



ADDCHANCE HOLDINGS LIMITED

(互益集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3344)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

HIGHLIGHTS OF INTERIM RESULTS

- Profit arising from the discount on acquisition of business of approximately HK\$49.3 million arose on completion of the acquisition of the assets and land use rights in Xinjiang Uygur Autonomous Region of the PRC.
- Profits attributable to shareholders related to core business grew to about HK\$4.1 million, a growth of about 17 times from that of the same period last year.
- Turnover reached approximately HK\$435.2 million, increased by about HK\$94.1 million or 27.6% compared with the same period last year.
- The Directors do not recommend the payment of interim dividend for the six months ended 30th June, 2007.

INTERIM RESULTS

On behalf of the board of directors (the “Board”) of Addchance Holdings Limited (the “Company”), I am pleased to announce the unaudited condensed consolidated interim results for the six months ended 30th June, 2007 of the Company and its subsidiaries (the “Group”), together with unaudited comparative figures for the corresponding period in 2006. These interim financial statements have not been audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants and the audit committee of the Company (the “Audit Committee”).

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2007**

	<i>NOTES</i>	For the six months ended 30th June,	
		2007 <i>HK\$'000</i> <i>(unaudited)</i>	2006 <i>HK\$'000</i> <i>(unaudited)</i>
Revenue	3	435,197	341,064
Cost of sales		<u>(336,650)</u>	<u>(271,112)</u>
Gross profit		98,547	69,952
Other income		5,771	6,080
Discount on acquisition of business		49,306	—
Selling and distribution costs		(30,030)	(22,762)
Administrative expenses		(52,753)	(41,680)
Finance costs	4	<u>(12,790)</u>	<u>(8,520)</u>
Profit before taxation		58,051	3,070
Taxation	5	<u>(4,616)</u>	<u>(2,841)</u>
Profit for the period	6	<u><u>53,435</u></u>	<u><u>229</u></u>
Attributable to:			
Equity holders of the parent		53,451	229
Minority interests		<u>(16)</u>	<u>—</u>
		<u><u>53,435</u></u>	<u><u>229</u></u>
Earnings per share, in cents	8		
Basic		<u><u>13.36</u></u>	<u><u>0.06</u></u>

**CONDENSED CONSOLIDATED BALANCE SHEET
AT 30TH JUNE, 2007**

	<i>NOTES</i>	30.6.2007 <i>HK\$'000</i> <i>(unaudited)</i>	31.12.2006 <i>HK\$'000</i> <i>(audited)</i>
NON-CURRENT ASSETS			
Investment properties		3,929	3,983
Property, plant and equipment		566,084	394,516
Prepaid lease payments		67,043	44,318
Available-for-sale investments		1,325	1,325
Deposit paid for acquisition of land use rights and property, plant and equipment		29,660	24,031
Club debentures		1,070	1,070
Deferred tax assets		<u>356</u>	<u>405</u>
		<u>669,467</u>	<u>469,648</u>
CURRENT ASSETS			
Prepaid lease payments		1,626	1,080
Inventories		437,998	217,043
Trade receivables, bills receivables and other receivables, deposits and prepayments	9	316,394	191,714
Amounts due from related companies		1,378	594
Taxation recoverable		5,130	5,767
Pledged bank deposits		4,600	5,950
Fixed bank deposits		4,680	25,583
Bank balances and cash		<u>33,885</u>	<u>65,562</u>
		<u>805,691</u>	<u>513,293</u>
CURRENT LIABILITIES			
Trade and other payables	10	173,677	104,462
Bills payable		4,706	43,082
Amount due to a related company		451	129
Bank overdrafts		26,310	8,814
Bank borrowings - due within one year		505,246	218,902
Obligations under finance leases - due within one year		2,467	4,150
Taxation payable		<u>3,174</u>	<u>1,478</u>
		<u>716,031</u>	<u>381,017</u>

