



CHANCO INTERNATIONAL GROUP LIMITED

卓高國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 264)

**RESULTS ANNOUNCEMENT
FINANCIAL YEAR ENDED 31 MARCH 2008**

The Board of Directors of Chanco International Group Limited (the “Company”) is pleased to announce the audited results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2008 as follows:

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008**

| | <i>Notes</i> | 2008 <i>HK\$'000</i> | 2007 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Turnover | 2 | 321,529 | 281,767 |
| Cost of sales | | <u>(223,486)</u> | <u>(198,856)</u> |
| Gross profit | | 98,043 | 82,911 |
| Other income and gains | | 6,266 | 4,496 |
| Selling and distribution costs | | (17,145) | (17,091) |
| Administrative and other operating expenses | | <u>(30,201)</u> | <u>(26,320)</u> |
| Profit before income tax expense | 3 | 56,963 | 43,996 |
| Income tax expense | 4 | <u>(5,340)</u> | <u>(3,769)</u> |
| Profit for the year | | <u>51,623</u> | <u>40,227</u> |
| Dividends | 5 | <u>17,534</u> | <u>15,606</u> |
| Earnings per share | | | |
| – Basic | 6 | <u>HK16.20 cents</u> | <u>HK12.63 cents</u> |
| – Diluted | 6 | <u>HK16.14 cents</u> | <u>HK12.61 cents</u> |

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2008

| | <i>Notes</i> | 2008 HK\$'000 | 2007 HK\$'000 |
|--|--------------|--------------------------------|------------------|
| Non-current asset | | | |
| Property, plant and equipment | | <u>9,987</u> | <u>10,176</u> |
| Current assets | | | |
| Inventories | | 55,703 | 52,480 |
| Trade and bills receivables | 7 | 34,452 | 27,266 |
| Other receivables, deposits and prepayments | | 5,095 | 4,267 |
| Tax recoverable | | – | 706 |
| Cash and cash equivalents | | <u>151,867</u> | <u>119,573</u> |
| | | <u>247,117</u> | <u>204,292</u> |
| Current liabilities | | | |
| Trade and bills payables | 8 | 15,317 | 11,631 |
| Other payables and accrued charges | | 17,388 | 14,456 |
| Tax payable | | <u>1,094</u> | <u>271</u> |
| | | <u>33,799</u> | <u>26,358</u> |
| Net current assets | | <u>213,318</u> | <u>177,934</u> |
| Total assets less current liabilities | | <u>223,305</u> | <u>188,110</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | | <u>243</u> | <u>283</u> |
| Net assets | | <u>223,062</u> | <u>187,827</u> |
| Capital and reserves | | | |
| Share capital | | 3,188 | 3,185 |
| Reserves | | <u>219,874</u> | <u>184,642</u> |
| Total equity | | <u>223,062</u> | <u>187,827</u> |

Notes:

1. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS

- (a) In the current year, the Group has applied all the new and revised standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), that are relevant to its operation and effective for the current accounting period of the Group and the Company.

The adoption of these new HKFRSs did not affect recognition or measurement of the amounts recognised in the financial statements for the current or prior accounting periods. As a result, no prior period adjustment has been required.

However, the adoption of “HKFRS 7, Financial Instruments: Disclosures” and “Amendment to HKAS 1, Presentation of Financial Statements: Capital Disclosures” resulted a much extensive disclosures in respect of financial instruments and an additional disclosure on capital management policy respectively. Comparative information have been restated or included in the first time to achieve a consistent presentation.

(b) Potential impact arising on the new accounting standards not yet effective

The Group has not yet applied the following new or revised HKFRSs that have been issued but are not yet effective. The directors of the Company anticipated that the application of these new HKFRSs will have no material impact of the financial statements of the Group.

| | |
|----------------------------------|--|
| Amendments to HKAS 32 and HKAS 1 | Puttable Financial Instruments and Obligations Arising on Liquidation ¹ |
| HKAS 1 (Revised) | Presentation of Financial Statements ¹ |
| HKAS 23 (Revised) | Borrowing Costs ¹ |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements ⁴ |
| HKFRS 2 Amendment | Share-based Payments – Vesting Conditions and Cancellations ¹ |
| HKFRS 3 (Revised) | Business Combinations ⁴ |
| HKFRS 8 | Operating Segments ¹ |
| HK(IFRIC) – Interpretation 12 | Service Concession Arrangements ³ |
| HK(IFRIC) – Interpretation 13 | Customer Loyalty Programmes ² |
| HK(IFRIC) – Interpretation 14 | HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Fund Requirements and their Interaction ³ |

