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(Stock code: 264)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2009

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 2009 as follows:–

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Turnover	2	311,955	321,529
Cost of sales		<u>(227,627)</u>	<u>(223,486)</u>
Gross profit		84,328	98,043
Other income and gains		5,598	6,266
Selling and distribution costs		(17,205)	(17,145)
Administrative and other operating expenses		<u>(31,596)</u>	<u>(30,201)</u>
Profit before income tax expense	3	41,125	56,963
Income tax expense	4	<u>(4,499)</u>	<u>(5,340)</u>
Profit for the year		<u>36,626</u>	<u>51,623</u>
Dividends	5	<u>7,332</u>	<u>17,534</u>
Earnings per share			
– Basic	6	<u>HK11.49 cents</u>	<u>HK16.20 cents</u>
– Diluted	6	<u>HK11.47 cents</u>	<u>HK16.14 cents</u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		9,482	9,987
Available-for-sale investments		<u>2,579</u>	<u>–</u>
		<u>12,061</u>	<u>9,987</u>
Current assets			
Inventories		78,175	55,703
Trade and bills receivables	7	22,390	34,452
Other receivables, deposits and prepayments		2,983	5,095
Tax recoverable		188	–
Cash and cash equivalents		<u>156,594</u>	<u>151,867</u>
		<u>260,330</u>	<u>247,117</u>
Current liabilities			
Trade and bills payables	8	10,082	15,317
Other payables and accrued charges		13,945	17,388
Tax payable		<u>1,191</u>	<u>1,094</u>
		<u>25,218</u>	<u>33,799</u>
Net current assets		<u>235,112</u>	<u>213,318</u>
Total assets less current liabilities		247,173	223,305
Non-current liabilities			
Deferred tax liabilities		<u>164</u>	<u>243</u>
Net assets		<u>247,009</u>	<u>223,062</u>
Capital and reserves			
Share capital		3,188	3,188
Reserves		<u>243,821</u>	<u>219,874</u>
Total equity		<u>247,009</u>	<u>223,062</u>

Notes:

1. ADOPTION OF AMENDMENTS AND NEW HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

- (a) In the current year, the Group has applied, for the first time, the following amendments and new interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are effective for the current accounting period of the Group and the Company.

Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets
HK(IFRIC) – Interpretation 12	Service Concession Arrangements
HK(IFRIC) – Interpretation 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above amendments and new interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods and no prior period adjustment has been recognised.

(b) Potential impact arising on HKFRSs not yet effective

The Group has not yet applied the following new or revised HKFRSs that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ³
Amendments to HKAS 32 and HKAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation ⁴
Amendment to HKAS 39	Eligible Hedged Items ³
Amendments to HKFRS 1 and HKAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ⁴
Amendments to HKFRS 7	Improving Disclosures about Financial Instruments ⁴

(b) Potential impact arising on HKFRSs not yet effective – continued

Amendments to HK(IFRIC) – Interpretation 9 and HKAS 39	Embedded Derivatives ⁵
HKAS 1 (Revised)	Presentation of Financial Statements ⁴
HKAS 23 (Revised)	Borrowing Costs ⁴
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKFRS 2 Amendment	Share-based Payment – Vesting Conditions and Cancellations ⁴
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 8	Operating Segments ⁴
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes ⁶
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate ⁴
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation ⁷
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Interpretation 18	Transfers of Assets from Customers ⁸

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 July 2009

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

⁵ Effective for annual periods ending on or after 30 June 2009

⁶ Effective for annual periods beginning on or after 1 July 2008

⁷ Effective for annual periods beginning on or after 1 October 2008

⁸ Effective for transfers of assets from customers received on or after 1 July 2009

The Group is in the process of making an assessment of the potential impact of these standards, amendments or interpretations and the directors of the Company so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