	30.6.2007 <i>HK\$'000</i> <i>(unaudited)</i>	31.12.2006 <i>HK\$'000</i> <i>(audited)</i>
NET CURRENT ASSETS	<u>89,660</u>	<u>132,276</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>759,127</u>	<u>601,924</u>
CAPITAL AND RESERVES		
Share capital	4,000	4,000
Share premium and reserves	<u>570,936</u>	<u>520,854</u>
Equity attributable to equity holders of the parent	574,936	524,854
Minority interests	<u>852</u>	<u>148</u>
Total equity	<u>575,788</u>	<u>525,002</u>
NON-CURRENT LIABILITIES		
Bank borrowings - due after one year	167,819	70,673
Obligations under finance leases - due after one year	—	359
Deferred tax liabilities	<u>15,520</u>	<u>5,890</u>
	<u>183,339</u>	<u>76,922</u>
	<u>759,127</u>	<u>601,924</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by International Accounting Standards Board (“IASB”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the Group for the year ended 31st December, 2006.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations (“new IFRSs”) issued by the IASB, which are effective for the Group’s financial year beginning 1st January, 2007.

The adoption of the new IFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied all the new standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Business segments

For management purposes, 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. An analysis of the Group's turnover and contribution to operating results by business segments is as follows:

Six months ended 30th June, 2007

	Production and sale of cotton yarn	Production and sale of knitted sweaters	Production and sale of dyed yarns	Provision of dyeing services	Trading of cotton and yarns	Elimination	Total
	<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>
REVENUE							
External	20,369	138,014	231,776	17,411	27,627	—	435,197
Inter-segment sales	<u>56,051</u>	<u>120,802</u>	<u>234,159</u>	<u>3,457</u>	<u>120,860</u>	<u>(535,329)</u>	<u>—</u>
	<u>76,420</u>	<u>258,816</u>	<u>465,935</u>	<u>20,868</u>	<u>148,487</u>	<u>(535,329)</u>	<u>435,197</u>
Inter-segment sales were charged at cost plus margin basis.							
SEGMENT RESULTS	<u>(126)</u>	<u>8,813</u>	<u>11,735</u>	<u>1,657</u>	<u>950</u>	<u>—</u>	23,029
Discount on acquisition of business							49,306
Unallocated corporate income							2,787
Unallocated corporate expenses							(4,281)
Finance costs							<u>(12,790)</u>
Profit before taxation							58,051
Taxation							<u>(4,616)</u>
PROFIT FOR THE PERIOD							<u>53,435</u>

Six months ended 30th June, 2006

	Production and sale of cotton yarn	Production and sale of knitted sweaters	Production and sale of dyed yarns	Provision of dyeing services	Trading of cotton and yarns	Elimination	Total
	<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>
REVENUE							
External	31,735	103,000	174,453	17,628	14,248	—	341,064
Inter-segment sales	<u>31,975</u>	<u>69,484</u>	<u>157,665</u>	<u>4,290</u>	<u>77,249</u>	<u>(340,663)</u>	<u>—</u>
	<u>63,710</u>	<u>172,484</u>	<u>332,118</u>	<u>21,918</u>	<u>91,497</u>	<u>(340,663)</u>	<u>341,064</u>
Inter-segment sales were charged at cost plus margin basis.							
SEGMENT RESULTS	<u>4,928</u>	<u>1,945</u>	<u>4,053</u>	<u>1,775</u>	<u>915</u>	<u>—</u>	13,616
Unallocated corporate income							1,266
Unallocated corporate expenses							(3,292)
Finance costs							<u>(8,520)</u>
Profit before taxation							3,070
Taxation							<u>(2,841)</u>
PROFIT FOR THE PERIOD							<u>229</u>

4. FINANCE COSTS

	For the six months ended 30th June,	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:		
Bank borrowings wholly repayable within five years	12,321	8,176
Bank borrowings wholly repayable over five years	350	98
Obligations under finance leases	<u>119</u>	<u>246</u>
	<u>12,790</u>	<u>8,520</u>

5. TAXATION

	For the six months	
	ended 30th June,	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax	3,924	645
PRC income tax	49	196
Deferred taxation	<u>643</u>	<u>2,000</u>
	<u>4,616</u>	<u>2,841</u>

Hong Kong Profits Tax is recognised based on managements' best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 17.5%.

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. The first profit-making year of these PRC subsidiaries is in the years between 2002 and 2006. Accordingly, the tax relief period of these PRC subsidiaries will expire in 2007 to 2011.