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2008

³ Effective for annual periods beginning on or after 1 January 2008

⁴ Effective for annual periods beginning on or after 1 July 2009

2. TURNOVER AND SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into two major operating divisions – manufacturing business and retail business. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Manufacturing business – Manufacture and distribution of leather products

Retail business – Retail of fashion apparel and leather accessories

Segment information about these business is presented below:

| | Manufacturing business <i>HK\$'000</i> | Retail business <i>HK\$'000</i> | Inter-segment elimination <i>HK\$'000</i> | Unallocated <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|--|--|---------------------------------------|---|--------------------------------|---------------------------------|
| Year ended 31 March 2008 | | | | | |
| Revenue | | | | | |
| External sales | 297,150 | 24,379 | – | – | 321,529 |
| Inter-segment sales | 1,901 | – | (1,901) | – | – |
| Total | <u>299,051</u> | <u>24,379</u> | <u>(1,901)</u> | <u>–</u> | <u>321,529</u> |
| Segment results | <u>50,410</u> | <u>1,382</u> | <u>(80)</u> | <u>–</u> | 51,712 |
| Unallocated income | | | | | 5,872 |
| Unallocated expenses | | | | | (621) |
| Profit before income tax expense | | | | | 56,963 |
| Income tax expense | | | | | (5,340) |
| Profit for the year | | | | | <u>51,623</u> |
| At 31 March 2008 | | | | | |
| Assets | | | | | |
| Segment assets | 94,396 | 8,777 | – | – | 103,173 |
| Unallocated assets | | | | | 153,931 |
| Total assets | | | | | <u>257,104</u> |
| Liabilities | | | | | |
| Segment liabilities | 31,690 | 991 | – | – | 32,681 |
| Unallocated liabilities | | | | | 1,361 |
| Total liabilities | | | | | <u>34,042</u> |
| Other information | | | | | |
| Capital expenditure | 1,555 | 1,004 | – | 105 | 2,664 |
| Depreciation of property, plant and equipment | 1,711 | 697 | – | 318 | 2,726 |
| (Gain)/loss on disposal of property, plant and equipment | (36) | 110 | – | – | 74 |
| Impairment loss on trade receivables | 124 | – | – | – | 124 |
| Write down of inventories | 713 | 266 | – | – | 979 |

| | Manufacturing business HK\$'000 | Retail business HK\$'000 | Inter-segment elimination HK\$'000 | Unallocated HK\$'000 | Consolidated HK\$'000 |
|--|---------------------------------------|--------------------------------|--|-------------------------|--------------------------|
| Year ended 31 March 2007 | | | | | |
| Revenue | | | | | |
| External sales | 260,050 | 21,717 | – | – | 281,767 |
| Inter-segment sales | <u>1,680</u> | <u>–</u> | <u>(1,680)</u> | <u>–</u> | <u>–</u> |
| Total | <u>261,730</u> | <u>21,717</u> | <u>(1,680)</u> | <u>–</u> | <u>281,767</u> |
| Segment results | <u>40,964</u> | <u>(743)</u> | <u>(18)</u> | <u>–</u> | 40,203 |
| Unallocated income | | | | | 4,496 |
| Unallocated expenses | | | | | <u>(703)</u> |
| Profit before income tax expense | | | | | 43,996 |
| Income tax expense | | | | | <u>(3,769)</u> |
| Profit for the year | | | | | <u>40,227</u> |
| At 31 March 2007 | | | | | |
| Assets | | | | | |
| Segment assets | 83,437 | 8,438 | – | – | 91,875 |
| Unallocated assets | | | | | <u>122,593</u> |
| Total assets | | | | | <u>214,468</u> |
| Liabilities | | | | | |
| Segment liabilities | 25,286 | 747 | – | – | 26,033 |
| Unallocated liabilities | | | | | <u>608</u> |
| Total liabilities | | | | | <u>26,641</u> |
| Other information | | | | | |
| Capital expenditure | 2,208 | 112 | – | 48 | 2,368 |
| Depreciation of property, plant and equipment | 1,780 | 476 | – | 364 | 2,620 |
| Impairment loss on trade receivables | 119 | – | – | – | 119 |
| Write down of inventories | <u>431</u> | <u>318</u> | <u>–</u> | <u>–</u> | <u>749</u> |

Geographical segments

The Group's operations are principally located in Hong Kong and the People's Republic of China (the "PRC"). Group administration is carried out in Hong Kong and the manufacturing function is carried out in the PRC.

