



## **ADDCHANCE HOLDINGS LIMITED**

**(互益集團有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3344)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2005**

#### **DIVIDEND**

The board of directors (the “Board”) of Addchance Holdings Limited (the “Company”) has resolved to recommend the payment of a final dividend of HK\$4.7 cents per share for the year ended 31st December, 2005 to shareholders appearing on the register of members of the Company as at 29th May, 2006, which is subject to approval of the shareholders at the annual general meeting.

#### **FINAL RESULTS**

The directors of the Company are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2005 with comparative figures for the previous year as follows:

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2005**

	<i>NOTES</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
Turnover	3	900,482	772,202
Cost of sales		<u>(667,463)</u>	<u>(595,946)</u>
Gross profit		233,019	176,256
Other income		7,426	3,950
Distribution costs		(51,813)	(44,368)
Administrative expenses		(82,235)	(63,880)
Finance cost		<u>(23,051)</u>	<u>(17,306)</u>
Profit before taxation		83,346	54,652
Taxation	4	<u>(7,929)</u>	<u>(6,907)</u>
Profit for the year	5	<u><u>75,417</u></u>	<u><u>47,745</u></u>
Profit attributable to:			
Equity holders of the parent		75,413	42,021
Minority interests		<u>4</u>	<u>5,724</u>
		<u><u>75,417</u></u>	<u><u>47,745</u></u>
Earnings per share, in cents	7		
Basic		<u><u>23.27</u></u>	<u><u>14.01</u></u>

**CONSOLIDATED BALANCE SHEET**

AT 31ST DECEMBER, 2005

	<i>NOTES</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Investment properties		8,599	8,814
Property, plant and equipment		274,112	284,955
Prepaid lease payments		38,100	33,233
Available-for-sale investments		2,325	2,325
Club debentures		1,070	1,070
Deposit paid for acquisition of land use rights/property, plant and equipment/investment property		962	2,440
Deferred tax assets		<u>487</u>	<u>568</u>
		<u>325,655</u>	<u>333,405</u>
<b>CURRENT ASSETS</b>			
Prepaid lease payments		955	832
Inventories		185,383	189,770
Trade receivables, bills receivables and other receivables, deposits and prepayments	8	194,166	149,189
Amounts due from related companies		2,584	50,684
Investments held for trading		—	780
Taxation recoverable		3,939	1,713
Pledged bank deposits		21,266	37,497
Bank balances and cash		<u>106,710</u>	<u>26,335</u>
		<u>515,003</u>	<u>456,800</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	77,692	71,412
Bills payable		26,751	39,194
Amount due to a director		180	—
Bank borrowings - due within one year		243,987	198,589
Obligations under finance leases - due within one year		4,546	8,674
Taxation payable		<u>8,983</u>	<u>2,501</u>
		<u>362,139</u>	<u>320,370</u>
<b>NET CURRENT ASSETS</b>			
		<u>152,864</u>	<u>136,430</u>
		<u>478,519</u>	<u>469,835</u>

	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
<b>CAPITAL AND RESERVES</b>		
Share capital	4,000	78
Reserves	<u>456,895</u>	<u>92,725</u>
Equity attributable to equity holders of the parent	460,895	92,803
Minority interests	<u>154</u>	<u>150</u>
Total equity	<u>461,049</u>	<u>92,953</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings - due after one year	10,080	62,937
Obligations under finance leases		
- due after one year	4,505	8,993
Deferred tax liabilities	2,885	4,602
Amount due to a shareholder	<u>—</u>	<u>300,350</u>
	<u>17,470</u>	<u>376,882</u>
	<u>478,519</u>	<u>469,835</u>

*Notes:*

**1. Group Reorganisation and Basis of preparation of Financial Statements**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 9th June, 2004 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 5th October, 2005.

Pursuant to a group reorganisation (the "Group Reorganisation") to rationalise the structure of the group in preparation for the listing of the Company's share on the Stock Exchange, on 29th August, 2005, the Company issued shares in exchange for the entire issued share capital of Interlink Atlantic Limited and thereby became the holding company of the company now comprising the group. Further details of the Group Reorganisation were set out in the prospectus issued by the Company dated 23rd September, 2005.

The group comprising the Company and its subsidiaries (the "Group") resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements of the Group for the year ended 31st December, 2004 and 31st December, 2005 have been prepared on the basis as if the Company had always been the holding company of the Group using the principles of pooling of interests.

