



CHANCO INTERNATIONAL GROUP LIMITED

卓高國際集團有限公司

(於開曼群島註冊成立之有限公司)

(Stock code: 264)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2005

The Board of Directors (the “Directors”) of Chanco International Group Limited (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2005 as follows:–

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2005

		Six months ended 30th September,	
		2005	2004
		Unaudited	Unaudited
	Notes	HK\$'000	HK\$'000
Turnover	4	129,289	95,877
Cost of sales		<u>(86,180)</u>	<u>(65,076)</u>
Gross profit		43,109	30,801
Other income		905	354
Selling and distribution costs		(6,606)	(2,232)
Administrative and other operating expenses		<u>(12,085)</u>	<u>(7,756)</u>
Profit before taxation	5	25,323	21,167
Taxation	6	<u>(2,328)</u>	<u>(1,721)</u>
Profit attributable to shareholders		<u>22,995</u>	<u>19,446</u>
Dividends	7	<u>7,644</u>	<u>6,370</u>
Basic earnings per share	8	<u>HK7.2 cents</u>	<u>HK6.1 cents</u>
Diluted earnings per share	8	<u>HK7.2 cents</u>	<u>HK6.1 cents</u>

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30TH SEPTEMBER, 2005

	<i>Notes</i>	30th September, 2005 Unaudited HK\$'000	31st March, 2005 Audited HK\$'000
Non-current assets			
Property, plant and equipment		9,908	8,937
Current assets			
Inventories		36,303	30,951
Trade receivables	9	22,204	17,914
Other receivables, deposits and prepayments		7,592	2,854
Other investment		–	4,162
Financial assets at fair value through profit or loss		4,305	–
Tax recoverable		–	18
Bank balances and cash		91,293	89,597
		<u>161,697</u>	<u>145,496</u>
Current liabilities			
Trade payables	10	9,304	11,606
Other payables and accrued charges		9,185	8,110
Taxation payable		2,930	727
		<u>21,419</u>	<u>20,443</u>
Net current assets		<u>140,278</u>	<u>125,053</u>
Total assets less current liabilities		150,186	133,990
Non-current liabilities			
Deferred taxation		276	204
		<u>149,910</u>	<u>133,786</u>
Capital and reserves			
Share capital		3,185	3,185
Reserves		139,081	123,594
Proposed interim/final dividend		7,644	7,007
		<u>149,910</u>	<u>133,786</u>

Notes:

1. Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2. Principal accounting policies

The condensed financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of annual audited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2005 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005. The application of new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

Share-based payment

In the current period, the Group has applied HKFRS 2 “Share-based Payment” which requires an expenses to be recognized where the Group buys goods or obtains services in exchange for shares or rights over shares. The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors’ and employees’ share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognize the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted after 1st April, 2005. In accordance with the relevant transitional provisions, the Group has not applied HKFRS 2 to share options that were granted after 7th November, 2002 and had vested before 1st April, 2005. The adoption of HKFRS 2 has had no material effect on the results for the current or prior periods.

Financial instruments

In the current period, the Group has applied HKAS 32 “Financial Instruments : Disclosure and Presentation” and HKAS 39 “Financial Instruments: Recognition and Measurement”. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarized below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

At 31st March, 2005, the Group classified and measured its debt and equity securities in accordance with benchmark treatment of Statement of Standard Accounting Practice 24 (“SSAP 24”). Under SSAP 24, investments in debt or equity securities are classified as “investment securities”, “other investments” or “held-to-maturity investments” as appropriate. “Investment securities” are carried at cost less impairment losses (if any) while “other investments” are measured at fair value, with unrealized gains or losses included in the profit or loss. “Held-to-maturity investments” are carried at amortised cost less impairment losses (if any). From 1st April, 2005 onwards, the Group classifies and measures its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables”, or “held-to-maturity financial assets”. The classification depends on the purpose for which the assets are acquired. “Financial assets at fair value through profit or loss” and “available-for-sale financial assets” are carried at fair value, with changes in fair values recognized in profit or loss and equity respectively. For “available-for-sale financial assets” that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, it will be measured at cost less impairment, if any. “Loans and receivables” and “held-to-maturity financial assets” are measured at amortized cost using the effective interest method.

