's share option scheme 2001 during the period under review. As at December 31, 2008, the number of share options outstanding was 480,000 (As at December 31, 2007: 480,000).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.**

	As at 31/12/2008	As at 31/12/2007
The total number of issued shares excluding treasury shares.	192,943,999	192,943,999

- 1(d)(iv) A Statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by our auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as those applied in the audited financial statements for the year ended December 31, 2007.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS and amendments to FRS which became effective beginning January 1, 2008 and they are assessed to have no significant impact on the Group's financial positions and results of the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	12 months ended 31/12/2008	12 months ended 31/12/2007	3 months ended 31/12/2008	3 months ended 31/12/2007
Based on the weighted average number of ordinary shares in issue	10.37 HK cents	18.36 HK cents	1.27 HK cents	4.68 HK cents
Based on a fully diluted basis	10.36 HK cents	18.35 HK cents	1.27 HK cents	4.68 HK cents

Notes:

The basic earnings per share is calculated based on the Group's profit attributable to shareholders divided by the weighted average number of ordinary shares in issue during those periods. The weighted average number of ordinary shares in issue for the financial year ended 31 December 2008 and during the fourth quarter of financial year 2008 were 192,943,999 (2007: 192,943,999) and 192,943,999 (2007: 192,943,999) respectively.

The fully diluted earnings per share for the financial year ended December 31, 2008 and during the fourth quarter of financial year 2008 were based on the profit attributable to shareholders divided by the adjusted number of ordinary shares in issue of 193,049,999 (2007: 193,059,999) and 192,941,999 (2007: 192,974,999) respectively.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the: -

- (a) current financial period reported on; and
- (b) immediately preceding financial year

	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Net asset backing per ordinary share based on issued share capital at the end of the period reported on	127.5 HK cents	127.9 HK cents	74.7 HK cents	87.2 HK cents

Notes:

The net asset backing per ordinary share as at December 31, 2008 and December 31, 2007 were calculated based on the number of ordinary shares of 192,943,999 in issue as at that date.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The economic turmoil which originated in the U.S. has triggered a far-reaching financial crisis across the globe. With bank credit tightening, business closures increasing, consumers spending slowing down, and commodity market volatility widening, all these factors contributed to a tough operating environment in the second half of 2008.

In the midst of all these challenges, the Group's turnover continued to remain strong and recorded a double-digit growth, reaching HK\$402.4 million and representing an increase of HK\$39.6 million or 10.9% over that of the previous year. Supported by new and market-sensitive products, our core coffee & tea business, which accounted for 54.5% of the Group's turnover, grew 11.9% as we continued to recapture lost customers and acquire new ones. Solid growth was recorded on all fronts including our

China, FMCG, and café businesses with the exception of export business which showed a slight decline. Export sales of our FMCG products suffered as a result of the much publicized melamine incidents in China during the year.

The gross profit for the year of HK\$140.1 million was about the same as that of previous year but the profit margin dropped by 3.7 percentage points to 34.8% due to the increase in raw material costs. In the course of the twelve-month period, the cost of both Arabica and Robusta coffee beans fluctuated by as much as 65%, making it extremely difficult to maintain stable raw material costs. The price increases which were implemented by the Group in the early part of the year could not fully offset the cost increases of raw materials. The Group took measures to combat coffee price fluctuations through hedging activities. However, the market volatility was such that despite the efforts, the Group recorded a loss of HK\$8.1 million for the year.

Operating expenses increased by 9.4% to HK\$111.2 million as we continued to invest in building our brand, upgrading our infrastructure and enhancing our human resources to better equip ourselves for future growth.

CATERING

The Catering business which accounted for 90.6% of the Group's total turnover remained our major revenue contributor.

Despite the economic downturn, our catering business recorded a solid growth of 8% over the previous year. In 2008, we restructured our catering sales team and put in place a sales management system that effectively expanded our customer base coverage and helped regain lost customers in the tea bistro segment. As the leading tea & coffee supplier to the majority of the quick service restaurant chains in Hong Kong, we managed to ride on the organic growth by consistently providing quality products and services to our customers.

Through the product rationalization and categorization programme, we revamped our product portfolio, terminated slow moving items and introduced new products to meet the needs of the changing market environment.

FAST MOVING CONSUMERS GOODS ("FMCG")

Driven mainly by our premium product – TW Strong & Smooth 3-in-1 Coffee, the FMCG business turned around in 2008. Our Extra Creamy Milk Tea also enjoyed solid growth during the year.

CHINA MARKET

Our performance in China continued to show solid growth and recorded a turnover of RMB 83.1 million in 2008, representing a 60.1% increase as compared to that of last year. The result was encouraging with China's contribution to the Group's total revenue increasing from 15.2% in 2007 to 20.7% in 2008 due to exceptional performance of our tea products.

The financial position of the Group is healthy. With the continuous profits contributed from our operating business, the Group's cash remain strong. The current ratio of the Group as at 31 December 2008 was 5.6 times, compared to 5.8 times at the end of 2007.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

- 10 A Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The year 2008 saw a financial tsunami which seriously damaged the global economy and is expected to dampen overall business outlook for the next twelve months. The Hong Kong economy may see negative growth in the first half of 2009 whilst the GDP growth in China is also expected to slow down in 2009. Whilst the country's inflation is expected to decline, there are concerns about possible deflation, and shrinking overseas demand for Chinese goods.