On 16th March, 2007, the National People's Congress approved and promulgated a new tax law, which will take effect beginning 1st January, 2008. Under the new tax law, foreign investment entities and domestic companies are subject to a uniform tax rate of 25%. The new tax law provides a five-year transition period from its effective date for those enterprises which were established before the promulgation date of the new tax law and which were entitled to a preferential low tax rate under the then effective tax laws or regulations. The Company's subsidiaries in the PRC will transit from tax rate of 33% to the uniform tax rate of 25%.

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	For the six months	
	ended 30th June,	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of investment properties	54	107
Depreciation of property, plant and equipment	25,784	15,514
Amortisation of prepaid lease payments	644	449
Interest income	<u>(2,095)</u>	<u>(1,266)</u>

7. DIVIDENDS

On 3rd April, 2007, a dividend of HK3.3 cents per share amounting to HK\$13,200,000 were resolved to pay to the shareholders whose names appearing on the register of members of the Company as at 8th May, 2007 as the final dividend for 2006.

On 20th April, 2006, a dividend of HK4.7 cents per share amounting to HK\$18,800,000 were resolved to pay to the shareholders whose names appearing on the register of members of the Company as at 29th May, 2006 as the final dividend for 2005.

The directors do not recommend the payment of an interim dividend for the six months ended 30th June, 2007.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit for the period attributable to equity holders of the parent of HK\$53,451,000 (2006: profit of HK\$229,000) and on the number of 400,000,000 (2006: 400,000,000) shares.

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

9. TRADE RECEIVABLES, BILLS RECEIVABLES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

At 30th June, 2007, included in trade receivables, bills receivable and other receivables, deposits and prepayments are trade receivables of HK\$208,644,000 and bills receivables of HK\$54,570,000 (31.12.2006: trade receivables of HK\$111,309,000 and bills receivables of HK\$60,174,000) respectively and their aged analysis is follows:

	30.6.2007	31.12.2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Aged:		
0 - 30 days	97,586	73,492
31 - 60 days	84,369	61,046
61 - 90 days	47,123	19,928
91 - 120 days	9,271	4,363
Over 120 days	<u>24,865</u>	<u>12,654</u>
	263,214	171,483
Other receivables, deposits and prepayments	<u>53,180</u>	<u>20,231</u>
	<u>316,394</u>	<u>191,714</u>

10. TRADE AND OTHER PAYABLES

At 30th June, 2007, included in trade and other payables are trade payables of HK\$90,882,000 (31.12.2006:HK\$30,755,000) and their aged analysis is as follows:

	30.6.2007 <i>HK\$'000</i>	31.12.2006 <i>HK\$'000</i>
Aged:		
0 - 60 days	71,300	20,323
61 - 90 days	8,443	2,866
Over 90 days	<u>11,139</u>	<u>7,566</u>
	90,882	30,755
Other payables and accruals	<u>82,795</u>	<u>73,707</u>
	<u>173,677</u>	<u>104,462</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Review & Outlook

2007 will be a fruitful year to the Group. We are pleased to report to the shareholders the results of the Group for the six months ended 30th June, 2007. Processing the advanced dyeing facilities, production know-how associated with the strategically located production bases, persistent vertical integration and good market reputation, 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.

Since the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group has been actively looking for acquisition and business expansion opportunities. Following the acquisition of the land use rights and investment in spinning production facilities in Su Song, the Company plans to continue increasing its production capacity of yarn-spinning.

Acquisition of assets and land use rights (the “Properties”) in Xinjiang Uygur Autonomous Region of the PRC (“Xinjiang”) in April 2007

On 30th April, 2007, the Group completed the acquisition of the Properties and business of Bozhou Bo Mian Textile (Group) Limited Liability Company (“Bo Mian Textile”) in Xinjiang from the Liquidation Committee of Bo Mian Textile at an aggregate consideration of RMB45 million. Since the cost for the acquisition represented a discount of their assessed values, this acquisition increased the net asset value of the Group and the discount has been recognized immediately in the income statement of the Group for the six months ended 30th June, 2007. By acquiring the Properties in Xinjiang, the production capacity of yarn-spinning of the Group can be enhanced accordingly.

