



ASIA ORIENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 214)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2005

The Directors of Asia Orient Holdings Limited (the “Company”) announce that the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2005 together with the comparative figures for the six months ended 30th September 2004 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT – UNAUDITED

		Six months ended 30th September	
	Note	2005 HK\$'000	2004 HK\$'000 (restated)
Turnover	4	10,867	361,158
Cost of sales		(5,390)	(260,643)
Gross profit		5,477	100,515
Administrative expenses		(8,739)	(57,053)
Other charges	5	(22,003)	(35,077)
Operating (loss)/profit	6	(25,265)	8,385
Finance costs		(675)	(50,604)
Share of profits less losses of			
Jointly controlled entities		8,126	159,854
Associated companies		19,120	(18,477)
Profit before taxation		1,306	99,158
Taxation credit	7	753	3,464
Profit for the period		2,059	102,622
Attributable to:			
Shareholders of the Company		2,059	38,689
Minority interests		–	63,933
		2,059	102,622

Dividend	8	<u>–</u>	<u>3,997</u>
Earnings per share			
Basic	9	<u>0.88 cents</u>	<u>22.3 cents</u>
Diluted	9	<u>0.86 cents</u>	<u>17.5 cents</u>

CONSOLIDATED BALANCE SHEET – UNAUDITED

	<i>Note</i>	30th September 2005 HK\$'000	31st March 2005 HK\$'000 (restated)
Non-current assets			
Property, plant and equipment		1,182	1,362
Jointly controlled entities		7,951	7,832
Associated companies		1,393,676	1,371,690
Deferred tax assets		4,532	5,303
		<u>1,407,341</u>	<u>1,386,187</u>
Current assets			
Debtors and prepayments	10	154,181	131,426
Derivative financial instruments		4,302	–
Financial assets at fair value through profit and loss		19,497	28,654
Bank balances and cash		71,323	128,843
		<u>249,303</u>	<u>288,923</u>
Current liabilities			
Creditors and accruals	11	39,496	39,347
Short term bank loans and overdrafts, secured		12,817	14,676
Current portion of long term loans		12,452	37,372
		<u>64,765</u>	<u>91,395</u>
Net current assets		<u>184,538</u>	<u>197,528</u>
Total assets less current liabilities		<u>1,591,879</u>	<u>1,583,715</u>
Non-current liabilities			
Long term bank loans		–	6,226
Amounts due to minority shareholders		8,311	8,311
Deferred tax liabilities		11	11
		<u>8,322</u>	<u>14,548</u>
Net assets		<u>1,583,557</u>	<u>1,569,167</u>

Equity		
Share capital	23,452	23,452
Reserves	1,560,105	1,545,715
	<u>1,583,557</u>	<u>1,569,167</u>
Equity attributable to the Company's shareholders		

NOTES TO THE ACCOUNTS

1 Basis of preparation

This unaudited consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of this consolidated financial information are consistent with those used in the annual financial statements for the year ended 31st March 2005 except that the Group has changed certain of its accounting policies following its adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRS") and HKAS which are effective for accounting periods commencing on or after 1st January 2005 as described in note 2 below. A summary of effects of the changes in accounting policies between Statements of Standard Accounting Practices ("SSAP") in effect until 31st December 2004 (the "Old Hong Kong Accounting Standards") and the new HKFRS which has been applied in the preparation of the financial statements for the six months ended 30th September 2005 is set out in note 3.

2 Changes in accounting policies

Commencing from 1st April 2005, the Group adopted the new/revised standards of HKFRS below, which are relevant to its operations. The changes mainly affect the Group through its associated companies. The comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations
HK-Int 2	The Appropriate Policies for Hotel Properties
HK-Int 3	Pre-completion Contracts for the Sale of Development Properties
HK-Int 4	Lease – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

(i) *Presentation of Financial Statements*

HKAS 1 has affected the presentation of minority interests, share of net after-tax results of jointly controlled entities, associated companies and other disclosures.

(ii) *Hotel properties*

The adoption of HKAS 16 and HK-Int 2 has resulted in a change in the accounting policy for the hotel properties, which are now stated at cost less accumulated depreciation and impairment loss. In prior years, hotel properties were stated at valuation and were not depreciated.

Depreciation is calculated to write off the carrying value of the assets on a straight line basis over the shorter of the unexpired period of the land lease and the anticipated remaining useful lives of the assets. The useful lives which have been adopted are summarised as follows:

Hotel building	Shorter of 50 years or the remaining lease period of the land on which the hotel building is located
Plant and machinery	10 years
Furniture, fixtures and equipment	5 years
Computer equipment	3 ¹ / ₃ years

No depreciation is provided for freehold land.