2009 will be a difficult year but we see the current economic downturn as an opportunity to invest, develop and expand. Our management team remains confident that China will be our key engine for growth after taking into consideration the long term business potential in China. We will increase our investments in human resources, process and infrastructure, such as production capability, information technology, so as to enhance our core competence and competitiveness.

11 Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per share (in cents)	2.5 HK cents per ordinary share (tax not applicable)
Optional: - Dividend Rate (in %)	10% per ordinary share
Par value of shares	HK\$0.25
Tax Rate	N/A

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per share (in cents)	7.5 HK cents per ordinary share (tax not applicable)
Optional: - Dividend Rate (in %)	30% per ordinary share
Par value of shares	HK\$0.25
Tax Rate	N/A

(c) *Date payable*

If approved by shareholders at the Annual General Meeting to be held on April 17, 2009, the dividend will be paid on May 8, 2009.

(d) *Books closure date*

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on April 28, 2009 on which day no share transfer will be effected. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd. of 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to the close of business at 5:00 p.m. on April 28, 2009 will be registered to determine shareholders' entitlements to the proposed dividend.

12 If no dividend has been declared / recommended, a statement to that effect

Not Applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Geographical segments

For management purposes, the geographical location of the Group's customers is organized in accordance with their group of companies' country of origin, which principally comprises Hong Kong, other parts including The People's Republic of China and Canada. This forms the basis on which the Group reports its primary segment information on geographic location of its customers and details as at December 31, 2008 and December 31, 2007 and for the financial years then ended are presented below:

Profit and loss statement

For the financial year ended December 31, 2008

	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Canada</u> HK\$'000	<u>Total</u> HK\$'000
Revenue				
- Sales of goods	315,956	82,226	-	398,182
- Operations of café shops and restaurant	3,335	895	-	4,230
	<u>319,291</u>	<u>83,121</u>	<u>-</u>	<u>402,412</u>
Profit from operations	<u>20,671</u>	<u>3,456</u>	<u>-</u>	<u>24,127</u>
Finance cost				(145)
Profit before income tax				23,982
Income tax				(3,975)
Profit attributable to shareholders of the Group				<u>20,007</u>
	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Canada</u> HK\$'000	<u>Total</u> HK\$'000
Other information				
Capital additions	6,589	3,340	-	9,929
Depreciation	10,709	3,753	-	14,462
Balance Sheet				
Segment assets	<u>229,274</u>	<u>58,681</u>	<u>-</u>	<u>287,955</u>
Unallocated corporate assets				2,183
Consolidated total assets				<u>290,138</u>
Segment liabilities	<u>33,043</u>	<u>7,009</u>	<u>-</u>	<u>40,052</u>
Unallocated corporate liabilities				4,023
Consolidated total liabilities				<u>44,075</u>

Profit and loss statement
For the financial year ended December 31, 2007

	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Canada</u> HK\$'000	<u>Total</u> HK\$'000
Revenue				
- Sales of goods	303,433	54,218	1,342	358,993
- Operations of café shops and restaurant	2,684	1,097	-	3,781
	<u>306,117</u>	<u>55,315</u>	<u>1,342</u>	<u>362,774</u>
Profit (loss) from operations	40,455	2,350	27	42,832
Finance cost				(107)
Profit before income tax				42,725
Income tax				(7,302)
Profit attributable to the shareholders of the Group				<u>35,423</u>
	<u>Hong Kong</u> HK\$'000	<u>PRC</u> HK\$'000	<u>Canada</u> HK\$'000	<u>Total</u> HK\$'000
Other information				
Capital additions	9,196	6,748	-	15,944
Depreciation	9,634	3,193	65	12,892
Balance Sheet				
Segment assets	236,280	46,484	4,242	287,006
Unallocated corporate assets				121
Consolidated total assets				<u>287,127</u>
Segment liabilities				
Unallocated corporate liabilities				5,516
Consolidated total liabilities				<u>40,305</u>

Industry Segments

The Group principally engages in the processing of coffee beans, distribution of coffee, tea, grocery products and the operation of café shops and restaurant and most of the assets of the Group are deployed in these operations. Accordingly, the revenue and profit of the Group are derived substantially from this industry segment.

- 14 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

15 A breakdown of sales

	Group		
	2008	2007	Increase/ (Decrease)
	HK\$'000	HK\$'000	%
(a) Sales reported for the first half year	195,120	174,500	11.8%
(b) Operating profit after tax before adjusting minority interests reported for the first half year	10,275	18,002	(42.9)%
(c) Sales reported for the second half year	207,292	188,274	10.1%
(d) Operating profit after tax before adjusting minority interests reported for the second half year	9,732	17,421	(44.1)%

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year (HK\$'000)	Previous Full Year (HK\$'000)
Ordinary	11,577	21,224
Preference	-	-
Total	11,577	21,224

On behalf of the Board of Directors
Tsit Wing International Holdings Limited

Wong Tat Tong
Chairman and Chief Executive Officer

Wong Tat Pui
Executive Director

Hong Kong, February 26, 2009