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared under the historical cost convention except for the financial instruments which are measured at fair values. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

**3. Segment Information**

***Business segments***

For management purpose, the Group is currently organised into the following five operating divisions. These divisions are the basis on which the Group reports its primary segment information:



**For the year ended 31st December, 2004**

	<b>Production and sale of cotton yarn</b>	<b>Production and sale of knitted sweaters</b>	<b>Production and sale of dyed yarns</b>	<b>Provision of dyeing and knitting services</b>	<b>Trading of cotton and yarns</b>	<b>Elimination</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>TURNOVER</b>							
External	36,528	190,278	421,107	20,818	103,471	—	772,202
Inter - segment sales	<u>65,718</u>	<u>113,963</u>	<u>401,318</u>	<u>—</u>	<u>60,444</u>	<u>(641,443)</u>	<u>—</u>
	<u>102,246</u>	<u>304,241</u>	<u>822,425</u>	<u>20,818</u>	<u>163,915</u>	<u>(641,443)</u>	<u>772,202</u>
<b>RESULTS</b>							
Segment results	<u>(3,844)</u>	<u>19,182</u>	<u>51,085</u>	<u>5,253</u>	<u>282</u>	<u>—</u>	71,958
Finance costs							<u>(17,306)</u>
Profit before taxation							54,652
Taxation							<u>(6,907)</u>
Profit for the year							<u>47,745</u>

***Geographical segments***

The Group's operations are mainly located in the PRC (including Hong Kong).

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods.

	<b>Turnover by geographical market</b>	
	<b>2005</b>	<b>2004</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
PRC (including Hong Kong)	424,184	444,274
Africa and Asia other than PRC	131,223	141,800
Europe	319,476	177,622
North America	<u>25,599</u>	<u>8,506</u>
	<u>900,482</u>	<u>772,202</u>

#### 4. Taxation

	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax		
— Current year	9,275	5,143
Taxation in PRC	290	945
Deferred taxation	<u>(1,636)</u>	<u>819</u>
	<u>7,929</u>	<u>6,907</u>

Hong Kong Profits Tax was calculated at 17.5% on the estimated assessable profits for the year.

Pursuant to the relevant laws and regulations in the PRC, certain subsidiaries established in the PRC are entitled to exemption from the PRC enterprise income tax for the first two years commencing from their first profit-making year of operation and thereafter, these PRC subsidiaries will be entitled to a 50% relief from the PRC enterprise income tax for the following three years.

#### 5. Profit for the year

	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Directors' remuneration	4,852	4,184
Other staff costs	66,409	56,968
Retirement benefits scheme contributions, excluding directors	<u>2,120</u>	<u>787</u>
Total staff costs	<u>73,381</u>	<u>61,939</u>
Allowance for (recovery of) bad and doubtful debts	1,513	(68)
Amortisation of prepaid lease payments	929	868
Auditors' remuneration	2,253	433
Cost of inventories expensed	667,463	595,946
Depreciation of property, plant and equipment	32,509	33,194
Depreciation of investment properties	215	360
Exchange loss	1,501	267
Loss on disposal of property, plant and equipment	15	826
and after crediting:		
Gain on disposal of a subsidiary	—	850
Interest income	1,926	816
Gross rental income from investment properties	1,011	1,032
Less: outgoings	<u>(299)</u>	<u>(307)</u>
	<u>712</u>	<u>725</u>

6. **Dividends**

	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
Proposed final dividend of HK\$4.7 cents (2004: Nil) per share	<u>18,853</u>	<u>—</u>

The directors have resolved to recommend the payment of a final dividend of approximately HK\$18,853,000 (2004: Nil) representing HK\$4.7 cents (2004: Nil) per share in respect of the year ended 31st December, 2005. The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

7. **Earnings per share**

The calculation of the basic earnings per share for the year is based on the profit for the year attributable to the equity holders of the parent of HK\$75,413,000 (2004: HK\$42,021,000) and on the weighted average number of 324,109,589 (2004: 300,000,000) shares that would have been in issue throughout the year on the assumption that the Group Reorganisation had been completed on 1st January, 2004.

No diluted earnings per share is presented as the Company had no potential dilutive shares outstanding during both years.

8. **Trade receivables, bills receivables and other receivables, deposits and prepayments**

The Group generally allows an average credit period of 30 days to 120 days to its trade customers.