(iii) Leasehold land in Hong Kong

The adoption of revised HKAS 17 and HK-Int 4 has resulted in a change in the accounting policy relating to the reclassification of leasehold land to operating leases. The up-front prepayments made for the leasehold land are expensed in the profit and loss account on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account. In prior years, the leasehold land was accounted for at cost.

(iv) Goodwill

The adoption of HKAS 36, HKAS 38 and HKFRS 3 results in a change in the accounting policy for goodwill. Amortisation of goodwill ceased from 1st April 2005; accumulated amortisation as at 31st March 2005 has been eliminated with a corresponding decrease in the cost of goodwill and from the year ending 31st March 2006 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment.

(v) Financial instruments

The adoption of HKASs 32 and 39 has resulted in a change in the classification of financial assets at fair value through profit and loss. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

(vi) Investment properties

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values are recorded in the profit and loss account as part of other income. In prior years, the changes in fair value were credited or charged to revaluation reserve.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use.

(vii) Share options

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. The Group now expenses the cost of share options in the profit and loss account whereas no costs were recognised in the past.

(viii) Pre-completion sale of development properties

The adoption of HK-Int 3 has resulted in the change in the accounting policy for the revenue recognition of pre-completion sale of development properties. The stage of completion method would no longer be used to recognise revenue from pre-completion sale of development properties and revenue is now recognised upon completion of those properties.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than those stated below:

- (a) HKAS 39 – the adjustments to recognise all derivatives at fair value and to remeasure those financial assets or financial liabilities are adjusted to the opening balance of the revenue reserve at 1st April 2005;
- (b) HKFRS 3 and HK-Int 3 – prospectively after the adoption date.

The adoption of new/revised HKASs 2,7,8,10,21,23,24,27,28,31 and HKAS-Int 15 did not result in substantial changes to the Group's accounting policies.

3 Summary of effects of the changes in accounting policies

- (a) Effects of the changes in accounting policies on consolidated profit and loss account:

	Profit/(loss) attributable to shareholders of the Company <i>HK\$'000</i>	EPS <i>HK cents</i>
Period ended 30th September 2005		
Reported under the Old Hong Kong Accounting Standards	(26,390)	(11.25)
Increase/(decrease) in share of profits less losses of associated companies		
HKAS 16 and Int 2 Revaluation deficit, capitalisation of renovation costs and increase in depreciation of hotel properties	3,085	1.32
HKAS 17 and HK-Int 4 Amortisation of leasehold land	(5,917)	(2.53)
HKAS 32 and HKAS 39 Decrease in net interest expense	80	0.03
HKAS 40 Surplus on revaluation of investment properties	46,287	19.74
HK-Int 21 Increase in taxation charge	(8,100)	(3.45)
Increase/(decrease) in profit of the Group		
HKAS 32 and HKAS 39 Loss in fair value (net of tax)	(3,638)	(1.55)
HKFRS 2 Increase in employee share option expense	(3,348)	(1.43)
	28,449	12.13
Reported under new HKFRS	2,059	0.88
Period ended 30th September 2004		
Reported under the Old Hong Kong Accounting Standards	53,263	30.68

HKAS 16 and HK-Int 2		
Increase in depreciation	(24,354)	(14.02)
Renovation costs of hotel property capitalised	2,610	1.50
Decrease in taxation charge	4,411	2.54
Decrease in profit attributable to minority interests	10,373	5.97
HKAS 17 and HK-Int 4		
Amortisation of leasehold land	(14,901)	(8.57)
Increase in interest expense	(1,537)	(0.89)
Decrease in taxation charge	299	0.17
Decrease in share of profits less losses of		
Jointly controlled entities	(65)	(0.04)
Associated companies	(1,803)	(1.04)
Decrease in profit attributable to minority interests	10,600	6.10
HKAS 32		
Increase in interest expense	(502)	(0.29)
Decrease in profit attributable to minority interests	295	0.17
	<u>(14,574)</u>	<u>(8.40)</u>
Reported under new HKFRS	<u>38,689</u>	<u>22.28</u>

(b) **Effects of the changes in accounting policies on consolidated balance sheet:**

