CONTENTS

Deloitte.
德勤

INDEPENDENT REVIEW REPORT

TO THE BOARD OF DIRECTORS OF
KWONG HING INTERNATIONAL HOLDINGS (BERMUDA) LIMITED
廣興國際控股有限公司
(incorporated in Bermuda with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 4 to 16.

Directors' responsibilities

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with the Statement of Auditing Standards 700 'Engagements to Review Interim Financial Reports' issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th September, 2005.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23rd December, 2005

RESULTS

The Board of directors (the "Board") of Kwong Hing International Holdings (Bermuda) Limited (the "Company") announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2005 with comparative figures for the corresponding periods as follows. The interim results had been reviewed by the Company's auditors, Deloitte Touche Tohmatsu, in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. The interim results had also been reviewed by the Company's audit committee.

Condensed Consolidated Income Statement
For the six months ended 30th September, 2005

		Six months ended	
	Notes	**30.9.2005 HK$'000 (Unaudited)**	30.9.2004 HK$'000 (Unaudited)
Turnover	3	**262,536**	325,109
Cost of sales		**(237,487)**	(287,523)
Gross profit		**25,049**	37,586
Other operating income		**666**	664
Selling expenses		**(5,810)**	(7,161)
Administrative and other operating expenses		**(15,087)**	(16,367)
Impairment loss recognised in respect of goodwill		**–**	(1,870)
Profit from operations	4	**4,818**	12,852
Interest on bank borrowings wholly repayable within five years		**(551)**	(161)
Profit before taxation		**4,267**	12,691
Taxation	5	**(68)**	(845)
Profit for the period		**4,199**	11,846
Attributable to:			
Equity holders of the parent		**4,346**	10,317
Minority interests		**(147)**	1,529
Profit for the period		**4,199**	11,846
Earnings per share	6		
Basic		**1.1 cents**	2.7 cents
Diluted		**N/A**	N/A

Condensed Consolidated Balance Sheet
At 30th September, 2005

	Notes	30.9.2005 HK$'000 (Unaudited)	31.3.2005 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	7	140,652	146,791
Held-to-maturity investments		15,600	15,600
		156,252	162,391
Current assets			
Inventories		133,657	168,330
Trade and other receivables	8	135,459	99,087
Bills receivable		2,841	1,167
Pledged bank deposits		4,000	4,000
Bank balances and cash		35,704	38,132
		311,661	310,716
Current liabilities			
Trade and other payables	9	39,639	49,205
Bills payable			
– secured		–	15,932
– unsecured		13,825	–
Taxation		3,675	3,379
Obligations under finance leases – amount due within one year		2,988	2,283
		60,127	70,799
Net current assets		251,534	239,917
		407,786	402,308
Capital and reserves			
Share capital	10	38,857	38,857
Reserves		359,792	354,318
Equity attributable to equity holders of the parent		398,649	393,175
Minority interests		190	337
		398,839	393,512
Non-current liabilities			
Obligations under finance leases – amount due after one year		4,036	3,885
Deferred tax liabilities		4,911	4,911
		8,947	8,796
		407,786	402,308

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2005

	Attributable to equity holders of the Company							
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1st April, 2004	38,857	130,452	122,652	(278)	100,192	391,875	3,431	395,306
Net profit for the period	–	–	–	–	10,317	10,317	1,529	11,846
Dividend paid to minority interests	–	–	–	–	–	–	(4,800)	(4,800)
At 30th September, 2004	38,857	130,452	122,652	(278)	110,509	402,192	160	402,352
Net loss for the period	–	–	–	–	(9,017)	(9,017)	174	(8,843)
Disposal of a subsidiary	–	–	–	–	–	–	(497)	(497)
Contribution from minority interests	–	–	–	–	–	–	500	500
At 31st March, 2005	38,857	130,452	122,652	(278)	101,492	393,175	337	393,512
Exchange difference on translation of operations outside Hong Kong recognised directly in equity	–	–	–	1,128	–	1,128	–	1,128
Net profit (loss) for the period	–	–	–	–	4,346	4,346	(147)	4,199
At 30th September, 2005	38,857	130,452	122,652	850	105,838	398,649	190	398,839