The Properties are located in Bole City, Xinjiang, which is situated in the north-western part of Xinjiang, and are adjacent to Alashankou, the PRC’s largest land port. The central government of the PRC intends to develop Alashankou as the “Second Shenzhen”. Alashankou is also the first route through which the oil and natural gas from Kazakhstan are imported into the PRC. By acquiring the Properties, the Group will be able to develop “one-stop” production, including spinning, dyeing and knitting in Bole City and the products can be exported to those countries in Central Asia and Eastern Europe through Alashankou. Electricity represented the major cost for spinning business. To the best knowledge of the Board, the electricity charges in Xinjiang are approximately RMB0.38 per kilowatt hour and are at least 50% lower than those of the other provinces of the PRC, which will in turn enable the Group to lower its cost for spinning. Therefore, the Directors are of the view that this acquisition constituted a good investment opportunity for the business expansion of the Group.

Following the completion of the construction of the knitting mill in Wuzhou and the acquisition of the entire share capitals of two Cambodian factories, namely River Rich Textile Ltd. (“River Rich”) and Winner Knitting Factory Limited (“Winner Knitting”), in the year 2006, the production capacity in sweater business was on schedule to expand and cater for the increasing demand for the sweaters in Europe and the United States. On the other hand, the second 50,000-spindle expansion in the spinning mill in Anqing has not been completed and the operation is expected to commence in the last quarter of 2007.

The acquisition of River Rich and Winner Knitting provided a steady environment for the export of the Group's Chinese textile products to diversify the extra risks and uncertainties associated with the expiring of the existing Sino-EU textile trade agreement that will expire on 31st December, 2007 as the export of the textile products with origin in Cambodia will not be subject to any quota restrictions imposed, if any. Although there are possibilities of other factors that may limit the growth rate of European Union ("EU") export in the future, the exporting flexibility of the Group can be enhanced by virtue of the competitive advantage of the 13 per cent import tax waiver when the products are delivered directly from Cambodia to European countries.

Looking forward, the Group will continue to experience an apparent growth in its sweater and spinning business as a result of the completion of the acquisition of Properties in Xinjiang. Moreover, the production capacity of the second 50,000-spindle Su Song Spinning Mill will commence operation towards the end of the financial year, which in turn, will bring positive growth to the spinning business.

Financial Review

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 dyed yarns made of over 200 different types of cotton, cashmere, ramie, rayon, acrylic, polyester, silk, wool, nylon, linen and mixtures of above and knitted sweaters including cardigans and pullovers.

The first half-year has long been the slack season of our Group. To cope with the demand for knitted sweaters in X'mas and New Year, customers in dyed yarn and knitted sweaters usually placed orders started from the 2nd quarter annually and the production lead-time become shorter than that last period. Normally, the turnover of the first half-year period represents around 30-40% of the annual turnover. For the period under review, total turnover reached approximately HK\$435.2 million, a sharp increase of approximately 27.6% as compared with the same period last year, with the continuous growth in sweaters and dyed yarn business.

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 and the dedicated effort of the marketing teams, Addchance recorded another double-digit growth in turnover of sales of knitted sweaters. For the period under review, turnover of sales of knitted sweaters increased by approximately 34.0% over the last corresponding period, from approximately HK\$103.0 million to about HK\$138.0 million. The market demand for knitted sweater continued to expand, contributing to about 37.1% increases in the sales of knitted sweaters to

approximately 4.1 million pieces, compared with 3.0 million pieces last corresponding period. Our sweater business showed encouraging improvement in contribution to the Group following our acquisition of River Rich and Winner Knitting. By widening the product mix of our sweater business, the Group explored new products, e.g. socks and hosiery products, during the period under review. Revenue growth was mainly driven by the increase in sales volume associated with the sustainable economies of scale and improved operational efficiency.

Our sweaters products were still mainly exported to EU during the period under review. Sales made to international retail chain stores, such as H&M and Zara, accounted for approximately HK\$117.6 million, which represented approximately 85.2% of the Group's sales of knitted sweaters for the period under review. Stepping into the year 2007, revenue from the knitted sweaters segment is expected to achieve substantial growth momentum as a result of our exploration of new customers and markets. For the period under review, another international retail chain store, Marks & Spencer, was newly introduced into our Group. Our Group had passed the quality and workmanship check during the factory evaluation audit and gained the recognition of Marks & Spencer accordingly. We have commenced the production of knitted sweaters and arranged for delivery. The cooperation with these renowned international retail chain stores increased our market share and popularity in Europe. The Board expects that the development of the knitted sweaters has a good prospect and would bring to us encouraging results in the future.