An aging analysis of trade receivables, is as follows:

	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
Aged:		
0 - 30 days	75,550	31,403
31 - 60 days	37,656	23,278
61 - 90 days	19,799	11,218
91 - 120 days	14,324	24,243
Over 120 days	<u>15,222</u>	<u>22,789</u>
	162,551	112,931
Bills receivable	9,840	21,665
Other receivables, deposits and prepayments	<u>21,775</u>	<u>14,593</u>
	<u>194,166</u>	<u>149,189</u>



## 9. Trade and other payables

The following is an aged analysis of trade payables at the balance sheet date:

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Aged:		
0 - 60 days	21,762	32,340
61 - 90 days	2,686	4,351
Over 90 days	<u>6,106</u>	<u>5,982</u>
	30,554	42,673
Other payables and accruals	<u>47,138</u>	<u>28,739</u>
	<u>77,692</u>	<u>71,412</u>

## BUSINESS REVIEW

The Group started its business in the dyeing industry when it was incepted in 1981. After years of development, the Group diversified its business to knitting and textile trading businesses through vertical integration. In line with its strategy on production origins, the Group has set up production facilities not only in Hong Kong, but also in four provinces in China, namely Guangdong, Guangxi, Jiangsu and Anhui, as well as contracted facilities in Cambodia. As a result of its effective and flexible planning of the management, the finished products of the Group may be exported from Hong Kong, China and Cambodia to Europe and the US, thereby circumventing the impact of trade disputes on textile products between China, Europe and the US. This series of secured export channels enhanced the Group's reputation among customers in the international market.

## OUTLOOK

After the successful listing of the shares of the Company (the "Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group continues to carry out its vertical integration strategy by developing a one-stop business portfolio of knitting, dyeing and textile trading, which complement each other and create the synergy that substantially improves the Group's production capacity and competitiveness.

With the successful conclusion of textile negotiations between China, Europe and the US, uncertainties arising from the sustained pressure imposed on China's textile products have been removed. As a result, international merchandisers have been placing huge orders with suppliers possessing robust production capacity and good reputation. In view of such international trend and the market situation, the Group agreed to invest RMB50 million for the construction of a large-scaled knitting mill for sweaters in Wuzhou, Guangxi Province on 13th December, 2005 and US\$10 million in a 50,000-spindle expansion project of Susong Spinning Mill in Anqing on 30th December, 2005. Continual enhancement of production facilities is critical for achieving the Group's overall competitiveness.

Susong Spinning Mill is the spinning arm of the Group and the new investment made in Anqing will allow the Group to enhance its existing production facilities and to produce more

high quality cotton yarn to keep abreast of the development of spinning in the PRC. In view of the increasing demand from its overseas and domestic customers for the Group's knitted sweaters and in order to reduce its reliance on subcontractors, the Group made an investment in Wuzhou for the continual expansion of its knitted sweaters production facilities.

The Group believes that the above new facilities will facilitate the development of the Group, regain of momentum in terms of our sales and bring long term benefits to the Group.

Every member of the Group will unite its efforts and strive for satisfactory returns for the shareholders.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

2005 was a successful year for Addchance. With the advantage on advanced dyeing facilities and production know-how associated with the strategically located production bases, persistent vertical integration and good market reputation, the Company was successfully listed on the Stock Exchange last October.

The Group proactively developed itself as a one-stop service provider for garment customers with selection of production for yarn products at different stages: whether from a simply supply of cotton yarn, or a production of a well-knitted sweater; from the spinning of cotton into yarn, to the provision of yarn dyeing service.

The Group is principally engaged in the production and sale of dyed yarn, knitted sweaters and cotton yarn, the provision of dyeing services, knitting services and trading of cotton and yarns. Its major products include over 200 different types of dyed yarns made of cotton, cashmere, ramie, rayon, acrylic, polyester, silk, wool, nylon, linen and mixtures of above and knitted sweaters including cardigans and pullovers.

Despite the uncertainties in the industry surrounding the quota elimination, the Group has continued to grow. During the year under review, the Group focused on the production of knitted sweaters and the market demand for knitted sweater continued to expand, both contributed to the increase in the sale of knitted sweaters to 7.7 million pieces, compared with 4.4 million pieces last year. The results of the Group for the year under review was significantly better, with an increase in net profit of approximately 58% and an increase in net profit margin by 2.2% points to 8.4% over last year. The Board has recommended a final dividend of HK\$4.7 cents per ordinary share for the year ended 31st December, 2005.