Condensed Consolidated Cash Flow Statement

For the six months ended 30th September, 2005

	Six months ended	
	30.9.2005	30.9.2004
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash from operating activities	**2,315**	43,169
Net cash used in investing activities:		
Purchase of property, plant and equipment	**(3,257)**	(13,862)
Proceeds from disposal of property, plant and equipment	**31**	128
Other investing cash flows	**–**	4,449
	(3,226)	(9,285)
Net cash used in financing activities:		
Repayment of bank borrowings	**–**	(6,202)
Other financing cash flows	**(1,344)**	–
	(1,344)	(6,202)
Net (decrease) increase in cash and cash equivalents	**(2,255)**	27,682
Cash and cash equivalents at beginning of the period	**38,132**	23,179
Effect on foreign exchange rate changes	**(173)**	–
Cash and cash equivalents at end of the period, representing bank balances and cash	**35,704**	50,861

Notes To The Condensed Financial Statements

For the six months ended 30th September, 2005

1. Basis of Preparation

The condensed 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 (the 'Listing Rules') and with Hong Kong Accounting Standard 34 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants (the 'HKICPA').

2. Principal Accounting Policies

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

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the annual financial statements of the Company and its subsidiaries (the 'Group') for the year ended 31st March, 2005 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and Interpretations (hereinafter collectively referred to as 'new HKFRSs') issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has had no material effect on how the results for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

Share-based Payment

HKFRS 2 "Share-based Payment" requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares, or in exchange for other assets equivalent in value to a given number of shares or rights over shares. The principal impact of HKFRS 2 on the Group is in relation to the expensing of directors' and employees' share options of the Company. Previously, the Group did not expense the share options issued by the Company.

The Group had taken advantage of the transitional provisions set out in HKFRS 2. In relation to share options granted on or before 7th November, 2002 and share options granted after 7th November, 2002 and vested before 1st April, 2005, the Group did not recognise and expense those share options. However, in relation to share options granted after 7th November, 2002 and vested on or after 1st January, 2005, such share options should be accounted for retrospectively in accordance with HKFRS 2. However, the application of HKFRS 2 has no material impact to the results of the Group in the current and prior periods.

2. Principal Accounting Policies (Continued)

Financial Instruments

In the current period, the Group has applied HKAS 32 "*Financial Instruments: Disclosure and Presentation*" and HKAS 39 "*Financial Instruments: Recognition and Measurement*". The application of HKAS 32 has had no material impact on how the financial instruments of the Group are presented for current and prior accounting periods. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Financial assets and financial liabilities

From 1st April, 2005 onwards, the Group has classified and measured its financial assets and financial liabilities in accordance with the requirements of HKAS 39. Financial assets under HKAS 39 are classified as 'financial assets at fair value through profit or loss', 'available-for-sale financial assets', 'loans and receivables' or 'held-to-maturity financial assets'. Financial liabilities are generally classified as 'financial liabilities at fair value through profit or loss' or 'financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)'. 'Other financial liabilities' are carried at amortised cost using the effective interest method. The application of HKAS 39 has had no material effect on the recognition and measurement of financial assets and financial liabilities of the Group.

Derecognition

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous periods. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. The Group has applied the relevant transitional provisions and applied the revised accounting policy prospectively for transfers of financial assets on or after 1st April, 2005. As a result, the Group's bill receivables discounted with full recourse which were derecognised prior to 1st April, 2005 have not been restated. As there were no bills discounted with recourse at 30th September, 2005, there is no financial impact to the group for the current period.

2. Principal Accounting Policies (Continued)

Owner-occupied leasehold interest in land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current period, the Group has applied HKAS 17 "*Leases*". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

The Group has not early applied the following new Standards or Interpretations that have been issued but are not yet effective. The Group is not yet in a position to determine its impact on its results of operation and financial position.

HKAS 1 (Amendment)	Capital Disclosures
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 4	Determining whether an Arrangement Contains a Lease
HK(IFRIC) – Int 5	Rights to Interests Arising from Decommissioning Restoration and Environmental Rehabilitation Funds
HK(IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

3. Segment Information

Business segments

For management purpose, the Group is currently organised into two business activities: (i) manufacture and sale of knitted fabric and dyed yarns; and (ii) manufacturing and trading of garment products. These activities are the basis on which the Group reports its primary segment information.