On 1st April, 2005, the Group classified and measured its other investment in accordance with the requirements of HKAS 39. Other investment classified under current assets with carrying amount of HK\$4,162,000 at 31st March, 2005 was reclassified to financial assets at fair value through profit or loss on 1st April, 2005.

Financial assets and financial liabilities other than debt and equity securities

From 1st April, 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)”. “Financial liabilities at fair value through profit or loss” are measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost. “Other financial liabilities” are carried at amortized cost using the effective interest method.

3. Summary of the effects of the changes in accounting policies

The cumulative effects of the application of the new HKFRSs as at 31st March, 2005 and 1st April, 2005 are summarized below:

	As at 31st March, 2005 <i>HK\$'000</i>	Effect of HKAS 32 & 39 <i>HK\$'000</i>	As at 1st April, 2005 <i>HK\$'000</i>
Balance sheet items			
Other investment	4,162	(4,162)	–
Financial assets at fair value through profit or loss	–	4,162	4,162
	<u>4,162</u>	<u>–</u>	<u>4,162</u>
Total effects on assets and liabilities	<u>4,162</u>	<u>–</u>	<u>4,162</u>
Total effects on equity	<u>133,786</u>	<u>–</u>	<u>133,786</u>

4. Segment information

Primary reporting format – business segments

The analysis of Group turnover and profit from operations by business segment for the period is as follows:

	Manufacturing business		Retail business		Inter-segment elimination		Consolidated	
	Six months ended 30th September, 2005		Six months ended 30th September, 2004		Six months ended 30th September, 2005		Six months ended 30th September, 2004	
	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>	Unaudited <i>HK\$'000</i>
Revenue								
External	123,066	95,877	6,223	–	–	–	129,289	95,877
Inter-segment	510	–	–	–	(510)	–	–	–
	<u>123,576</u>	<u>95,877</u>	<u>6,223</u>	<u>–</u>	<u>(510)</u>	<u>–</u>	<u>129,289</u>	<u>95,877</u>
Segment results	<u>37,592</u>	<u>28,569</u>	<u>(1,000)</u>	<u>–</u>	<u>(178)</u>	<u>–</u>	<u>36,414</u>	<u>28,569</u>
Unallocated income							905	354
Unallocated expenses							(11,996)	(7,756)
Profit before taxation							<u>25,323</u>	<u>21,167</u>
Taxation							<u>(2,328)</u>	<u>(1,721)</u>
Profit attributable to shareholders							<u>22,995</u>	<u>19,446</u>

Secondary reporting format – geographical segments

	Turnover	
	Six months ended	
	30th September,	
	2005	2004
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Japan	52,114	46,291
Europe	29,850	20,464
The United States of America	9,213	7,193
Hong Kong	18,739	7,123
The People's Republic of China, other than Hong Kong (the "PRC")	5,423	4,647
Australia	4,486	4,943
Others	9,464	5,216
	<u>129,289</u>	<u>95,877</u>

5. Profit before taxation

Profit before taxation has been arrived at after charging:

	Six months ended	
	30th September,	
	2005	2004
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Bad debts written off and provision for bad debts	–	34
Cost of inventories sold		
– material costs	68,274	50,697
– production overheads	17,906	14,379
Depreciation of property, plant and equipment	1,247	849
Operating lease rentals in respect of land and buildings	3,534	1,781
Provision for obsolete inventories	279	149
Staff costs (excluding directors' emoluments)	5,000	3,472
and after crediting:		
Unrealized holding gain on other investment	–	193
Unrealized holding gain on financial assets at fair value through profit or loss	143	–
	<u>143</u>	<u>–</u>

6. Taxation

	Six months ended	
	30th September,	
	2005	2004
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current taxation:		
– Hong Kong profits tax	2,162	1,656
– Other jurisdictions	94	–
Deferred taxation	72	65
	<u>2,328</u>	<u>1,721</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits for the period.