## **FINANCIAL REVIEW**

### **Turnover**

Turnover of the Group is primarily generated from production and sale of dyed yarns and knitted sweaters. With the continuous expansion in the production and sale of knitted sweaters, Addchance recorded a doubledigit growth in turnover. For the year under review, total turnover increased by approximately 17% over last year, from approximately HK\$772.2 million to about HK\$900.5 million.

Turnover of the sweater business grew by about 87%, from approximately HK\$190.2 million to about HK\$356.6 million. This represented approximately 40% of the Group's total turnover and made a significant contribution to the Group, surged from approximately 25% of the Group's total turnover last year to approximately 40% in 2005. Revenue growth was mainly driven by the higher average selling prices, sustainable economies of scale and improved operational efficiency. The textile quota disputes and the re-introduction of quota in 2005 had no adverse effect on the Group's business and order flow of the Group had been stable in the year of 2005.

Our sweater products were still mainly exported to EU during the year under review. Sale of sweater products made to international retail chainstores accounted for approximately HK\$316.3 million, which represented approximately 88.7% of the Group's sales of knitted sweaters for the year of 2005.

Dyed yarn is still being the core product of Addchance. Annual turnover from the production and sale of dyed yarns was approximately HK\$393.7 million, a slight decrease of approximately 7% as compared with last year, and accounted for approximately 44% of the Group's total turnover for the year 2005. Revenue generated from the provision of dyeing services increased from approximately HK\$20.8 million last year to about HK\$31.4 million in the year of 2005, a 51% increase as compared with last year. Most of the Group's dyed yarn was sold in the PRC and Hong Kong and it accounted for approximately 81% of the Group's sales of dyed yarn while the remaining represented exports to overseas countries including Thailand, Taiwan, Cambodia and Indonesia.

Turnover of the yarn-spinning business surged to approximately HK\$49.7 million for the year of 2005 from approximately HK\$36.5 million last year, representing an increase of about 36%. The Group has expanded vertically to enhance its competitiveness and the Susong Spinning Mill is the yarn production arm of the Group, the production of cotton yarn can cater the demand for the production and sale of dyed yarn. During the year under review, about 56% of yarn produced by the Group was used in its dyeing function.

### **Gross profit and gross profit margin**

The Group recorded a gross profit of approximately HK\$233.0 million for the year under review, representing an increase of approximately 32% as compared to approximately HK\$176.3 million last year. With the increase in the production and sale of knitted sweaters with higher gross profit margin, led to the Group's gross profit margin increased from 22.8% for the previous year to 25.9% for the year of 2005. The strategic expansion and vertical integration enhanced the competitive advantage of Addchance and facilitate the Group with stable raw materials supply, optimized factory utilization rate and lower production cost, the gross profit margin therefore improved continuously with the effectiveness of the Group's sales and production planning and strengthened cost control.

Sweater business continued to be the most profit-generating segment of the Group. With the continuous expansion of customer base, almost the twofold increase in sales volume and the increasing economies of scale, the Group enjoyed a lower production cost. Allied with this, the 17.1% increase in the average selling price of knitted sweaters in 2005 drove the gross profit margin of sweater business increased from 28.2% for the previous year to 31.4% for the year of 2005.

### **Net profit margin**

The net profit margin of the Group increased from 6.2% last year to 8.4% this year. Despite the surge in gross profit margin, the Group continuously implemented cost control measures to improve the net profit margin. Save for the inclusion of the listing expenses of approximately HK\$14.2 million and the imputed interest expense on amount due to a shareholder of approximately HK\$3.1 million with the adoption of the new and revised International Financial Reporting Standards, the net profit and the net profit margin of the Group would be increased further to approximately HK\$92.7 million and 10.3% respectively.

### **Borrowings**

As at 31st December, 2005, the Group had outstanding borrowings of approximately HK\$263.1million, comprising bank borrowings of approximately HK\$254.1 million and obligations under finance leases of approximately HK\$9.0 million. Of the total amount, an amount of approximately HK\$248.5 million was due within one year and the remaining amount of approximately HK\$14.6 million was due over one year.