Segment information about these activities is presented below:

For the six months ended 30th September, 2005

	Manufacture and sale of knitted fabric and dyed yarns HK$'000	Manufacturing and trading of garment products HK$'000	Elimination HK$'000	Consolidated HK$'000
Turnover				
External sales	253,629	8,907	–	262,536
Inter-segment sales	4,900	–	(4,900)	–
Total turnover	258,529	8,907	(4,900)	262,536
Results				
Segment results	7,995	(2,595)		5,400
Other operating income				666
Unallocated corporate expenses				(1,248)
Profit from operations				4,818
Interest on bank borrowings wholly repayable within five years				(551)
Profit before taxation				4,267
Taxation				(68)
Profit for the period				4,199

3. Segment Information (Continued)

Business segments (Continued)

For the six months ended 30th September, 2004

	Manufacture and sale of knitted fabric and dyed yarns HK$'000	Trading of garment products HK$'000	Elimination HK$'000	Consolidated HK$'000
Turnover				
External sales	266,960	58,149	–	325,109
Inter-segment sales	30,835	–	(30,835)	–
Total turnover	297,795	58,149	(30,835)	325,109
Results				
Segment results	10,385	6,088		16,473
Other operating income				664
Amortisation of goodwill	–	(1,041)	–	(1,041)
Impairment loss recognised in respect of goodwill	–	(1,870)	–	(1,870)
Unallocated corporate expenses				(1,374)
Profit from operations				12,852
Interest on bank borrowings wholly repayable within five years				(161)
Profit before taxation				12,691
Taxation				(845)
Profit for the period				11,846

4. Profit from Operations

	Six months ended 30.9.2005 HK$'000	Six months ended 30.9.2004 HK$'000
Profit from operations has been arrived at after charging:		
Depreciation and amortisation on property, plant and equipment	**12,893**	11,352
Amortisation of goodwill, included in administrative and other operating expenses	**–**	1,041
Amortisation of textile quota entitlements, included in cost of sales	**–**	11,253
and after crediting:		
Interest income from banks	**231**	109
Investment income from trading securities (listed)	**–**	133

5. Taxation

	Six months ended 30.9.2005 HK$'000	Six months ended 30.9.2004 HK$'000
Current tax:		
Hong Kong Profits Tax	**213**	297
Other jurisdictions	**233**	264
	446	561
Overprovision in prior years:		
Other jurisdictions	**(378)**	(500)
Deferred taxation:		
Current period	**–**	784
	68	845

Hong Kong Profits Tax is calculated at the rate of 17.5% of the estimated assessable profit for both periods.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

6. Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	Six months ended	
	30.9.2005	30.9.2004
	HK$'000	HK$'000
Profit for the period attributable to equity holders of the parent for the purposes of basic and diluted earnings per share	**4,346**	10,317
Number of ordinary shares for the purposes of basic and diluted earnings per share	**388,573,200**	388,573,200

The computation of diluted earnings per share for the six months ended 30th September, 2005 does not assume the exercise of the Company's share options as the exercise prices are higher than the average market price of the shares of the Company for the period.

No diluted earnings per share has been presented for the six months ended 30th September, 2004 as the average market price of the shares of the Company cannot be determined as the shares of the Company were suspended from trading on the Stock Exchange on 26th February, 2004. Trading of shares was resumed on 20th October, 2004.

7. Movements in Property, Plant and Equipment

During the period, the Group spent approximately HK$5,457,000 on additions to property, plant and equipment to upgrade its production capabilities.

8. Trade and other Receivables

The credit terms given to the customers vary from cash on delivery to 120 days and are generally based on the financial strength of individual customers. In order to effectively manage the credit risks associated with the trade receivables, credit evaluation of customers are performed periodically.

