



UPBEST GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 335)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED MARCH 31, 2005

UPBEST GROUP LIMITED is an investment holding with subsidiaries engaged in the provision of a wide range of financial services including securities broking, futures broking, securities margin financing, money lending, corporate finance advisory and assets management in Hong Kong. In current year, the business was further diversified to property investment in Macau.

Performance Highlights

- Net profit increased 119% to HK\$83,488,000
- Earnings per share increased by 1.15 times to HK7.3 cents from HK3.4 cents
- total dividend for year was HK2.5 cents per share

RESULTS

The Board of Directors (the “Board”) of Upbest Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended March 31, 2005 with comparative figures for the preceding financial years as follows:

CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	For the year ended March 31	
		2005 (Audited) HK\$'000	2004 (Audited) HK\$'000
Turnover		58,175	74,185
Net investment income	(3)	–	2,585
Gain on acquisition of a subsidiary	(10)	15,500	–
Fair value gain of investment properties	(9)	38,637	–
Other income		171	319
Provision for doubtful debts		(1,802)	(13,644)
Administrative and other operating expenses		(17,744)	(13,945)
Profit from operations	(4)	92,937	49,500
Finance costs	(5)	(2,801)	(3,178)
Share of results of an associate		(97)	119
Profit before taxation		90,039	46,441
Taxation	(6)	(6,551)	(8,297)
Net profit for the year attributable to shareholders		83,488	38,144
Dividends	(7)	30,719	11,200
Basic earnings per share	(8)	HK7.3 cents	HK3.4 cents

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at March 31	
		2005 (Audited) HK\$'000	2004 (Audited) HK\$'000
Assets and liabilities			
Non-current assets			
Property, plant and equipment		2,226	1,864
Investment properties	(9)	170,000	–
Intangible assets		2,040	2,380
Interest in an associate		–	97
Debtors, prepayments and deposits		453	480
Other non-current assets		5,929	7,046
		180,648	11,867

	<i>Note</i>	As at March 31	
		2005 (Audited) HK\$'000	2004 (Audited) HK\$'000
Current assets			
Debtors, prepayments and deposits		428,620	382,753
Amount due from an associate		40	–
Properties held for development	(10)	44,000	–
Tax recoverable		219	608
Pledged fixed deposits with bank		63,187	62,893
Other bank balances and cash		34,421	27,929
		<u>570,487</u>	<u>474,183</u>
Current liabilities			
Bank borrowings		151,056	156,191
Creditors and accruals		47,721	27,707
Amounts due to related parties		152,444	121,958
Tax payable		981	6,084
		<u>352,202</u>	<u>311,940</u>
Net current assets		<u>218,285</u>	<u>162,243</u>
Net assets		<u>398,933</u>	<u>174,110</u>
Equity			
Capital and reserves			
Share capital		12,288	11,200
Reserves		355,926	151,710
Proposed final dividend		30,719	11,200
		<u>398,933</u>	<u>174,110</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Notes</i>	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Total HK\$'000
At March 31, 2003		11,200	54,489	8,515	61,762	5,376	141,342
Net profit for the year		–	–	–	38,144	–	38,144
Dividend approved		–	–	–	–	(5,376)	(5,376)
Proposed final dividend	(7)	–	–	–	(11,200)	11,200	–
At March 31, 2004		11,200	54,489	8,515	88,706	11,200	174,110
Issuance of shares		1,088	151,447	–	–	–	152,535
Net profit for the year		–	–	–	83,488	–	83,488
Dividend approved		–	–	–	–	(11,200)	(11,200)
Proposed final dividend	(7)	–	–	–	(30,719)	30,719	–
At March 31, 2005		<u>12,288</u>	<u>205,936</u>	<u>8,515</u>	<u>141,475</u>	<u>30,719</u>	<u>398,933</u>

Notes:

(1) ADOPTION OF NEW ACCOUNTING STANDARDS

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) (hereinafter collectively referred to as “new HKFRSs”) which are effective for accounting periods beginning on or after January 1, 2005.

In the preparation of the financial statements for the year ended March 31, 2005, the Group has applied the Hong Kong Financial Reporting Standard 3 (“HKFRS 3”) “Business combination” to account for business combination for which the agreement date is on or after January 1, 2005 and early adopted the Hong Kong Accounting Standard 40 (“HKAS 40”) “Investment property” to account for its investment properties. The impact on the adoption of these new accounting standards by the Group is summarised as follows:

HKFRS 3 requires that any excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the costs of the business combination should be recognised immediately in the consolidated income statement. The recognition of negative goodwill in the balance sheet is prohibited, whereas previously, negative goodwill was released to income over a number of accounting periods, based on an analysis of the circumstances from which the balance resulted and was reported as a deduction from assets in the balance sheet.