	HKAS 16 and HK-Int 2 HK\$'000	HKAS 17 and HK-Int 4 HK\$'000	HKAS 32 and HKAS 39 HK\$'000	HKAS 40 HK\$'000	HKFRS 2 HK\$'000	HKAS- Int 21 HK\$'000	Total HK\$'000
At 30th September 2005							
<i>Increase/(decrease) in net assets/equity</i>							
Associated companies	(267,952)	(122,166)	1,547	(10,115)	-	(52,306)	(450,992)
Derivative financial instruments	-	-	4,302	-	-	-	4,302
Deferred tax assets	-	-	(753)	-	-	-	(753)
Net assets	<u>(267,952)</u>	<u>(122,166)</u>	<u>5,096</u>	<u>(10,115)</u>	<u>-</u>	<u>(52,306)</u>	<u>(447,443)</u>
Investment properties revaluation reserve	-	-	-	(87,169)	-	-	(87,169)
Hotel properties revaluation reserve	(131,026)	-	-	-	-	-	(131,026)
Share option reserve	-	-	-	-	3,348	-	3,348
Revenue reserve	(136,926)	(122,166)	5,096	77,054	(3,348)	(52,306)	(232,596)
Equity	<u>(267,952)</u>	<u>(122,166)</u>	<u>5,096</u>	<u>(10,115)</u>	<u>-</u>	<u>(52,306)</u>	<u>(447,443)</u>

(b) **Effects of the changes in accounting policies on consolidated balance sheet (continued):**

	HKAS 16 and HK-Int 2 HK\$'000	HKAS 17 and HK-Int 4 HK\$'000	HKAS 32 and HKAS 39 HK\$'000	HKAS 40 HK\$'000	HKAS- Int 21 HK\$'000	Total HK\$'000
At 31st March 2005						
<i>Increase/(decrease) in net assets/equity</i>						
Associated companies and net assets	<u>(264,460)</u>	<u>(115,921)</u>	<u>1,174</u>	<u>(9,227)</u>	<u>(44,206)</u>	<u>(432,640)</u>
Investment properties revaluation reserve	-	-	-	(39,994)	-	(39,994)
Hotel properties revaluation reserve	(124,175)	-	-	-	-	(124,175)
Revenue reserve	<u>(140,285)</u>	<u>(115,921)</u>	<u>1,174</u>	<u>30,767</u>	<u>(44,206)</u>	<u>(268,471)</u>
Equity	<u>(264,460)</u>	<u>(115,921)</u>	<u>1,174</u>	<u>(9,227)</u>	<u>(44,206)</u>	<u>(432,640)</u>
At 1st April 2005						
<i>Increase/(decrease) in net assets/equity</i>						
Associated companies	-	-	279	-	-	279
Derivative financial instruments	-	-	8,712	-	-	8,712
Deferred tax assets	-	-	(1,525)	-	-	(1,525)
Net assets	<u>-</u>	<u>-</u>	<u>7,466</u>	<u>-</u>	<u>-</u>	<u>7,466</u>
Equity	<u>-</u>	<u>-</u>	<u>7,466</u>	<u>-</u>	<u>-</u>	<u>7,466</u>
Revenue reserve	<u>-</u>	<u>-</u>	<u>7,466</u>	<u>-</u>	<u>-</u>	<u>7,466</u>
At 1st April 2004						
<i>Increase/(decrease) in equity</i>						
Hotel properties revaluation reserve	(120,156)	-	-	-	-	(120,156)
Revenue reserve	(160,726)	(137,088)	1,413	(6,913)	(43,439)	(346,753)
Minority interests	<u>(409,038)</u>	<u>(195,444)</u>	<u>1,582</u>	<u>(6,175)</u>	<u>(38,801)</u>	<u>(647,876)</u>
Equity	<u>(689,920)</u>	<u>(332,532)</u>	<u>2,995</u>	<u>(13,088)</u>	<u>(82,240)</u>	<u>(1,114,785)</u>

4 Segment information

An analysis of turnover and contribution to the Group's results by business segments and geographical segments is set out below:

Business segments

	Turnover		Contribution to operating (loss)/profit	
	Six months ended 30th September		Six months ended 30th September	
	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (restated)
Property sales	–	36,165	–	(18,805)
Property leasing and management	5,620	30,759	1,709	23,649
Hotel and travel	–	286,722	–	53,060
Investments	1,604	2,214	125	127
Other operations	3,643	5,298	3,643	5,298
	<u>10,867</u>	<u>361,158</u>	<u>5,477</u>	<u>63,329</u>
Unallocated corporate expenses			(8,739)	(19,867)
Other charges			(22,003)	(35,077)
Operating (loss)/profit			<u>(25,265)</u>	<u>8,385</u>