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 HK\$'000	Retail business HK\$'000	Inter-segment elimination HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Year ended 31 March 2009					
Revenue					
External sales	285,200	26,755	–	–	311,955
Inter-segment sales	<u>2,789</u>	<u>–</u>	<u>(2,789)</u>	<u>–</u>	<u>–</u>
Total	<u><u>287,989</u></u>	<u><u>26,755</u></u>	<u><u>(2,789)</u></u>	<u><u>–</u></u>	<u><u>311,955</u></u>
Segment results	<u><u>35,559</u></u>	<u><u>2,997</u></u>	<u><u>(109)</u></u>	<u><u>–</u></u>	38,447
Unallocated income					3,601
Unallocated expenses					<u>(923)</u>
Profit before income tax expense					41,125
Income tax expense					<u>(4,499)</u>
Profit for the year					<u><u>36,626</u></u>
At 31 March 2009					
Assets					
Segment assets	100,984	10,157	–	–	111,141
Unallocated assets					<u>161,250</u>
Total assets					<u><u>272,391</u></u>
Liabilities					
Segment liabilities	22,571	1,254	–	–	23,825
Unallocated liabilities					<u>1,557</u>
Total liabilities					<u><u>25,382</u></u>
Other information					
Capital expenditure	1,444	456	–	48	1,948
Depreciation of property, plant and equipment	1,488	574	–	276	2,338
Loss on disposal of property, plant and equipment	128	1	–	–	129
Reversal of impairment loss on trade receivables	(122)	–	–	–	(122)
Write down of inventories	<u>645</u>	<u>162</u>	<u>–</u>	<u>–</u>	<u>807</u>

	Manufacturing business HK\$'000	Retail business HK\$'000	Inter-segment elimination HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Year ended 31 March 2008					
Revenue					
External sales	297,150	24,379	–	–	321,529
Inter-segment sales	<u>1,901</u>	<u>–</u>	<u>(1,901)</u>	<u>–</u>	<u>–</u>
Total	<u>299,051</u>	<u>24,379</u>	<u>(1,901)</u>	<u>–</u>	<u>321,529</u>
Segment results	<u>50,728</u>	<u>1,382</u>	<u>(80)</u>	<u>–</u>	52,030
Unallocated income					5,872
Unallocated expenses					<u>(939)</u>
Profit before income tax expense					56,963
Income tax expense					<u>(5,340)</u>
Profit for the year					<u>51,623</u>
At 31 March 2008					
Assets					
Segment assets	94,396	8,777	–	–	103,173
Unallocated assets					<u>153,931</u>
Total assets					<u>257,104</u>
Liabilities					
Segment liabilities	31,690	991	–	–	32,681
Unallocated liabilities					<u>1,361</u>
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	<u>713</u>	<u>266</u>	<u>–</u>	<u>–</u>	<u>979</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 2009 <i>HK\$'000</i>	Total assets 2009 <i>HK\$'000</i>	Capital expenditure 2009 <i>HK\$'000</i>
Japan	115,387	–	–
Europe	80,320	–	–
The United States of America ("USA")	20,522	–	–
Hong Kong	43,084	178,441	504
PRC	20,639	91,158	1,444
Australia	11,399	–	–
Others	20,604	2,792	–
	<u>311,955</u>	<u>272,391</u>	<u>1,948</u>
	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	–	–
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>

3. PROFIT BEFORE INCOME TAX EXPENSE

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit before income tax expense is arrived at after charging:		
Auditor's remuneration	418	440
Cost of inventories sold	227,627	223,486
Depreciation of property, plant and equipment	2,338	2,726
Loss on disposal of property, plant and equipment	129	74
Operating lease rentals in respect of leasehold land and buildings	10,622	9,796
Impairment loss on trade receivables	–	124
Write down of inventories	807	979
Foreign exchange losses, net	814	810
Staff costs, excluding directors' emoluments	16,042	15,235
and after crediting:		
Reversal of impairment loss on trade receivables	122	–
Interest income	<u>3,529</u>	<u>5,274</u>

4. INCOME TAX EXPENSE

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
– tax for the year	3,357	3,809
– (over)/under provision in respect of prior years	<u>(13)</u>	<u>151</u>
	3,344	3,960
Current tax – PRC Corporate Income Tax		
– tax for the year	1,234	1,420
Deferred tax		
– current year	(65)	(40)
– attributable to change in tax rate	<u>(14)</u>	<u>–</u>
Income tax expense	<u>4,499</u>	<u>5,340</u>

Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) on the estimated assessable profits for the year.

The PRC Corporate Income Tax rate for the Company's subsidiary in the PRC is 25% (2008: 25%).

5. DIVIDENDS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interim dividend of HK\$0.013 (2008: HK\$0.031) per ordinary share	4,144	9,883
Proposed final dividend of HK\$0.01 (2008: HK\$0.024) per ordinary share	<u>3,188</u>	<u>7,651</u>
	<u>7,332</u>	<u>17,534</u>

The proposed final dividend of HK\$0.01 (2008: HK\$0.024) per share has been proposed by the directors on 21 July 2009 and are subject to approval by the shareholders in forthcoming annual general meeting.

