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(Stock code: 264)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2010

The Board of Directors of Chanco International Group Limited (the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2010 as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Turnover	2	250,703	311,955
Cost of sales		<u>(171,454)</u>	<u>(227,627)</u>
Gross profit		79,249	84,328
Other income and gains		2,294	5,598
Selling and distribution costs		(19,894)	(17,205)
Administrative and other operating expenses		<u>(35,808)</u>	<u>(31,596)</u>
Profit before income tax expense	3	25,841	41,125
Income tax expense	4	<u>(3,858)</u>	<u>(4,499)</u>
Profit for the year attributable to owners of the Company		<u>21,983</u>	<u>36,626</u>
Other comprehensive income			
Change in fair value of available-for-sale investments		1,582	(1,338)
Exchange differences arising on translation of financial statements of operations outside Hong Kong		<u>55</u>	<u>454</u>
Other comprehensive income for the year		<u>1,637</u>	<u>(884)</u>
Total comprehensive income for the year attributable to owners of the Company		<u>23,620</u>	<u>35,742</u>
Earnings per share			
– Basic	5	<u>HK6.90 cents</u>	<u>HK11.49 cents</u>
– Diluted	5	<u>HK6.90 cents</u>	<u>HK11.47 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		8,876	9,482
Available-for-sale investments		4,161	2,579
Rental deposits		2,282	–
		15,319	12,061
Current assets			
Inventories		68,843	78,175
Trade and bills receivables	6	19,566	22,390
Other receivables, deposits and prepayments		2,599	2,983
Tax recoverable		597	188
Cash and cash equivalents		190,885	156,594
		282,490	260,330
Current liabilities			
Trade and bills payables	7	9,595	10,082
Other payables and accrued charges		14,915	13,945
Current tax liabilities		805	1,191
		25,315	25,218
Net current assets		257,175	235,112
Total assets less current liabilities		272,494	247,173
Non-current liabilities			
Deferred tax liabilities		149	164
Total net assets		272,345	247,009
Capital and reserves attributable to owners of the Company			
Share capital		3,188	3,188
Reserves		269,157	243,821
Total equity		272,345	247,009

NOTE:

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

- (a) The Group has adopted the following new/revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are effective for the current accounting period.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Interpretation 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Interpretation 18	Transfers of Assets from Customers

The adoption of the above new/revised HKFRSs had no material effect on the reported results or financial position of the Group for both the current and prior reporting periods, except for the following changes. All relevant changes in accounting policies and disclosures have been made in accordance with the provisions of the respective standards. Comparative figures have been restated or included in these financial statements in order to achieve a consistent presentation, except for HKFRS 7 (Amendments). The statements of financial position, previously known as balance sheets, at the beginning of the year of 2009 have not been presented as there were no changes to the originally published statements.

HKAS 1 (Revised), Presentation of Financial Statements

The revised standard affects certain disclosures of financial statements. Under the revised standard, the Income Statement, the Balance Sheet and the Cash Flow Statement are renamed as the “Statement of Comprehensive Income”, the “Statement of Financial Position” and the “Statement of Cash Flows” respectively. All income and expenses arising from transactions with non-owners are presented under the “Statement of Comprehensive Income”; while the owners’ changes in equity are presented in the “Statement of Changes in Equity”.

HKFRS 8, Operating Segments

HKFRS 8 replaces HKAS 14 “Segment Reporting”, and requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segments and to assess their performance. As the business segments reported by the Group in accordance with the requirements of HKAS 14 are the same as the operating segments provided to the chief operating decision-maker as required by HKFRS 8, there are no changes to the operating segments and the relevant segment information on the adoption of HKFRS 8.

HKFRS 7 (Amendments), Improving Disclosures about Financial Instruments

The amendments to HKFRS 7 expand the disclosures relating to fair value measurements for financial instruments that are measured at fair value and liquidity risk of financial liabilities. A three-level fair value hierarchy has been introduced to categorise the fair value measurements according to the degree they are based on observable market data. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision.

(b) Potential impact arising on HKFRSs not yet effective

The following new or revised HKFRSs, potentially relevant to the Group’s operations, have been issued but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions ⁴
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ⁴
HKAS 24 (Revised)	Related Party Disclosures ⁵
HKFRS 9	Financial Instruments ⁶

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

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

³ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.

⁴ Effective for annual periods beginning on or after 1 July 2010

⁵ Effective for annual periods beginning on or after 1 January 2011

⁶ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing business	–	Manufacture and distribution of leather products
Retail business	–	Retail of fashion apparel and leather accessories

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-makers for assessment of segment performance.