Taxation for other jurisdictions is calculated on the rates prevailing in the respective jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, the Group's PRC subsidiary is entitled to exemption from PRC income tax for two years commencing from the first profit-making year, and entitled to a 50% relief from the PRC income tax for the following three years.

7. Dividends

	Six months ended	
	30th September,	
	2005	2004
	Unaudited	Unaudited
	HK\$'000	HK\$'000
2005 interim dividend of HK2.4 cents (2004 : HK2 cents) per share	<u><u>7,644</u></u>	<u><u>6,370</u></u>

At a board meeting held on 15th December, 2005, the directors declared an interim dividend of HK2.4 cents per share, aggregating a total of HK\$7,644,000 for the six months ended 30th September 2005. This proposed dividend is not reflected as a dividend payable in the condensed financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2006.

The amount of proposed interim dividend is based on 318,500,000 shares in issue at 15th December, 2005.

8. Earnings per share

The calculation of the basic and diluted earnings per share is as follows:

	Six months ended	
	30th September,	
	2005	2004
	Unaudited	Unaudited
Earnings		
Profit attributable to shareholders (<i>in HK\$'000</i>)	<u><u>22,995</u></u>	<u><u>19,446</u></u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>in '000</i>)	318,500	318,500
Effect of dilutive potential ordinary shares Share options (<i>in '000</i>)	<u>517</u>	<u>227</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share (<i>in '000</i>)	<u><u>319,017</u></u>	<u><u>318,727</u></u>
Basic earnings per share (<i>HK cents</i>)	<u><u>7.2</u></u>	<u><u>6.1</u></u>
Diluted earnings per share (<i>HK cents</i>)	<u><u>7.2</u></u>	<u><u>6.1</u></u>

9. Trade receivables

Customers are generally granted with credit terms of 30 to 90 days. Longer payment terms might grant to those customers which have good payment history and long-term business relationship with the Group. Details of the ageing analysis are as follows:

	30th September, 2005 Unaudited HK\$'000	31st March, 2005 Audited HK\$'000
Current to 30 days	13,203	10,958
31-60 days	5,345	3,501
61-90 days	1,721	1,188
91-120 days	174	483
121-365 days	1,384	1,698
Over 365 days	377	86
	<hr/> 22,204 <hr/>	<hr/> 17,914 <hr/>

10. Trade payables

Details of the ageing analysis are as follows:

	30th September, 2005 Unaudited HK\$'000	31st March, 2005 Audited HK\$'000
Current to 30 days	6,769	6,172
31-60 days	1,824	2,950
61-90 days	559	1,775
91-120 days	9	544
121-365 days	43	65
Over 365 days	100	100
	<hr/> 9,304 <hr/>	<hr/> 11,606 <hr/>

11. Comparative figures

In prior periods, the Group classified the business of trading of leather as the Group's principal activity and the revenue and costs of the business were recognized as the Group's turnover and cost of sales respectively. In view of the fact that the business has become inactive and its contribution to the Group's turnover has become insignificant, the directors have decided to exclude the business from principal activities of the Group and report it as other income of the Group from 1st April, 2005 onwards. Hence, net gain from trading of leather has been reported as other income in the Group's financial statements for the six months ended 30th September, 2005. Relevant comparative figures have also been reclassified to conform with the presentation in the current period. The comparative figures of turnover of HK\$354,000 and cost of sales of HK\$265,000 in relation to the business of trading of leather for the six months ended 30th September, 2004 have been reclassified to other income.

INTERIM DIVIDEND

The Directors has resolved to declare an interim dividend of HK2.4 (2004: HK2 cents) cents per ordinary share for the six months ended 30th September, 2005. The interim dividend will be paid on or about 18th January, 2006 to members, whose names appear on the register of members of the Company at the close of business on 10th January, 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30th September, 2005, the Group's turnover reached approximately HK\$129 million, representing an increase of approximately 35% over the same period of last year. The increase in turnover was mainly attributable to the increase in OEM/ODM sales to Japan and Europe and the revenue contributed by the Group's new retailing business during the reporting period. The gross profit margin of the period was approximately 33% which was slightly higher than 32% of the corresponding period of last year.