The Group has applied the revised accounting policy for consolidation in accordance with the transitional provisions of HKFRS 3. As a result, the Group has recognised a gain on acquisition of a subsidiary by HK\$15,500,000 for the year, which has been detailed in note (10).

HKAS 40 prescribes the recognition and measurement criteria applying to investment properties, together with the required disclosure in respect thereof. The impact of the early adoption of this HKAS on the consolidated financial statements is that changes in the fair value of investment properties are recognised in the consolidated income statement for the year in which they arise, whereas previously changes in the fair value of investment properties were dealt with as movements in the investment property revaluation reserve and, if the total of this reserve was insufficient to cover a deficit on a portfolio basis, the excess of the deficit was charged to the consolidated income statement.

The effect of the early adoption of HKAS 40 on the current year’s financial statements is that an amount of approximately HK\$38,637,000 has been credited to the consolidated income statement for the year ended March 31, 2005, whereas previously this amount would have been credited to the investment property revaluation reserve. The early adoption of this HKAS has had no significant impact on the amounts disclosed in the prior year’s financial statements.

Save as aforesaid, the Group has not early adopted other new HKFRSs in the preparation of the financial statements for the year ended March 31, 2005.

For those new HKFRSs that the Group has not early adopted in financial statements for the year ended March 31, 2005, the Group has commenced considering the potential impact of those new HKFRSs but is not yet in a position to determine whether those HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. Those HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

(2) SEGMENT INFORMATION

(a) Business segments

For management purposes, the Group is currently organised into five operating divisions namely broking, financing, corporate finance, assets management and property investment. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Broking	Securities brokerage and futures brokerage
Financing	Securities margin financing and money lending
Corporate finance	Corporate finance advisory, placing and underwriting
Assets management	Assets management for listed and unlisted companies and high net worth individuals
Property investment	Property rental and dealing

An analysis of segment information of the Group about these businesses for the years ended March 31, 2005 and 2004 is as follows:

	Broking		Financing		Corporate finance		Assets management		Property investment		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Sales to external customers	<u>16,143</u>	19,362	<u>38,027</u>	38,591	<u>1,295</u>	13,799	<u>2,463</u>	2,433	<u>247</u>	–	<u>58,175</u>	74,185
Segment results	<u>4,900</u>	9,688	<u>31,418</u>	34,193	<u>463</u>	12,290	<u>884</u>	952	<u>165</u>	–	<u>37,830</u>	57,123
Net investment income											–	2,585
Fair value gain of investment properties											38,637	–
Gain on acquisition of a subsidiary											15,500	–
Provision for doubtful debts											(1,802)	(13,644)
Bad debts written off											(200)	(61)
Other income											171	319
Share of results of an associate											(97)	119
Profit before taxation											<u>90,039</u>	46,441
Taxation											<u>(6,551)</u>	(8,297)
Net profit for the year attributable to shareholders											<u>83,488</u>	38,144

(b) Geographical segment

The Group's operations are principally located in Hong Kong and Macau. The Group's administration is carried out in Hong Kong.

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

	Turnover		Total assets		Capital expenditure	
	2005	2004	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	<u>57,928</u>	74,185	<u>515,409</u>	486,050	<u>976</u>	1,079
Macau	<u>247</u>	–	<u>235,726</u>	–	<u>131,363</u>	–
	<u>58,175</u>	<u>74,185</u>	<u>751,135</u>	<u>486,050</u>	<u>132,339</u>	<u>1,079</u>

(3) Net investment income

	The Group	
	2005	2004
	HK\$'000	HK\$'000
Net realised and unrealised holding gain on shares in Hong Kong Exchanges and Clearing Limited ("HKEX")	–	2,405
Dividend income from listed investments in HKEX	–	180
	<u>–</u>	<u>2,585</u>

(4) Profit from operations

	The Group	
	2005	2004
	HK\$'000	HK\$'000
Profit from operations has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
– Provident fund contributions	215	195
– Other staff costs	<u>10,299</u>	<u>7,039</u>
	<u>10,514</u>	<u>7,234</u>
Depreciation	510	250
Amortisation of intangible assets	340	340
Auditors' remuneration		
– Current year	261	266
– Overprovision in prior years	–	(16)
Bad debts written off	200	61
Operating lease rentals in respect of rented premises	835	820
Net rental income from investment properties	(226)	–
Gain on disposal of property, plant and equipment	<u>(46)</u>	<u>(190)</u>

(5) Finance costs

	The Group	
	2005	2004
	HK\$'000	HK\$'000
Interest on bank loans and overdrafts	2,564	3,178
Bank charges	237	–
	<u>2,801</u>	<u>3,178</u>

(6) Taxation

	The Group	
	2005	2004
	HK\$'000	HK\$'000
Taxation in the income statement represents		
Current tax		
Hong Kong profits tax:		
Provision for current year	6,551	8,275
Share of taxation attributable to		
An associate	–	22
	<u>6,551</u>	<u>8,297</u>

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) on the estimated assessable profits for the year.