The amount of proposed final dividend is based on 318,804,000 shares in issue as at 21 July 2009 (2008: 318,804,000 shares in issue as at 15 July 2008).

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$36,626,000 (2008: HK\$51,623,000) and weighted average number of 318,804,000 (2008: 318,704,328) 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\$36,626,000 (2008: HK\$51,623,000) and the weighted average number of 319,328,571 (2008: 319,871,679) ordinary shares. The weighted average number of ordinary shares used in the calculation is the weighted average number of 318,804,000 (2008: 318,704,328) ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of 524,571 (2008: 1,167,351) 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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Trade and bills receivables	22,904	35,088
Less: allowance for doubtful debts	<u>(514)</u>	<u>(636)</u>
	<u>22,390</u>	<u>34,452</u>

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current	<u>8,268</u>	<u>10,624</u>
Less than 30 days past due	10,643	10,031
31 – 60 days past due	1,333	7,467
61 – 90 days past due	1,467	2,504
91 – 120 days past due	122	746
121 – 365 days past due	409	3,062
Over 365 days past due	<u>148</u>	<u>18</u>
Amounts past due but not impaired	<u>14,122</u>	<u>23,828</u>
	<u>22,390</u>	<u>34,452</u>

8. TRADE AND BILLS PAYABLES

Details of the ageing analysis are as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current to 30 days	7,098	7,762
31 – 60 days	2,203	4,382
61 – 90 days	339	1,671
91 – 120 days	219	385
121 – 365 days	184	706
Over 365 days	<u>39</u>	<u>411</u>
	<u>10,082</u>	<u>15,317</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 2009 and the year ended 31 March 2008 for comparison purpose only)

For the year ended 31 March 2009, the Group recorded lower turnover of HK\$311,955,000 as compared to HK\$321,529,000 of last year. The fall in turnover was due to the global economic downturn in the second half of fiscal year 2009 which affecting the Group's manufacturing business. Gross profit dropped 14% to HK\$84,328,000 which was attributable to higher labor cost and raw materials cost and appreciation of Renminbi. Gross profit margin slipped from 30% in 2008 to 27% in 2009.

Selling and distribution expenses remained flat at HK\$17,205,000 in 2009 (2008: HK\$17,145,000). Higher operating cost for retail operation was neutralized by lower selling and distribution expenses incurred for manufacturing business. Administrative and other operating expenses increased slightly to HK\$31,596,000 (2008: HK\$30,201,000). It was mainly due to the increase of staff salaries and higher bonus paid to the executive directors of the Company.

The lower gross margin led to decline in net profit by around 29% to HK\$36,626,000. Basic earnings per share was HK11.49 cents compared to HK16.20 cents of last year.

The Board has recommended a final dividend of HK1 cent per share for the year ended 31 March 2009. Together with the interim dividend of HK1.3 cents per share paid, the total dividend paid and payable for the year will be HK2.3 cents per share, making a total dividend payout ratio of around 20% for the year ended 31 March 2009.

Business Review

- *Manufacturing Business*

Manufacturing business remained the biggest revenue contributor for the Group, accounting for 91% of the Group's turnover. Turnover from this business segment downed 4% to HK\$285,200,000 in fiscal year 2009. Geographically, Japan once again became the largest export market of the Group. Satisfactory growth of sales to Japan largely offset the slow down of sales in other market segments including U.S., Europe, Hong Kong and the PRC. Sales to Japan surged by 24% to HK\$115,387,000 which was driven by strong demand from the Group's major customer in Japan. With continuing economy slowdown in the U.S., sales to this market segment plunged by 19% to HK\$20,522,000 compared with HK\$25,290,000 in last year. Export sales to European markets decreased 14% to HK\$80,320,000 as a result of slowdown of orders in the second half of the fiscal year. Hong Kong apparel retailers turned conservative and tightened inventory control and delayed their order placement. For the PRC market, sales dropped by 27% to HK\$20,639,000 as a result of customer portfolio restructuring. Apart from the major export markets, sales revenue from other countries including Canada, Taiwan, Philippines, Singapore and Malaysia, etc. increased by 7%, to HK\$20,604,000.