The following table provides an analysis of the Group's revenue by geographical market and analysis of the carrying amount of total assets and capital expenditure by the geographical area in which the assets are located.

| | Revenue 2008 <i>HK\$'000</i> | Total assets 2008 <i>HK\$'000</i> | Capital expenditure 2008 <i>HK\$'000</i> |
|--------------------------------------|--|---|--|
| Japan | 92,823 | – | – |
| Europe | 93,926 | – | – |
| The United States of America ("USA") | 25,290 | – | – |
| Hong Kong | 50,961 | 197,717 | 1,109 |
| PRC | 28,260 | 57,838 | 1,555 |
| Australia | 11,057 | – | – |
| Others | 19,212 | 1,549 | – |
| | <u>321,529</u> | <u>257,104</u> | <u>2,664</u> |
| | <u>321,529</u> | <u>257,104</u> | <u>2,664</u> |
| | Revenue 2007 <i>HK\$'000</i> | Total assets 2007 <i>HK\$'000</i> | Capital expenditure 2007 <i>HK\$'000</i> |
| Japan | 79,980 | – | – |
| Europe | 63,553 | – | – |
| USA | 51,292 | – | – |
| Hong Kong | 44,500 | 162,108 | 2,208 |
| PRC | 17,107 | 51,290 | 160 |
| Australia | 8,502 | – | – |
| Others | 16,833 | 1,070 | – |
| | <u>281,767</u> | <u>214,468</u> | <u>2,368</u> |
| | <u>281,767</u> | <u>214,468</u> | <u>2,368</u> |

3. PROFIT BEFORE INCOME TAX EXPENSE

| | 2008 <i>HK\$'000</i> | 2007 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Profit before income tax expense is arrived at after charging: | | |
| Auditor's remuneration | 440 | 420 |
| Cost of inventories sold | 223,486 | 198,856 |
| Depreciation of property, plant and equipment | 2,726 | 2,620 |
| Loss on disposal of property, plant and equipment | 74 | – |
| Operating lease rentals in respect of leasehold land and buildings | 9,796 | 9,808 |
| Impairment loss on trade receivables | 124 | 119 |
| Write down of inventories | 979 | 749 |
| Foreign exchange losses, net | 810 | – |
| Staff costs, excluding directors' emoluments | 15,235 | 13,078 |
| and after crediting: | | |
| Interest income | 5,274 | 4,049 |
| Foreign exchange gains, net | <u>–</u> | <u>119</u> |

4. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated income statement represents:

| | 2008 <i>HK\$'000</i> | 2007 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Current tax – Hong Kong Profits Tax | | |
| – tax for the year | 3,809 | 3,216 |
| – under/(over) provision in respect of prior years | <u>151</u> | <u>(276)</u> |
| | 3,960 | 2,940 |
| Current tax – other jurisdictions | | |
| – tax for the year | <u>1,420</u> | <u>812</u> |
| Deferred tax | | |
| – current year | <u>(40)</u> | <u>17</u> |
| Income tax expense | <u><u>5,340</u></u> | <u><u>3,769</u></u> |

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant 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 its first profit-making year of operation and entitled to a 50% relief from the PRC income tax for the following three years. The tax exemption was expired on 31 December 2007. From 1 January 2008, the applicable income tax rate of the PRC subsidiary is 25%.

5. DIVIDENDS

| | 2008 <i>HK\$'000</i> | 2007 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Interim dividend of HK\$0.031 (2007: HK\$0.023) per ordinary share | 9,883 | 7,325 |
| Proposed final dividend of HK\$0.024 (2007: HK\$0.019) per ordinary share | 7,651 | 6,051 |
| Proposed special dividend : HK\$NIL (2007: HK\$0.007) per ordinary share | — | 2,230 |
| | <u>17,534</u> | <u>15,606</u> |

The proposed final dividend of HK\$0.024 (2007: HK\$0.019) per share has been proposed by the directors on 15 July 2008 and are subject to approval by the shareholders in forthcoming annual general meeting.

The amount of proposed final dividend and special dividend (in last year) is based on 318,804,000 shares in issue as at 15 July 2008 (2007: 318,500,000 shares in issue as at 18 July 2007).