Reconciliation between actual tax expense and accounting profit at applicable tax rate are as follows:

	The Group	
	2005	2004
	HK\$'000	HK\$'000
Profit before taxation	<u>90,039</u>	<u>46,441</u>
Notional tax charge on profit before taxation, calculated		
at the applicable tax rate of 17.5%	15,757	8,127
Tax effect of non-taxable revenue	(9,498)	(457)
Tax effect of non-deductible expenses	726	60
Tax effect of unrecognised temporary difference	(38)	(1)
Tax effect on tax losses not recognised	149	591
Utilisation of tax losses previously not recognised	(507)	(23)
Others	(38)	–
Actual tax expense	<u>6,551</u>	<u>8,297</u>

(7) Dividends

	2005	2004
	HK\$'000	HK\$'000
Final dividend proposed of HK2.5 cents (2004: HK1 cent) per ordinary share	<u>30,719</u>	<u>11,200</u>

The Company proposes that a scrip dividend election will be offered to shareholders with Hong Kong address. Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the final dividend will be distributed on October 18, 2005 to shareholders whose names appear on the Register of Members of the Company as at the close of business on August 15, 2005.

(8) Basic earnings per share

The calculation of basic earnings per share for the year is based on the net profit attributable to shareholders of HK\$83,488,000 (2004: HK\$38,144,000) and the weighted average number of 1,137,579,414 shares (2004: 1,120,000,000 shares) in issue during the year.

There is no diluted earnings per share for the years ended March 31, 2005 and 2004 presented since the Company has no dilutive potential ordinary shares.

(9) Investment properties

The Group	HK\$'000
At April 1, 2004	–
Additions	131,363
Fair value gain of investment properties	38,637
At March 31, 2005	<u>170,000</u>

The Group's investment properties are situated in Macau and are held under medium term lease.

The fair value of the Group's investment properties at March 31, 2005 have been arrived at on the basis of market value of a valuation carried out at that date by LCH (Asia-Pacific) Surveyors Limited, an independent professional valuers not connected with the Group. LCH (Asia-Pacific) Surveyors Limited has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. Investment properties were valued on market basis assuming sale with vacant possession or otherwise subject to the existing tenancies by using the sales comparison approach and the investment method, respectively.

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 5 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

(10) Acquisition of a subsidiary

On January 3, 2005, the Group acquired 100 per cent of the issued share capital of Companhia De Fomento Predial E Investimento San San, Limitada ("San San") for cash consideration of HK\$28.5 million. This transaction has been accounted for by the purchase method of accounting.

The net assets acquired in the transaction are as follows:

	San San's carrying amount before combination HK\$'000	Fair value adjustment HK\$'000	Fair value HK\$'000
Net assets acquired:			
Properties held for development	28,500	15,500	44,000
Gain on acquisition			(15,500)
Total consideration, satisfied by cash			<u>28,500</u>

San San has no turnover and did not incur expenditure for the period between the date of acquisition and the balance sheet date.

The Group's revenue for the period and profit for the year would have no change if the acquisition had been completed on April 1, 2004.

Dividends and distribution

The Board has resolved to recommend the payment of a final dividend of HK2.5 cents (2004: HK1 cent) per ordinary share for the year. The Company also proposes that a scrip dividend election will be offered to shareholders with Hong Kong address. Subject to the approval of shareholders at the forthcoming annual general meeting, the proposed final dividend are expected to be paid on October 18, 2005. CCAA Group Limited, the substantial shareholder with 68.36% interest of the Company, has committed to elect to receive the final dividend in the form of scrip.

Closure of Registers of Members

The registers of members of the Company will be closed from August 15, 2005 to August 19, 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Standard Registrars Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on August 12, 2005.