Geographical segments

	Turnover		Contribution to operating (loss)/profit	
	Six months ended 30th September		Six months ended 30th September	
	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (restated)
Hong Kong	10,867	313,381	(25,265)	(2,338)
Mainland China	–	4,013	–	386
Canada	–	43,764	–	10,337
	<u>10,867</u>	<u>361,158</u>	<u>(25,265)</u>	<u>8,385</u>

5 Other charges

	Six months ended 30th September	
	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i> (restated)
Net fair value losses on financial assets at fair value through profit and loss	(21,818)	(15,662)
Write-back of provision for diminution in value of properties under development/held for sales	–	11,400
Amortisation of goodwill	–	(3,232)
Amortisation of leasehold land	–	(14,860)
Depreciation	(185)	(25,047)
Write-back of provision for doubtful debts	–	12,324
	<u>(22,003)</u>	<u>(35,077)</u>

6 Operating (loss)/profit

	Six months ended 30th September	
	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating (loss)/profit is stated after crediting and charging the following:		
Crediting		
Interest income	3,382	5,238
Dividends from listed investments	–	142
	<u>–</u>	<u>142</u>
Charging		
Net realised losses on financial assets at fair value through profit and loss	–	15
	<u>–</u>	<u>15</u>

7 Taxation credit

	Six months ended 30th September	
	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i> (restated)
Current taxation		
Hong Kong profits tax	–	(136)
Overprovisions in prior years	–	140
Deferred taxation		
Relating to the origination and reversal of temporary differences	753	3,460
	<u>753</u>	<u>3,464</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Share of tax of jointly controlled entities and associated companies for the six months ended 30th September 2005 of nil (2004: HK\$36,465,000) and HK\$8,229,000 (2004: HK\$510,000) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

8 Dividend

No interim dividend was declared for the period (2004: HK\$3,997,000).

9 Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company of HK\$2,059,000 (2004 restated: HK\$38,689,000) and on the weighted average of 234,516,210 (2004:173,629,706) shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30th September 2005 is based on HK\$2,009,000 equivalent to profit attributable to shareholders of HK\$2,059,000 less decreased share of profit of a listed associated company of HK\$50,000 assuming the share options of the listed associated company had been exercised and the weighted average number of 234,516,210 shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30th September 2004 is based on HK\$34,878,000 equivalent to the profit attributable to shareholders of HK\$38,689,000 plus after tax interest savings of HK\$13,724,000 less increase in profit attributable to minority interests of HK\$17,535,000 and, 199,826,426 shares equivalent to the weighted average number of 173,629,706 shares in issue during the period plus 26,196,720 shares deemed to be in issue assuming the convertible notes had been converted.

10 Debtors and prepayments

Debtors and prepayments include trade debtors, utility and other deposits, interest and other receivables.

Trade debtors amounted to HK\$411,000 (31st March 2005: HK\$349,000) and 87% of which (31st March 2005: 90%) were aged under six months. The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

11 Creditors and accruals

Creditors and accruals include trade creditors, interest and other payables and various accruals. Trade creditors amounted to HK\$3,799,000 (31st March 2005: HK\$3,779,000), 91% (31st March 2005: 85%) of which were aged under six months.

MANAGEMENT DISCUSSION AND ANALYSIS

SHAREHOLDINGS IN ASIA STANDARD INTERNATIONAL GROUP LIMITED (“ASIA STANDARD”)

The Group’s shareholdings in Asia Standard remain unchanged at 40.5% throughout the current period under review.

In the last interim period, Asia Standard was a subsidiary and its results were fully consolidated by the Group. In January 2005, Asia Standard became an associated company of the Group, following a decrease of its shareholdings in Asia Standard to below 50%. Since then, the results and net assets of Asia Standard were equity accounted for by the Group.

RESULT AND APPROPRIATIONS

With the turnover of Asia Standard no longer being consolidated, the Group's turnover for the period was reduced to HK\$11 million, as compared with HK\$361 million of last corresponding period.

The Group reported a profit attributable to shareholders of HK\$2 million as compared to a profit of HK\$39 million of the last interim period, which has been restated due to changes in various accounting policies during the period.

The directors do not recommend the payment of an interim dividend (2004: HK2 cents per share) for the period.

NEW ACCOUNTING POLICIES

The Group adopted the new/revised financial reporting standards issued by the Hong Kong Institute of Certified Public Accountants which are effective for accounting periods commencing on or after 1st January 2005.