Included in trade and other receivables are trade receivables of approximately HK$131,360,000 (31st March, 2005: HK$94,603,000). The following is an aged analysis of trade receivables at the balance sheet date:

	30.9.2005	31.3.2005
	HK$'000	HK$'000
0 – 60 days	**81,869**	59,169
61 – 90 days	**19,986**	16,260
91 – 120 days	**14,662**	7,355
Over 120 days	**14,843**	11,819
	131,360	94,603

9. Trade and other Payables

Included in trade and other payables are trade payables of approximately HK$27,156,000 (31st March, 2005: HK$33,434,000). The following is an aged analysis of trade payables at the balance sheet date:

	30.9.2005	31.3.2005
	HK$'000	HK$'000
0 – 60 days	**20,745**	28,363
61 – 90 days	**2,757**	3,245
Over 90 days	**3,654**	1,826
	27,156	33,434

10. Share Capital

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
At 31st March, 2005 and 30th September, 2005	5,000,000,000	500,000
Issued and fully paid:		
At 31st March, 2005 and 30th September, 2005	388,573,200	38,857

11. Major Non-cash Transaction

During the period, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of approximately HK$2,200,000.

12. Pledge of Assets

At 30th September, 2005, certain of the Group's leasehold land and buildings with an aggregate net book value of approximately HK$2,340,000 (31st March, 2005: HK$2,371,000), held-to-maturity investment of HK$7,800,000 (31st March, 2005: HK$7,800,000) and bank deposits of approximately HK$4,000,000 (31st March, 2005: HK$4,000,000) were pledged to banks as security for general banking facilities granted to the Group.

13. Capital Commitments

At 30th September, 2005, the Group had capital expenditure of approximately HK$291,000 (31st March, 2005: HK$661,000) in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements and approximately HK$5,961,000 (31st March, 2005: HK$10,763,000) in respect of property, plant and equipment authorised but not contracted for.

14. Contingent Liabilities

At 30th September, 2005, the Group had no bills discounted with recourse (31st March, 2005: HK$4,281,000).

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the current period.

BUSINESS REVIEW

For the six months ended 30th September, 2005, the Group recorded a turnover of approximately HK$262,536,000 representing a decrease of 19.2% of the same period last year, and gross profit and profit attributable to shareholders are approximately HK$25,049,000 and approximately HK$4,346,000 respectively, which represented decrease of 33.3% and 57.9% respectively as compared to the same period last year. Decrease in turnover is attributable to the disposal of Sweetime Limited and its subsidiary last year which had a turnover contribution of approximately HK$56,657,000 to the Group in the corresponding period.

The abolishment of quota among the members of WTO since the beginning of 2005 had induced a series of actions in US for the application of re-instate of the quota for certain China textile products, which brought a lot of disputes between US government and Chinese Government. Such uncertainties had delayed the order placement of our ultimate customers, which affected the Group's performance in the period under review, as US provide a major market to the Group's customers. As a result, the turnover of manufacture and sales of knitted fabric and dyed yarns including inter-segment sales was only approximately HK$258,529,000 representing a decrease of 13.2% as compared to that of last year. Its production cost had been increased sharply because of the increase of the price of dyed material, coal and electricity, and salary and wages in China, which resulted to its operating result margin was only approximately 3.1%. Manufacture and sales of garment recorded a loss of HK$2,595,000 as it is still in the initial stage of establishment.

During the period, management focused on controlling its operating cost and enhancing its competitive advantage, and achieved satisfactory results. Under the extreme competitive environment, the Group managed to control its other production cost and overhead expenses at competitive level. The Group had also continued its prudent and conservative customers' credit policy and monitored closely its inventory level as well as production requirements. The measures also enable the Group to maintain a healthy cash level.

During the period, the Group invested approximately HK$5,457,000 in property, plant and equipment to upgrade its factory and production facilities as to increase its productivity and to enhance its production quality. Together with the capital investments in previous year, the Group is able to satisfy the demands of its product at better economies of scales.

PROSPECTS

Looking forward, the future of the Group is expected to improve because of the solution of the quota dispute between China and US in November 2005. However, the above other unfavourable factors will continuously affect the Group's performance. The board believed that the business environment in the second half of the year is expected to be highly competitive and more challenging. The Group will continuously focus in cutting costs, rationalizing its operations, pursuing a cautionary credit policy for its customers and improving its product quality in order to achieve a better return for its shareholders.

In market front, the Group will strive to expand into the Asian and the PRC markets so as to expand the Group's customers base and to reduce the reliance on the US markets

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2005, the Group's shareholders' equity amounted to HK$398,649,000, while total bank indebtedness amounted to approximately HK$20,849,000, and cash on hand amount to approximately HK$39,704,000. The Group's bank indebtedness to equity ratio is only 0.05, Current ratio is 5.2. The Board believes that the Group's sound and healthy financial position will enable it to finance its operation and explore other business development opportunities.