(a) Reportable segments

	Manufacturing business		Retail business		Total	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Revenue from external customers	218,904	285,200	31,799	26,755	250,703	311,955
Inter-segment revenue	<u>1,592</u>	<u>2,789</u>	<u>–</u>	<u>–</u>	<u>1,592</u>	<u>2,789</u>
Reportable segment revenue	<u>220,496</u>	<u>287,989</u>	<u>31,799</u>	<u>26,755</u>	<u>252,295</u>	<u>314,744</u>
Reportable segment profit	<u>26,224</u>	<u>35,559</u>	<u>3,974</u>	<u>2,997</u>	<u>30,198</u>	<u>38,556</u>
Depreciation of property, plant and equipment	1,390	1,488	597	574	1,987	2,062
Reportable segment assets	110,335	100,984	14,600	10,157	124,935	111,141
Additions to property, plant and equipment	115	1,444	908	456	1,023	1,900
Reportable segment liabilities	<u>23,111</u>	<u>22,571</u>	<u>1,384</u>	<u>1,254</u>	<u>24,495</u>	<u>23,825</u>

(b) **Reconciliation of reportable segment revenues, profit, assets and liabilities**

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	252,295	314,744
Elimination of inter-segment revenue	<u>(1,592)</u>	<u>(2,789)</u>
Consolidated revenue	<u>250,703</u>	<u>311,955</u>
Profit before income tax expense		
Reportable segment profit	30,198	38,556
Elimination of inter-segment profits	51	(109)
Interest income	1,529	3,529
Dividend income from available-for-sale investments	127	57
Unallocated other income and gains	14	15
Unallocated corporate expenses	<u>(6,078)</u>	<u>(923)</u>
Consolidated profit before income tax expense	<u>25,841</u>	<u>41,125</u>
Depreciation of property, plant and equipment		
Reportable segment depreciation	1,987	2,062
Depreciation of unallocated property, plant and equipment	<u>305</u>	<u>276</u>
Consolidated depreciation of property, plant and equipment	<u>2,292</u>	<u>2,338</u>
Additions to property, plant and equipment		
Reportable segment additions	1,023	1,900
Unallocated additions to property, plant and equipment	<u>948</u>	<u>48</u>
Consolidated additions to property, plant and equipment	<u>1,971</u>	<u>1,948</u>

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Assets		
Reportable segment assets	124,935	111,141
Available-for-sale investments	4,161	2,579
Tax recoverable	597	188
Unallocated corporate cash and cash equivalents	165,823	156,594
Other unallocated corporate assets	<u>2,293</u>	<u>1,889</u>
Consolidated total assets	<u>297,809</u>	<u>272,391</u>
Liabilities		
Reportable segment liabilities	24,495	23,825
Current tax liabilities	805	1,191
Deferred tax liabilities	149	164
Unallocated corporate liabilities	<u>15</u>	<u>202</u>
Consolidated total liabilities	<u>25,464</u>	<u>25,382</u>

(c) **Geographical information**

The following table provides an analysis of the Group's revenue from external customers and property, plant and equipment.

	Revenue from external customers		Property, plant and equipment	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Hong Kong (place of domicile)	<u>45,776</u>	43,084	<u>2,841</u>	2,364
Japan	87,776	115,387	-	-
Europe	51,185	80,320	-	-
The United States of America	20,264	20,522	-	-
PRC	19,859	20,639	6,035	7,118
Other countries	<u>25,843</u>	32,003	-	-
Total	<u>204,927</u>	<u>268,871</u>	<u>6,035</u>	<u>7,118</u>
	<u>250,703</u>	<u>311,955</u>	<u>8,876</u>	<u>9,482</u>

(d) **Information about a major customer**

Revenues from one customer of the Group's manufacturing business segment represent approximately HK\$87,410,000 (2009: HK\$110,715,000) of the Group's total revenue.

3. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/(crediting):

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Auditor's remuneration	418	418
Cost of inventories recognised as expenses	171,454	227,627
Staff costs, excluding directors' emoluments	16,615	16,042
Depreciation of property, plant and equipment	2,292	2,338
Loss on disposal of property, plant and equipment	286	129
Impairment loss/(reversal of impairment loss) on trade receivables	195	(122)
Write-down of inventories	727	807
Foreign exchange (gain)/losses, net	(242)	814
Interest income	(1,529)	(3,529)
Dividend income from available-for-sale investments	(127)	(57)
	<u> </u>	<u> </u>

4. INCOME TAX EXPENSE

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

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
– tax for the year	2,362	3,357
– overprovision in respect of prior years	(15)	(13)
	<u> </u>	<u> </u>
	2,347	3,344
	-----	-----
Current tax – PRC Enterprise Income Tax		
– tax for the year	1,271	1,234
– underprovision in respect of prior years	255	–
	<u> </u>	<u> </u>
	1,526	1,234
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Deferred tax		
– current year	(15)	(65)
– attributable to change in tax rate	–	(14)
	<u> </u>	<u> </u>
	(15)	(79)
	-----	-----
Income tax expense	<u> </u>	<u> </u>
	3,858	4,499
	<u> </u>	<u> </u>

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profits for the year.