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$51,623,000 (2007: HK\$40,227,000) and weighted average number of 318,704,328 (2007: 318,500,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share for the year is based on the Group's profit for the year of HK\$51,623,000 (2007: HK\$40,227,000) and the weighted average number of 319,871,679 (2007: 318,994,706) ordinary shares. The weighted average number of ordinary shares used in the calculation is the weighted average number of 318,704,328 (2007: 318,500,000) ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of 1,167,351 (2007: 494,706) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year.

7. TRADE AND BILLS RECEIVABLES

| | 2008 <i>HK\$'000</i> | 2007 <i>HK\$'000</i> |
|------------------------------------|--------------------------------|-------------------------|
| Trade and bills receivables | 35,088 | 27,911 |
| Less: allowance for doubtful debts | (636) | (645) |
| | <u>34,452</u> | <u>27,266</u> |

Customers are generally granted with credit terms of 30 to 90 days. The aging analysis of trade and bills receivables (net of allowance for doubtful debts) at the balance sheet date is as follows:

| | 2008 <i>HK\$'000</i> | 2007 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Current | <u>10,624</u> | <u>10,186</u> |
| Less than 30 days past due | 10,031 | 10,755 |
| 31-60 days past due | 7,467 | 3,110 |
| 61-90 days past due | 2,504 | 1,722 |
| 91-120 days past due | 746 | 411 |
| 121-365 days past due | 3,062 | 1,082 |
| Over 365 days past due | <u>18</u> | <u>–</u> |
| Amount past due at balance sheet date but not impaired | <u>23,828</u> | <u>17,080</u> |
| | <u>34,452</u> | <u>27,266</u> |

8. TRADE AND BILLS PAYABLES

Details of the ageing analysis are as follows:

| | 2008 <i>HK\$'000</i> | 2007 <i>HK\$'000</i> |
|--------------------|--------------------------------|-------------------------|
| Current to 30 days | 7,762 | 6,902 |
| 31-60 days | 4,382 | 3,155 |
| 61-90 days | 1,671 | 1,003 |
| 91-120 days | 385 | 293 |
| 121-365 days | 706 | 143 |
| Over 365 days | <u>411</u> | <u>135</u> |
| | <u>15,317</u> | <u>11,631</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

(All the analysis below is based on the results of the Group for the year ended 31 March 2008 and the year ended 31 March 2007 for comparison purpose only)

The Group reported impressive result for the fiscal year 2008. The turnover of the Group reached HK\$321,529,000, an increase of 14%. The Group's gross profit increased by 18% from HK\$82,911,000 in 2007 to HK\$98,043,000 in 2008 as a result of increase of sales during the year. Gross profit margin was approximately 30% (2007 : 29%).

The rise in selling and distribution expenses was mainly related to higher turnover from retail sales operation. Administrative and other operating expenses increased by 15%, to HK\$30,201,000 was mainly due to the employment of additional management personnel, the increase of staff salaries and increase of bonus paid to the executive directors of the Company.

Profit attributable to shareholders for the year ended 31 March 2008 was HK\$51,623,000, an increase of 28%. Basic earnings per share was HK16.2 cents compared to HK12.63 cents of last year. The Board has recommended the payment of a final dividend of HK2.4 cents per share for the year ended 31 March 2008.

Business Review

- *Manufacturing Business*

Manufacturing business continued to experience robust growth in fiscal year 2008. Turnover of manufacturing business totaled HK\$297,150,000, an increase of 14% compared with HK\$260,050,000 in fiscal year 2007. Geographically, Europe became the Group largest export market in the year. Export sales to Europe increased by 48% to HK\$93,926,000. The growing maturity in the business relationship with several international brand customers became the key driver of sales growth in Europe. The remarkable growth of sales was also driven by higher purchasing power of the European customers resulting from strong Euro currency. Sales to Japan surged by 16% to HK\$92,823,000. The growth was driven by strong demand from major customer in Japan.

Sales to U.S. dropped by 51% to HK\$25,290,000 as a result of weakening market condition in the U.S. Customers from the U.S. tended to make purchase cautiously during the year under review. For the PRC market, driven by increased orders from reputable brand customers, sales rose by 65% to HK\$28,260,000. Apart from the major export markets, sales revenue from other countries including Canada, Korea, Taiwan, Philippines, Singapore and Malaysia, etc. rose approximately 14%, to HK\$19,212,000.

Representing the largest revenue contributor for Chanco, sales of belts rose 12% to HK\$280,550,000. Sales of leather goods and other accessories was approximately HK\$16,600,000. The gross profit of manufacturing business increased by 17% to HK\$86,419,000 (2007: HK\$74,048,000). Despite facing unfavorable factors like rising labor cost and appreciation of Renminbi, the Group maintained the gross profit margin at around 29% (2007: 28%). The impressive result reflected the efforts undertaken by the management in enhancing the Group's customer portfolio, tightening cost control, improving operation efficiency and adjusting the pricing strategy during the reporting year.