Upon completion of the reorganisation in preparation for the listing on the Stock Exchange, an amount due to Dr. Sung Chung Kwun (“Dr. Sung”) of approximately HK\$192.2 million was capitalized and therefore the borrowings level decreased by around 54.6% from HK\$579.5 million for the previous year to HK\$263.1 million this year. Gearing ratio, being the total bank borrowings divided by total assets, was 33.1% last year as compared to 30.2% as at 31st December, 2005.

The guarantees and assets pledged by Dr. Sung were all released since the listing of the Shares on the Stock Exchange. As at 31st December, 2005 certain land and buildings and machinery and equipment with an aggregated net book value of approximately HK\$37.6 million and bank balances of approximately HK\$21.3 million of the Group were utilized as security for the Group’s borrowings.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The financial position of the Group remained strong. The cash and cash equivalents amounted to approximately HK\$86.1 million as at 31st December, 2005. The Group met its funding requirements in its usual course of operation by cash flows from operations, as well as long-term and short-term borrowings, and issuance of equity securities.

Net cash inflow in the amount of approximately HK\$128.6 million was generated from operating activities, reflecting primarily growth in the Group’s core business. Also, the settlement of the amount due from related companies of an amount of approximately HK\$48.1 million also increased the net cash inflow generated from operating activities.

For the year under review, the net cash used in financing activities amounted to HK\$58.2 million, increased by approximately HK\$54.7 million compared with last year. The increase was mainly due to the aggregate effect of the net repayment of bank loan of approximately HK\$17.3 million, the repayment of the amount due to Dr. Sung of approximately HK\$111.3 million during the year and the net proceeds of about HK\$101.0 million raised associated with the listing expenses of approximately HK\$22.0 million arising from the issue of new shares of the Company in October 2005.

With ample financial resources and strong financial position, the Group has confidence in taking advantage of any favourable opportunities in the coming years.

## **GROUP REORGANISATION AND LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE**

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (2000 Revision) Chapter 22 of the Cayman Islands on 9th June, 2004.

Pursuant to a reorganisation to rationalise the structure of the Group in preparation for the public listing of the Shares on the Main Board of the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 29th August, 2005.

The Shares are listed on the Stock Exchange with effect from 5th October, 2005 (the “Listing Date”).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Since the Listing Date and up to 31st December, 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the Code of Corporate Governance Practices, as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) at any time during the period from the Listing Date to the date of this announcement, save that:

- (a) Code provision A.1.1 requires that board meetings should be held at least four times a year at approximately quarterly intervals. As the Shares are only listed on the Stock Exchange on 5th October, 2005, only two meetings of the Board were held from the Listing Date to 31st December, 2005. Board meetings will be held at least four times a year in the year 2006.

- (b) Code provision A.2.1 requires that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Sung is the Chairman of the Board and there is no chief executive officer appointed by the Company and the day-to-day management of the Group is led by Dr. Sung. There is no time schedule to change this structure as the directors of the Company consider that this structure provides the Group with strong and consistent leadership in the Company's decision making and operational efficiency.

#### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 25th May, 2006 (Thursday) to 29th May, 2006 (Monday) (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 24th May, 2006.

#### **AUDIT COMMITTEE**

The audit committee of the Company has reviewed the Group's annual results for the year ended 31st December, 2005.

The audit committee of the Company has reviewed with the management of the Group the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters and the annual results for the year ended 31st December, 2005.

#### **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in the preliminary announcement in respect of the Group's consolidated balance sheet, consolidated income statement and related notes thereof for the year ended 31st December, 2005 have been agreed by one of the Group's joint auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

#### **PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE**

The 2005 annual report containing all the information required by the Listing Rules will be published on the Stock Exchange's website in due course.

## **MEMBERS OF THE BOARD**

As at the date of this announcement, the Board comprises Dr. Sung Chung Kwun, Mr. Wong Chiu Hong, Mr. Ip Siu Lam, Ms. Mok Pui Mei and Ms. Sung Lam Ching as executive Directors, Mr. Lau Gary Q. as non-executive Director and Mr. Chan Tsz Fu, Jacky, Mr. Ng Man Kin and Professor Cai Xiu Ling as independent non-executive Directors.

On behalf of the Board, I would like to express my heartfelt gratitude to our management team, staff and shareholders for their dedication and contribution to the Group in the past year.

By Order of the Board  
**Sung Chung Kwun**  
*Chairman*

Hong Kong, 20th April, 2006