BUSINESS REVIEW

The annual results for the financial year ended March 31, 2005 reflects the successful diversification program of the Group to benefit from the expected upturn in Macau's property sector over the next few years. Net profit for the year reached a record of HK\$83,488,000, this represented an increase of 119% when compared with net profit in 2004 of HK\$38,144,000. Earnings per share increased by 115% from HK3.4 cents for the year ended March 31, 2004 to HK\$7.3 cents. The Board recommend an increased dividend level at HK2.5 cents, an increase of over 150% of last year.

The significant improvement in profit was resulted from the concerted efforts of the Group to successfully diversify into the Macau property investments market. In accordance with the new accounting standards, the Group has recorded a fair value gain on investment properties amounting to HK\$38.6 million and a non-recurring profit of acquisition of a subsidiary incorporated in Macau amounting to HK\$15.5 million. The turnover from the Group's core financial services decreased by approximately 22%, this is due to the more prudent lending policy in the financing business and a better selection of higher quality customers and thus some consolidation in the securities, asset management and corporate finance businesses in view of the general tightening of rules and regulations of the regulatory bodies in Hong Kong.

Given the economic growth in Macau and the substantial improvement in the global investment climate, the hotel and entertainment industries, the affordability of local residents, the influx of foreign investors and tourists and the comparatively low property price levels, coupled with the planned construction of the HK-Macau-Zuhai Mega Bridge and the Chinese Government's latest 9 plus 2 policy that emphasises the more rapid development of the West Bank of the Pearl River Delta in the future. Macau property prices in general have an upside potential of doubling in the next three to five years. The Group has therefore taken decisive steps to participate in this lucrative high growth area and quickly built up a good quality portfolio during the year.

As at March 31, 2005, the Group current portfolio consists of one piece of land which the Group intends to develop into residential/commercial building with estimated total marketable area of approximately 200,000 sq.ft. and a shopping arcade with more than 100,000 sq.ft. for retailing purposes and 51 car-parks with immediate yields. On January 3, 2005, the Group entered into an agreement to purchase a piece of land with market value of HK\$57 million at a consideration of HK\$27 million. As at March 31, 2005, the transaction had not yet completed. As a result, the Group had only recorded HK\$20 million as deposit out of the HK\$27 million.

FINANCING

The Group's turnover within the money lending business and margin financing activities, was similar to the previous year. Net profit within this segment decreased by approximately 8% mainly due to an increase in staff costs and investment into client acquisition and business expansion activities. The Group was able to reduce the provision for doubtful debts from HK\$13.6 million to HK\$1.8 million, representing a decline of 87% when compared with the corresponding year of 2004, by the implementation of advanced risk management control system.

SECURITIES BROKERAGE

The broking segment recorded a turnover of HK\$16.1 million, a decrease of around HK\$3.3 million, approximately 17%, compared to HK\$19.4 million achieved in the previous year. This was mainly caused by keen competitions with the financial institutions and decrease in the rate of commission brokerage which has led to the decrease in turnover and net profit.

CORPORATE FINANCE

The instability in the Middle East and the fiscal measures taken by the Chinese Central Government to cool down the economy in 2004 had depressed the securities cash market, capital-raising and corporate finance activities. According to the recently published Annual Report of the Listing Committee of the HKEx, there was only a total of 44 companies newly listed during the 54 weeks period covered by the report comparing to 67 for the previous period. To a large extent, the earnings performance of this segment depends greatly on market conditions and hence the turnover of this business segment decreased approximately 91% from that of the previous year.

ASSET MANAGEMENT

The Group was the investment manager of two companies listed on the Main Board of the Stock Exchange under Chapter 21 (Investment Companies) of the Rules Governing the Listing of Securities and four other institutional clients. Total asset value under our management exceeded HK\$860 million during the year.

PROPERTY INVESTMENT

Chino Plaza located at Macau Peninsula central was acquired during the first quarter of 2005, which comprises gross floor area of more than 100,000 sq.ft. retail shops plus 51 carparking spaces, started to contribute to the turnover and profit of this new business segment. In addition, as at March 31, 2005, the Group portfolio also consists of one piece of land which the Group intends to develop into residential / commercial building with estimated total marketable area of approximately 200,000 sq.ft. The book value of the current property investment portfolio amounting to HK\$214 million. On January 3, 2005, the Group entered into an agreement to purchase a piece of land with market value of HK\$57 million at a consideration of HK\$27 million. As at March 31, 2005, the transaction had not yet completed. As a result, the Group had only recorded HK\$20 million as deposit out of the HK\$27 million.