- *Retail Business*

With years of investment in retailing business, we successfully turned first profit amounting to HK\$1,382,000 in fiscal year 2008. Retail sales surged by 12% to HK\$24,379,000, representing around 8% of the Group's total turnover. Same store sales grew by 6% against last year. We endeavoured to market our in-house brand products with higher profit margin during the year. Sales of in-house brand rose by around 60% and gross profit margin went up by around 6 percentage point compared with last year. During the reporting year, we opened one new concept store and closed one non-profitable store upon expiry of the lease. Another new image store commenced business in April 2008. Up to the date of this report, we operated four AREA 0264 stores in Hong Kong.

Prospects

Business environment remained challenging in fiscal year 2009. Looking ahead, we expect the growth momentum will be sustained despite the global economic outlook is fluctuating. The unfavorable operating environment in the PRC will eliminate weaker competitors from the market and result in consolidation of leatherware manufacturing industry. Fortunately, we continue to enjoy a competitive edge over many of our competitors given our solid financial foundation and leading position in the industry. We will continue to expand our customer base, maintain tight cost control and enhance the operation efficiency.

In fiscal year 2008, the overall performance of the retail operations was quite satisfactory. We believe that there is huge potential for developing our retail business. We achieved strong double digit growth on same store sales in the first quarter of fiscal year 2009. Riding on the satisfactory response from customers, we believe sales of in-house brand will continue to increase and further enhance the overall profit margin. Moving forward, we will strive to continue our proven business model, to upgrade our stores, to alter the product mix and brand mix and to reinforce our brand development. In view of high rental, our retail expansion plan will remain prudence.

The Group will continue to stay strategically focused on the manufacturing business. 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 31 March 2008, the Group's cash and bank deposits were approximately HK\$151,867,000 (2007: HK\$119,573,000).

As at 31 March 2008, the Group had aggregate banking facilities in respect of import/export facilities of approximately HK\$8,000,000 which were secured by corporate guarantees provided by the Company.

The Group recorded total current assets of approximately HK\$247,117,000 as at 31 March 2008 (2007: HK\$204,292,000) and total current liabilities of approximately HK\$33,799,000 (2007: HK\$26,358,000). The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 7 times as at 31 March 2008 (2007: 8 times).

Supported by its strong financial position, the Group had not raised any bank loan during the year.

The Group recorded an increase in shareholders' funds from approximately HK\$187,827,000 as at 31 March 2007 to approximately HK\$223,062,000 at 31 March 2008. The increase was mainly attributable to operating profit generated during the year.

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, US dollars and Renminbi.

Transactions of the Group are mainly denominated either in Hong Kong dollars, Renminbi or US dollars such that the Group does not have significant exposure to foreign exchange fluctuation save for the gradual appreciation of Renminbi. Though the Group does not engage in any hedging contracts, the Group's exposure to foreign exchange risk is relatively limited.

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 year ended 31 March 2008.

EMPLOYEE INFORMATION

As at 31 March 2008, the Group had 247 full time employees in Hong Kong and the PRC and the processing factory had around 1650 workers. 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.

CONTINGENT LIABILITIES

As at 31 March 2008, the Group did not have any contingent liabilities.

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 year ended 31 March 2008, 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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

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 audited financial statements and the results of the Group for the year ended 31 March 2008.

FINAL DIVIDEND

The Directors has resolved to declare a final dividend of HK2.4 cents per ordinary share for the year ended 31 March 2008. The final dividend will be paid on or about 25 September 2008 to members, whose names appear on the register of members of the Company at the close of business on 8 September 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 3 September 2008 to 8 September 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and attending the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 2 September 2008.

SCOPE OF WORK OF BDO MCCABE LO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2008 have been agreed by the Group's auditors, BDO McCabe Lo Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO McCabe Lo Limited 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 BDO McCabe Lo Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to thank our management and all our staff for their commitment, dedication and contribution. I would also like to extend my heartfelt gratitude to all of our shareholders, valuable customers and banks for their support.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.irasia.com/listco/hk/chanco/index.htm) and the Stock Exchange (www.hkex.com.hk). An annual report for the year ended 31 March 2008 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

On behalf of the Board
Chan King Hong Edwin
Chairman

Hong Kong, 15 July 2008

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.