As at 30th September, 2005, the Group has high graded held-to-maturity investments of approximately HK$15,600,000 including HK$7,800,000 of which has been pledged to bank as securities for general banking facilities granted to the Group.

The Groups' assets and liabilities were principally denominated in Hong Kong dollars, Chinese Renminbi and US dollars, the exchange rates between them are relative stable, and therefore the Group's exposure to currency exchange risk was minimal.

STAFF AND REMUNERATION POLICIES

As at 30th September, 2005, the Group had approximately 1,700 employees. The Group mainly determines staff remuneration in accordance with market terms and individual qualifications.

The emoluments of the directors of the Company are decided by the board of directors, as authorised by the shareholders at the annual general meeting, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company maintains a share option scheme, pursuant to which, share options are granted to selected eligible participants, with a view to provide incentive to the option holders to participate and contribute the growth of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30th September, 2005, the interests of the directors and the chief executives in the shares and underlying shares of the Company and its associated corporation as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Future Ordinance ("SFO") or as notified to the Company and The Stock Exchange of Hong Kong Limited ("the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

	Number of ordinary shares				
Name of director	**Personal interests**	**Other interests** (note)	**Interest in underlying shares pursuant to share option**	**Aggregated interest**	**Percentage of the issued share capital of the Company**
Ms. Li Mei Lin	–	164,088,000	1,500,000	165,588,000	42.6%
Mr. Li Man Shun	–	164,088,000	–	164,088,000	42.2%
Mr. Fung Chi Ki	–	–	1,933,200	1,933,200	0.5%

Note: Ms. Li Mei Lin, and Mr. Li Man Shun beneficially own 30,600 shares and 29,700 shares, respectively, in Rayten Limited, representing 34 per cent and 33 per cent respectively, of the issued share capital of Rayten Limited, which in turn owns 164,088,000 shares of HK$0.10 each in the Company.

SHARE OPTION SCHEME

The following table discloses movements in the Company's share option scheme during the period:

Categories		Date of grant	Exercisable period	Exercise price per share HK$	At 1.4.2005	Cancelled	At 30.9.2005
					Number of share options		
I.	Directors						
	Ms. Li Mei Lin	17.9.2003	17.9.2003 to 16.9.2006	1.62	1,500,000	–	1,500,000
	Mr. Fung Chi Ki	2.11.2002	2.11.2002 to 1.11.2012	0.51	1,933,200	–	1,933,200
					3,433,200	–	3,433,200
II.	Employees in aggregate	18.8.2003	1.3.2004 to 30.9.2006	1.67	3,250,000	1,190,000	2,060,000 *
		2.11.2002	2.11.2002 to 1.11.2012	0.51	15,465,600	3,866,400	11,599,200
					18,715,600	5,056,400	13,659,200
Total for all categories					22,148,800	5,056,400	17,092,400

* The Maximum percentage of the share option that may be exercised is determined in the stages as follows:

	Percentage of share options granted
Within 1 year after completion of at least one year service	30%
Within 2 years after completion of at least one year service	another 30%
2 years after completion of at least one year service but before expiry	another 40%

Other than the share option scheme of the Company, at no time during the six months ended 30th September, 2005 was the Company or any of its a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain directors, the register of substantial shareholders maintained by the Company pursuant to section 336 of SFO discloses no person as having a notifiable interest or short position in the issued capital of the Company as at 30th September, 2005.

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

During the six months ended 30th September, 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied throughout the six month ended 30th September, 2005 with the code provisions set out in Appendix 14 of the Listing Rules on the Stock Exchange except for the deviation from code provision of A.4.1, pursuant to which, non-executive directors should be appointed for a specific term and subject to re-election. The company's independent non-executive directors are not appointed for a specific terms but are subjected to retirement by rotation under the Company's Bye-laws, so that every independent non-executive directors shall retire at least once every three years.

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules on the Stock Exchange as a code of conduct regarding securities transactions by directors. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code.

By Order of the Board
Li Man Ching
Chairman

Hong Kong, 23rd December, 2005