Prospect

Financial services will remain the core business of the Group. However, in view of the growing challenge and changes in the securities market, a more prudent approach has been adopted in order to reduce undue financial risks while upgrading the quality of customers and improving customer services can be achieved. To enable the Group to achieve the necessary growth momentum and to maximize the financial returns to our shareholders, the Group has capitalized on the experience and knowledge of the Management and successfully diversified into the Macau property investments markets during the year. The excellent financial results for the year confirm the foresight and ability of the Management in the timely capturing of opportunities that lie in the future upturn of the Macau economy and this will bring satisfactory financial returns to all our shareholders.

To counteract with the effect of the more challenging and difficult market conditions in the securities and financing business that the industry at large is facing, the Group took some proactive steps to expand and improve the quality of income from loans and financial services businesses. During the year, the Group had entered into a restructuring agreement in order to acquire Gold Face Finance Limited, a company which principally engaged in the provision of second mortgage loans and personal loans. The transaction is expected to be completed in late 2005 and we believe that the interest income being generated will become a steady income stream for the Group. Furthermore, given the reasonable and attractive price level at which the respective company would be acquired, the Group may realize some healthy gains in the future.

The Group will continuously on the lookout for new investment opportunities that will strengthen both the financial services and Macau property market with the objective to maximize shareholders' benefit. We are confident that the Group is well positioned to develop our core businesses on the path of Hong Kong's economic recovery and seize new growth opportunities in Macau to build a healthy financial position.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at March 31, 2005, the Group had cash and bank balances of approximately HK\$98 million (2004: HK\$91 million) of which approximately HK\$63 million (2004: HK\$63 million) were pledged to bank for facilities granted to the Group. The Company has given guarantees to the extent of HK\$173 million (2004: HK\$173 million) to secure the general banking facilities granted to subsidiaries.

As at March 31, 2005, the Group had available aggregate banking facilities of approximately HK\$283 million (2004: HK\$283 million) of which approximately HK\$144 million (2004: HK\$127 million) was not utilised.

Gearing Ratio

As at March 31, 2005, the amount of total bank borrowings was approximately HK\$151 million (2004: HK\$156 million), being equal to approximately 38% (2004: 90%) of the net assets of approximately HK\$399 million (2004: HK\$174 million).

The Group continues to keep a good relationship with our banker. The Group's available banking facilities remain the same and has sufficient fund to meet its operation requirements.

Foreign Currency Fluctuation

The Board believes that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions.

Employment

Employees' remuneration are fixed and determined with reference to the market remuneration.

Share Option

The Company does not have share option scheme.

Share capital

During the year, the Company issued by way of a top-up placing to independent investors a total of 108,754,000 new shares at a price of HK\$1.42 per share which successfully raised approximately HK\$152.5 million (net of related expenses). As at March 31, 2005, the number of shares in issue was 1,228,754,000 (2004: 1,120,000,000). The net asset value of the group is nearly HK\$398,933,000, an increase of approximately 129% from the prior period.

Repurchase, sale or redemption of the Company's listed securities

For the year ended March 31, 2005, other than as an agent for clients of the Company or its subsidiaries, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the year.

Audit committee

The Company has established an audit committee according to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

The audit committee of the Group consists of three independent non-executive directors, namely Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai. The audit committee had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended March 31, 2005. The Audit Committee had also reviewed the annual results of the Group for the year ended March 31, 2005 in conjunction with the Company's external auditors.

Compliance with Code of Best Practice

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Revised Listing Rules throughout the year ended March 31, 2005, save and except that all independent non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

Sufficiency of public float

According to the information that is publicly available to the Company and within the knowledge of the directors, the percentage of the Company's shares which are in the hands of the public is not less than 25% of the Company's total number of issued shares.

Managing Director

Pursuant to the board meeting held on July 18, 2005, Mr. Cheng Kai Ming, Charles, an executive director, assumed the position as managing director.

PUBLICATION OF DETAILED ANNUAL RESULTS ON THE STOCK EXCHANGE OF HONG KONG LIMITED'S WEBSITE

All the information of the annual results of the Group for the year ended March 31, 2005 required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules in force prior to March 31, 2004, which remain applicable to results announcement in respect of accounting periods commencing before July 1, 2004 under the transitional arrangement, will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

By order of the Board
LI Kwok Cheung, George
Executive Director

Hong Kong, July 18, 2005

As at the date of this announcement, the Board of the Company consists of Dr. Wong King Keung, Peter as non-executive director and chairman, Mr. Wong Ching Hung, Thomas, Mr. Cheng Kai Ming, Charles and Mr. Li Kwok Cheung, George as executive directors and Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai as independent non-executive directors.

Please also refer to the published version of this announcement China Daily.