Dyed yarn remains a core product segment for Addchance. Turnover from the production and sale of dyed yarns for the period under review was approximately HK\$231.8 million, an apparent increase of about 32.9% or about HK\$57.3 million as compared with last corresponding period, and accounted for approximately 53.3% of the Group's total turnover. Revenue generated from the provision of dyeing services decreased slightly from approximately HK\$17.6 million last corresponding period to about HK\$17.4 million during the period under review, a slight 1% decrease as compared with last period. Most of the Group's dyed yarn was sold to the PRC and Hong Kong manufacturers with production sites based in Guangdong, Jiangsu and Zhejiang and the sales made to the PRC, Hong Kong and Macau accounted for approximately 99% of the Group's sales of dyed yarn while the remaining represented exports to overseas countries including Thailand, Taiwan, and Indonesia.

With the increase in the internal utilization rate of the cotton yarn, turnover of the yarn-spinning business decreased from approximately HK\$31.7 million last period to about HK\$20.4 million for the current period, representing a decrease of about 35.8%. During the period under review, yarn utilized for the self-production of the Group increased further by 20% and about 70% of yarn produced by the Group was used in its dyeing function. During the year 2007, the Group continuously expanded

in vertical integration to enhance its competitiveness and the second 50,000-spindle Susong Spinning Mill is expected to commence operation in the last quarter of 2007. Moreover, with the acquisition of Properties in Xinjiang, the production capacity of the Group can be increased further to cater for the increasing demand on cotton yarn.

The Group recorded a gross profit of approximately HK\$98.5 million for the period under review, representing a sharp increase of approximately 40.9% as compared to approximately HK\$69.9 million last period. 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 20.5% last period to 22.6% for the current period. 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, the apparent increase in sales volume and the increasing economies of scale, the Group enjoyed a lower production cost and therefore drove the gross profit margin of sweater business further to about 28.2% for the period under review.

Net profit increased substantially by approximately HK\$53.2 million, from approximately HK\$0.2 million last period to approximately HK\$53.4 million for the period under review. Except for the effect of the discount arose on acquisition of the Properties in Xinjiang mentioned above, the operating profit derived from the core business increased to about HK\$4.1 million. It was mainly attributable to the enhancement of the production capability of knitted sweaters and the strengthening of the bargaining power with the acquisition of the Cambodian factories. Also, the hard work of the market teams of the Group in developing new customers also contributed to the revenue growth.

Discount on acquisition of business

As mentioned above, the Group has acquired the business and the production facilities of Bo Mian Textile, including the land-use rights, the buildings, the machinery, equipment and inventories. Since the cost of the acquisition of the Properties represented a discount of their assessed values, an amount of approximately HK\$49.3 million discount arose and it has been recognized immediately in the income statement of the Group during the period under review.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30th June, 2007, the Group's cash and cash equivalents amounted to approximately HK\$7.6 million. 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.

As a result of the piling up of knitted sweaters resulting from the lengthen of the production lead-time to minimize the production cost during slack season, the Group's inventories and trade and bills receivable increased substantially by approximately HK\$221.0 million and HK\$91.7 million respectively. To cater for the expansion of the Group's production capacity and its business expansion, the Group's bank borrowings as at 30th June, 2007 have also increased by approximately HK\$401.0 million to about HK\$699.4 million, resulting the net cash inflow in financing activities increased from approximately HK\$51.2 million to about HK\$355.5 million and the net cash used in investing activities increased from about HK\$27.1 million to approximately HK\$140.4 million for the period under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed shares during the six months ended 30th June, 2007. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the six months ended 30th June, 2007.

CORPORATE GOVERNANCE

None of the Directors 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 Listing Rules during the six months ended 30th June, 2007 save that 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 Chung Kwun 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 consider that this structure provides the Group with strong and consistent leadership in the Company's decision making and operational efficiency.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all the Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th June, 2007.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group, its internal control, financial reporting matters, interim results and the Interim Report for the six months ended 30th June, 2007.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement will be published on the website of the Stock Exchange and the Company’s website (<http://www.irasia.com/listco/hk/addchance/index.htm>). An interim report for the six months ended 30th June, 2007 containing all the applicable information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company 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.

By Order of the Board
Sung Chung Kwun
Chairman

Hong Kong, 13th September, 2007