In the reviewing year, sales of belts decreased to HK\$270,540,000 (2008: HK\$280,550,000). Sales of leather goods and other accessories was approximately HK\$14,660,000 (2008: HK\$16,600,000). Higher labor cost and raw materials prices and appreciation of Renminbi contributed to the higher cost of sales in the reporting year. Gross profit of manufacturing operation decreased 19% to HK\$70,086,000 (2008: HK\$86,419,000) and gross margin downed to around 25%.

- *Retail Business*

The retail business recorded an operating profit of HK\$2,997,000. Retail sales for the reporting year grew by around 10% to HK\$26,755,000, representing 9% of the Group's total turnover. Comparable same store sales decreased 11% against last year. It was attributable to the decline in consumer sentiment in the second half of the fiscal year. With continuing effort on widening the product range like footwear, shirt, jeans and trendy accessories, sales of in-house brand products grew by 38% against last year and retail gross margin widened from 47% to 53%. The overall shop rental to turnover ratio was around 22%. The Group had renewed the tenancy of two existing stores during the reporting year. As at 31 March 2009, the Group operated 4 AREA 0264 stores in Hong Kong.

Prospects

Moving forward, the global economic outlook continues to be very challenging with the prolonged financial crisis that is not expected to recover in the short term. The PRC government has launched the RMB 4 trillion stimulus packages in late 2008 in order to drive the economic growth and stimulate domestic consumption. With the expected slowdown in the demand from major export markets, we will endeavor to expand the market share in the PRC for the next fiscal year ahead. Besides, we will continue to rationalize the cost structure and optimize the current production capacity to improve our profitability. In the past few months, the downward trend in leather price was recognized. The exchange rate of Renminbi is expected to remain stable in near future. With our sound business fundamentals, we are confident that we can overcome the current challenges.

Retail prospect in Hong Kong is expected to be tough in the near term. Some formerly aggressive retailers are scaling back operation in Hong Kong in view of continuous slump in private consumption. With relatively small scale of operation, we have great flexibility to surmount the current difficulties. We will continue to develop customer loyalty and further enhance the brand equity of AREA0264 and Stranger and introduce innovative and timely promotion to increase our market share. Besides, we will stay cautious to look for new location in prime shopping district for expansion of our business. To enhance our profitability, we will adjust the product mix in our stores by reducing import of luxury brand products. Barring unforeseeable circumstances, we expect the retail operation remain profitable in the next fiscal year.

Various governments around the world have endeavored to mitigate the impacts from the economic crisis through combination of monetary and fiscal policy. We believe our healthy balance sheet together with our talented management team is able to meet the challenges in this downturn. We are confident that the Group will become stronger after the storm is over.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2009, the Group's cash and bank deposits were approximately HK\$156,594,000 (2008: HK\$151,867,000).

As at 31 March 2009, the Company's subsidiaries had aggregate banking facilities in respect of import/export facilities of approximately HK\$15,000,000 which were secured by corporate guarantees provided by the Company.

The Group recorded total current assets of approximately HK\$260,330,000 on as at 31 March 2009 (2008: HK\$247,117,000) and total current liabilities of approximately HK\$25,218,000 (2008: HK\$33,799,000). The current ratio of the Group, calculated by dividing the total currents assets by the total current liabilities, was approximately 10 times as at 31 March 2009 (2008: 7 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\$223,062,000 at 31 March 2008 to approximately HK\$247,009,000 at 31 March 2009. 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 acquisition/disposal for the year ended 31 March 2009.

EMPLOYEE INFORMATION

As at 31 March 2009, the Group had 205 full time employees in Hong Kong and the PRC and the processing factory had around 1480 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 2009, 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 2009, 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 2009.

FINAL DIVIDEND

The Directors has resolved to declare a final dividend of HK1 cent per ordinary share for the year ended 31 March 2009. The final dividend will be paid on or about 6 October 2009 to members, whose names appear on the register of members of the Company at the close of business on 10 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 September 2009 to 10 September 2009, 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 registrar, 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 4 September 2009.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2009 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO 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 Limited on the preliminary announcement.

APPRECIATION

We would like to express our gratitude to the directors, our management and all our staff for their commitment, dedication and contribution. We would also like to extend my heartfelt gratitude to all of our shareholders, valuable customers and bank 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 2009 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, 21 July 2009

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 MH, Ms. Chau Cynthia Sin Ha JP and Mr. Or Kam Chung, Janson are the independent non-executive directors of the Company.