The PRC Enterprise Income Tax rate for the Company's subsidiary in the PRC is 25% (2009: 25%).

5. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company for the year of HK\$21,983,000 (2009: HK\$36,626,000) and weighted average number of 318,804,000 (2009: 318,804,000) ordinary shares in issue during the year.

Diluted earnings per share for the year is equal to the basic earnings per share for the year as there is no dilutive effect on the outstanding share options. For the year ended 31 March 2009, the calculation of diluted earnings per share for the year was based on the Group's profit attributable to owners of the Company for the year of HK\$36,626,000 and the weighted average number of 319,328,571 ordinary shares. The weighted average number of ordinary shares used in the calculation was the weighted average number of 318,804,000 ordinary shares in issue during the year ended 31 March 2009, as used in the basic earnings per share calculation, and the weighted average number of 524,571 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year ended 31 March 2009.

6. TRADE AND BILLS RECEIVABLES

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Trade and bills receivables	20,212	22,904
Less: impairment loss	<u>(646)</u>	<u>(514)</u>
	<u>19,566</u>	<u>22,390</u>

Customers are generally granted with credit terms of 30 to 90 days. The ageing analysis of trade and bills receivables (net of impairment loss) at the end of reporting period is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Current to 30 days	10,986	12,574
31 – 60 days	3,329	3,090
61 – 90 days	4,103	4,786
91 – 120 days	866	1,392
121 – 365 days	7	326
Over 365 days	<u>275</u>	<u>222</u>
	<u>19,566</u>	<u>22,390</u>

7. TRADE AND BILLS PAYABLES

The ageing analysis of trade and bills payables at the end of reporting period is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Current to 30 days	8,233	7,098
31 – 60 days	578	2,203
61 – 90 days	376	339
91 – 120 days	213	219
121 – 365 days	131	184
Over 365 days	64	39
	<hr/> 9,595 <hr/>	<hr/> 10,082 <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

(All the analysis below is based on the results of the Group for the year ended 31 March 2010 and the year ended 31 March 2009 for comparison purpose only)

For the year ended 31 March 2010, the Group's turnover declined by around 20% from HK\$311,955,000 to HK\$250,703,000. This was attributed to significant decline in the turnover of manufacturing business in particular in the first half of the financial year 2010 as a result of global economic recession. Overall gross profit margin increased 5 percentage points from 27% to 32%. Both gross profit margins of manufacturing and retail business improved in the financial year.

Other income and gains dropped from HK\$5,598,000 to HK\$2,294,000. This was mainly attributable to the decrease of bank interest income received during the year.

Selling and distribution expenses increased from HK\$17,205,000 to HK\$19,894,000 as a result of the increase of operating expenses for the retail business. Administrative and other operating expenses increased by 13% to HK\$35,808,000. This was a result of the one-off recognition of equity settled share-based payment expenses of HK\$4,904,000 in respect of share option granted during the reporting year.

As a result, the net profit declined by 40% to HK\$21,983,000 compared with HK\$36,626,000 of last year. Basic earnings per share was HK6.90 cents compared to HK11.49 cents of last year.

The Board has recommended a final dividend of HK1.4 cents per share for the year ended 31 March 2010.

Segmental Review

Manufacturing Business

Revenue for manufacturing business was HK\$218,904,000 compared with HK\$285,200,000 of last year. A difficult economic environment combined with sluggish market demand have resulted an adverse impact on the Group's export business especially in the first half of financial year 2010. As market demand gradually recovered, the Group managed to narrow down the decline in sales to 23% in the full financial year 2010 compared with 33% reported in the first half of financial year.

Geographically, Japan remained the largest export market of the Group. Sales to Japan decreased by 24% to HK\$87,776,000 as compared with the historical high of sales reported in last year. Orders placed by the major customer in Japan were steady and stable during the reporting year. Due to weaker overall market demand in the Euro area, export sales to Europe decreased by 36% to HK\$51,185,000. Export sales to the U.S. were around HK\$20,264,000 (2009: HK\$20,522,000). The downward trend of demand in the U.S. was stabilized in the reporting year. Retailers in Hong Kong remained cautious despite rebound of market demand in the second half of financial year 2010. Sales in Hong Kong dropped around 14% to HK\$13,977,000. Sales to the PRC market decreased very slightly from HK\$20,639,000 to HK\$19,859,000. Sales to Australia became insignificant for management analysis and the corresponding sales were combined with other markets segment for comparison starting from this financial year. Apart from the major markets, sales revenue from other countries including Australia, Canada, Taiwan, Philippines, Singapore and Malaysia, etc. decreased by 19% to HK\$25,843,000 compared to HK\$32,003,000 in 2009.