Selling and distribution expenses of the Group for the six months ended 30th September, 2005 increased to approximately HK\$7 million due to the additional expenses incurred for the Group's new retail operations. Administrative and other operating expenses increased by approximately 56%, to approximately HK\$12 million which was mainly due to the increase in number of staff and staff salaries and special bonus paid to the executive directors of the Company.

Accompanied by the promising turnover growth, the net profit for the period rose by approximately 18% to approximately HK\$23 million. Basic earnings per share were approximately HK\$7.2 cents as compared to approximately HK6.1 cents of the corresponding period in 2004.

BUSINESS REVIEW

Manufacturing Business

The Group's OEM/ODM business recorded encouraging results for the period ended 30th September, 2005. Turnover grew by approximately 28% to approximately HK\$123 million (2004: HK\$96 million). Japan continued to be the Group's major market, accounting for approximately 40% of the turnover for the period. Total export sales to Japan rose to approximately HK\$52 million, representing a growth of 13% as compared to that of the same period last year. During the reporting period, the Group successfully expanded its market presence in Europe by outperforming certain competitors from Eastern Europe. Sales to Europe surged approximately 46% to approximately HK\$30 million. It is expected that the Group's proportion of sales to Europe shall become more and more significant with time.

Revenue from manufacturing sales of belts increased from approximately HK\$92 million to approximately HK\$119 million. Sales of wallets and other accessories recorded a turnover of approximately HK\$4 million. The gross profit of manufacturing sales increased to approximately HK\$40 million and the gross profit margin improved slightly to around 33%. The price of genuine leather imported from Italy went down as a result of depreciation of Euro. Metal cost and other chemical consumables became more expensive because of high crude oil price. With management's flexible sales strategies and stringent cost control measures, the impact of inflating metal prices on profit margin had been minimized.

Retail Business

The Group's retail operations kicked off in November 2004. As at 30th September, 2005, the Group had four AREA 0264 stores in Hong Kong. Retail sales for the six months ended 30th September 2005 was approximately HK\$6 million, representing around 5% of the Group's total turnover. Despite the retail business recorded a net loss of approximately HK\$1 million, the Group has been on the right track of development. The Group's retail operations play a strategic role in positioning itself as a trendy and young street-fashion multi-brand store in the market. Facing with the challenge of high rental, the Group will focus on enhancing product development capability and improving the operation efficiency of existing stores. In addition to the Group's in-house brand name "STRANGER", the Group has launched another unique icon "eDOLL_KUBRICK" to the market in late September 2005 which is targeted for younger boys and girls. The Group will launch more brands with unique image and different price levels in order to enlarge the market share.

PROSPECTS

With years of development, the Group has already established a solid reputation as premier designer and manufacturer of quality leather accessories in the global marketplace. It will strive to consolidate its leading position in leather accessories manufacturing. In view of steady growth of sales orders and a shorter production lead time requested by the customers, the Group is in the progress of improving the production efficiency by expanding the production area in order to resolve the production jam in the bottle-neck procedure. The factory expansion project is expected to be completed in late December this year and the management believes the Group can attain better economies of scale through enhancement of production volume.

The global economy is affected by some unfavorable factors like accelerating crude oil price, higher interest rate and the outbreak of avian flu, however, it is believed that the general economic condition would be improving gradually. Barring unforeseeable circumstances, management is cautiously optimistic towards the Group's performance in the second half of fiscal year 2005/06.

Leveraging on the good and long-term relationship with our customers and major suppliers and coupled with stringent cost control, the management believes the dedication of all our efforts will bring fruitful return to our shareholders.

Liquidity, Financial Resources and Capital Structure

As at 30th September, 2005, the Group's cash and bank deposits were approximately HK\$91 million, compared to approximately HK\$90 million as at 31st March, 2005.

As at 30th September, 2005, the Group had aggregate banking facilities in respect of import/export facilities of approximately HK\$8 million were secured by corporate guarantees provided by the Company.