Most of these changes do not affect the Company and its subsidiaries directly, but indirectly affect the Group through the share of results and net assets of its major associated company, Asia Standard. The major changes are as follows:

1. Revaluation movements of investment properties are recorded in the profit and loss account, instead of the revaluation reserve.
2. Deferred tax is to be provided on revaluation surplus of investment properties, notwithstanding that there is no capital gain tax applicable to Hong Kong.
3. Owner-operated hotel properties and self-occupied buildings are stated at cost less accumulated depreciation and any provision for impairment, with annual depreciation charged to profit and loss account. In the last interim period, they are stated at open market values without depreciation charges.
4. Leasehold land on which these properties are situated is stated at cost less accumulated amortisation with annual amortisation charged to profit and loss account.
5. Share options granted are expensed over the vesting period.

These changes in accounting policies have no impact on the Group's cash flow. However, the effect of all the changes is to increase the profit for the current period by HK\$28 million and decrease the net asset value at 30th September 2005 by HK\$447 million.

PROPERTIES SALES AND LEASING

Asia Standard achieved a HK\$52 million profit attributable to shareholders compared with HK\$148 million of last corresponding interim period. The associated company had yet to launch sales of new developments during the period.

The residential development in Lei Yue Mun, Canaryside is ready for presale, expecting a revenue of about HK\$1 billion when completely sold. Construction is now at superstructure stage and completion expected towards the end of 2006.

Low-rise development in Ping Shan is also at superstructure stage. Pre-sale consent will be applied shortly and will be the next put to market following Canaryside.

Land exchange and premium negotiation is on-going for developments in Ting Kau, Aberdeen, Hung Shui Kiu and Lam Tei.

Asia Standard has over 1.1 million sq.ft gross floor area of properties under development.

Rental income improved by 8% over the last interim period. With the continuing renewal of tenancies, we expect its rental income will continue to increase. During the current period its investment properties portfolio recorded a HK\$114 million attributable surplus on its revaluation, which was reflected in the profit and loss account after deducting the associated deferred tax provision.

HOTEL

Hotel group reported a HK\$290 million turnover and HK\$25 million loss compared with HK\$287 million turnover and HK\$11 million loss (restated) of last corresponding period.

The prior period's interim result was restated in light of the new accounting policies under which additional depreciation and amortisation charge of HK\$37 million was provided for the hotel properties.

Prospects for hotel performance continue to be very promising as a result of economic recovery, opening of Disney Theme Park, various large scale conferences and exhibitions hosted by Hong Kong, and the addition of more PRC cities into the Individual Visit Scheme. Hong Kong based hotels achieved a combined revenue increment of 14% against that of last corresponding period, mostly attributable to increased room rate.

Empire Landmark in Canada also experienced a 14% revenue increase, with 9% attributable to exchange rate increment.

The hotel group recently raised approximately HK\$192 million new equity and all were used to repay its bank borrowings.

FINANCIAL REVIEW

The Group was at net cash position at both 30th September 2005 and 31st March 2005.

Following the adoption of new/revised accounting standards, net asset value of the Group at 31st March 2005 was restated and decreased by HK\$433 million, due to the decrease in its share of net assets of Asia Standard, which is substantially the result of changing the carrying value of hotel buildings from market value to cost less accumulated depreciation and amortisation of the underlying leasehold land. Net asset value of the Group at 30th September 2005 and 31st March 2005 remains approximately the same at HK\$1.6 billion.

Certain listed securities were pledged to secure banking facilities of the Group. The Group did not provide any guarantees to banks and financial institutions on credit facilities to jointly controlled entities, associated companies and third parties.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2005, the Group employed 204 full time employees with most of them working for building management and cleaning services. Their remuneration package, which commensurate with their job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICE

During the period, the Company has complied with the Code on Corporate Governance Practice as set out in Appendix 14 of the Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own Code for Securities Transactions by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code (Appendix 10) of the Listing Rules. The Company has also made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

AUDIT COMMITTEE

The Audit Committee members are Mr. Hung Yat Ming, Mr. Cheung Kwok Wah, Ken and Mr. Wong Chi Keung. The principal activities of the Audit Committee include the review and supervision of the Groups financial report process and internal controls.

The unaudited accounts of the Group for the six months ended 30th September 2005 have been reviewed by the Audit Committee.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

A detailed announcement of interim results of the Group for the six months ended 30th September 2005 containing all the information required by paragraph 46 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
Fung Siu To, Clement
Chairman

Hong Kong, 20th December 2005

As at the date of this announcement, the Executive Directors are Mr. Fung Siu To Clement, Mr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan and Mr. Kwan Po Lam Phileas; the Non-executive Director is Mr. Chan Sze Hung; and the Independent non-executive Directors are Mr. Cheung Kwok Wah Ken, Mr. Hung Yat Ming and Mr. Wong Chi Keung.