In terms of product mix, sales of belts decreased to HK\$204,746,000 (2009: HK\$270,540,000). Sales of leather goods and other accessories were approximately HK\$14,158,000 (2009: HK\$14,660,000). Along with the lower turnover, gross profit declined by 14% to HK\$60,149,000 (2009: HK\$70,086,000). Gross profit margin increased from 25% to 27%. It was mainly attributable to using lower cost of leather for production in the second half of the financial year. In addition, the Group endeavored to streamline cost by optimizing the labor force and trimming overhead expenses during the year.

Retail Business

Revenue for retail business increased by 19% to HK\$31,799,000 compared with HK\$26,755,000 of last year. It was mainly attributed to strong rebound of stock and property market in the second half of 2009 which helped to boost the local market sentiment. Our retail sales during the traditional peak season period had reached our historical high. Retail business contributed 13% to the Group's total revenue in financial year 2010 compared to 9% in financial year 2009. Comparable same store sales increased 11% against last year. In-house brand sales kept growing during the reporting year on the back of continuing marketing effort on the brand promotion and product diversification. Gross margins went up to around 60% compared with 53% of last year. The overall shop rental to turnover ratio was up to 25%. During the year, the Group opened a new store at the prime location of Causeway Bay and closed another non-profitable store. As at 31 March 2010, the Group operated four AREA 0264 stores in Hong Kong.

Prospects

Going forward, we expect overall business environment will continue to improve as the global financial economy shows signs of recovery. However, the pace of economic recovery may be slowing down in view of the unwinding of government support programs as well as the outbreak of debt crisis of Euro area. The outlook of traditional export markets such as the U.S. and Europe will remain weak and uncertain in the near term. Sales orders from Japan are expected to be relatively stable or slowing down a bit. Despite unsteady pace of the global economic recovery, we expect customer demand will return gradually. Our business strategy for the next financial year will focus on building revenue in the emerging markets in particular the PRC. The PRC economy will continue to be strong and we will continue to tap into the growth opportunities in the PRC market. Besides, we will continue to maintain rigid cost control and maximize the production efficiency.

Supported by the increasing visitor arrivals in particular the tourist from the PRC, Hong Kong retail outlook is expected to be positive. Local consumer confidence has been improved considerably on the back of improving economic condition and employment market. In the first quarter of the financial year 2011, we achieved double digit growth of same store sales compared with same period of last year. However, the sales performance of our new shop at Causeway Bay is far from satisfactory. We will strive to achieve operating breakeven this year. Our strategy towards operational management remains unchanged and we will continue to streamline the product mix to improve profit margin and manage the operating costs and inventories. A new store will be opened at shopping mall in Shatin in August 2010 and another store will be relocated in October 2010. Our expansion plan will stay cautious and we will maintain 5 stores during the year 2010.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2010, the Group's cash and bank deposits were approximately HK\$190,885,000 (2009: HK\$156,594,000).

As at 31 March 2010, the Group 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\$282,490,000 as at 31 March 2010 (2009: HK\$260,330,000) and total current liabilities of approximately HK\$25,315,000 (2009: HK\$25,218,000). The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 11 times as at 31 March 2010 (2009: 10 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\$247,009,000 on as at 31 March 2009 to approximately HK\$272,345,000 at 31 March 2010. 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/Disposal

The Group had no material acquisition/disposals for the year ended 31 March 2010.

Employee Information

As at 31 March 2010, the Group had 175 full times employees in Hong Kong and the PRC and the processing factory, an independent third party with which the Group has entered into a processing agreement, had around 1,245 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 2010, 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 2010, 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 consolidated financial statements and the results of the Group for the year ended 31 March 2010.

FINAL DIVIDEND

The Directors has resolved to declare a final dividend of HK1.4 cents per ordinary share for the year ended 31 March 2010. The final dividend will be paid on or about 29 September 2010 to members, whose names appear on the register of members of the Company at the close of business on 13 September 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 8 September 2010 to 13 September 2010, 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 7 September 2010.

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 2010 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's 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

On behalf of the Board, I would like to express my heartfelt gratitude to the management team and all our staff for their commitment, dedication and contribution, and 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 2010 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, 19 July 2010

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.