The Group recorded total current assets of approximately HK\$162 million as at 30th September, 2005 (31st March, 2005: HK\$145 million) and total current liabilities of approximately HK\$21 million (31st March, 2005: HK\$20 million). The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 8 times as at 30th September, 2005 (31st March, 2005: 7 times).

Supported by its strong cash flows, the Group did not raise any bank loan during the period.

The Group recorded an increase in shareholders' funds from approximately HK\$134 million as at 31st March, 2005 to approximately HK\$150 million as at 30th September, 2005.

TREASURY POLICY

The Group generally finances its operation with internally generated resources.

Cash and bank deposits of the Group are mainly denominated in Hong Kong dollars.

Transactions of the Group are mainly denominated either in Hong Kong dollars, Renminbi or United States dollars such that the Group does not have significance exposure to foreign exchange fluctuation. Though the Group does not engage in any hedging contracts, the Group's exposure to foreign exchange risk is minimal.

CHARGES ON ASSETS

The Group did not have any assets pledged for general facilities granted by banks.

MATERIAL ACQUISITIONS/DISPOSALS

The Group had no material acquisitions/disposals for the six months ended 30th September, 2005.

EMPLOYEE INFORMATION

As at 30th September, 2005, the Group had 54 full-time employees in Hong Kong and 78 in the PRC. The Group remunerated its employees mainly based on their individual performance. Apart from basic salaries, discretionary bonus, contribution to the statutory retirement scheme, the Group adopted a share option scheme whereby certain employees of the Group may be granted options to subscribe for shares of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30th September, 2005.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules during the six months ended 30th September, 2005, except for the deviations from CG Code provision A2.1 in respect of the separation of roles of the chairman and chief executive officer. Due to the small size of the existing management team, both the roles of the chairman and chief executive officer of the Company are currently played by Mr. Chan King Hong, Edwin. Mr. Chan has considerable experience in manufacturing industry and is the person most knowledgeable about the business of the Group. The Board believes that the current structure will enable us to make and implement decisions promptly and efficiently. The Board will meet regularly to consider that this structure will not impair the balance of power and authority between the Board and the management of Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors have confirmed compliance with the required standard set out in the Model Code as provided in Appendix 10 to the Listing Rules during the six months ended 30th September, 2005.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Mr. Fong Pui Sheung David (Chairman), Ms. Chau Cynthia Sin Ha, and Mr. Or Kam Chung Janson. The Audit Committee has reviewed with Group's management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited interim financial statements and the results of the Group for the six months ended 30th September, 2005.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 25th August 2005 with written terms of reference in compliance with Appendix 14 of the Listing Rules. The Remuneration Committee comprises three independent non-executive directors, Mr. Or Kam Chung Janson (Chairman), Mr. Fong Pui Sheung David, and Ms. Chau Cynthia Sin Ha, is responsible for formulating and making recommendation to the board on the Company policy and structure for all remuneration of directors and senior management.

NOMINATION COMMITTEE

The Nomination Committee was established on 25th August 2005 with written terms of reference in compliance with Appendix 14 of the Listing Rules. The Nomination Committee comprises three independent non-executive directors, Ms. Chau Cynthia Sin Ha (Chairman), Mr. Fong Pui Sheung David, and Mr. Or Kam Chung Janson, is responsible for making recommendation to the board so as to ensure that all nominations are fair and transparent.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 6th January, 2006 to Tuesday, 10th January, 2006 both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:00 p.m. on Thursday, 5th January, 2006.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All information of the interim results of the Group for the six months ended 30th September, 2005 required by paragraph 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

On behalf of the Board
Chan King Hong Edwin
Chairman

Hong Kong, 15th December, 2005

As at the date of this announcement, Mr. Chan King Hong, Edwin, Mr. Chan King Yuen, Stanley, Ms. Chan Wai Po, Rebecca are the executive directors of the Company, Mr. Fong Pui Sheung, David, Ms. Chau Cynthia Sin Ha JP and Mr. Or Kam Chung, Janson are the independent non-executive directors of the Company.