SINCE 1983

MOBICON GROUP LIMITED

萬保剛集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1213)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2005

The Board of Directors (the "Directors") of Mobicon Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2005 as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31st March 2005

	Note	2005 HK$'000	2004 HK$'000
Turnover	2	1,280,392	1,159,929
Cost of sales		(1,118,280)	(1,032,152)
Gross profit		162,112	127,777
Other revenue	2	232	327
Distribution and selling expenses		(39,864)	(34,192)
General and administrative expenses		(75,845)	(54,296)
Operating profit	3	46,635	39,616
Finance costs	4	(1,710)	(847)
Share of loss of an associated company		(132)	(274)
Profit before taxation		44,793	38,495
Taxation	5	(9,502)	(6,723)
Profit after taxation		35,291	31,772
Minority interests		(2,836)	(3,137)
Profit attributable to shareholders		32,455	28,635
Dividends	6	12,000	10,000
Earnings per share – Basic	7	16.2 cents	14.3 cents

NOTES TO THE FINAL RESULTS ANNOUNCEMENT

1. Principal accounting policies

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these new HKFRSs in the accounts for the year ended 31st March 2005. The Group has commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

2. Turnover, revenue and segment information

The Group is principally engaged in the trading and distribution of electronic parts, components and equipment and computer products and accessories. Revenue recognised during the year are as follows:

	2005 HK$'000	2004 HK$'000
Turnover		
Sales of electronic parts, components and equipment	798,211	591,684
Sales of computer products and accessories	482,181	568,245
	1,280,392	1,159,929
Other revenue		
Management fee from an associated company	129	138
Commission income	26	56
Interest income from bank deposits	16	58
Interest income from an associated company	61	75
	232	327
Total revenue	1,280,624	1,160,256

* *For identification purposes only*

Primary reporting format – business segments

The Group is organised into two main business segments:

Electronic products – Trading and distribution of electronic parts, components and equipment
Computer products – Trading and distribution of computer products and accessories

There are no sales between the business segments.

	2005		
	Electronic products *HK$'000*	**Computer products** *HK$'000*	**Total** *HK$'000*
Turnover	798,211	482,181	1,280,392
Segment results	53,268	(3,859)	49,409
Unallocated costs			(2,774)
Operating profit			46,635
Finance costs			(1,710)
Share of loss of an associated company			(132)
Profit before taxation			44,793
Taxation			(9,502)
Profit after taxation			35,291
Minority interests			(2,836)
Profit attributable to shareholders			32,455

	2004		
	Electronic products *HK$'000*	**Computer products** *HK$'000*	**Total** *HK$'000*
Turnover	591,684	568,245	1,159,929
Segment results	40,052	(268)	39,784
Unallocated costs			(168)
Operating profit			39,616
Finance costs			(847)
Share of loss of an associated company			(274)
Profit before taxation			38,495
Taxation			(6,723)
Profit after taxation			31,772
Minority interests			(3,137)
Profit attributable to shareholders			28,635

Secondary reporting format – geographical segments

The Group operates in the following main geographical areas

	2005					
	Hong Kong *HK$'000*	**Asia Pacific** *HK$'000*	**South Africa** *HK$'000*	**Europe** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Gross turnover	1,360,430	89,497	35,983	30,262	6,872	1,523,044
Less: inter-segments sales	(227,315)	(15,337)	–	–	–	(242,652)
Segment turnover	1,133,115	74,160	35,983	30,262	6,872	1,280,392
Segment results	40,419	3,798	3,868	1,079	245	49,409
Unallocated costs						(2,774)
Operating profit						46,635

	2004					
	Hong Kong *HK$'000*	**Asia Pacific** *HK$'000*	**South Africa** *HK$'000*	**Europe** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Gross turnover	1,205,509	84,721	39,570	26,088	8,189	1,364,077
Less: inter-segments sales	(176,807)	(21,031)	(6,310)	–	–	(204,148)
Segment turnover	1,028,702	63,690	33,260	26,088	8,189	1,159,929
Segment results	31,225	1,670	3,822	2,015	1,052	39,784
Unallocated costs						(168)
Operating profit						39,616

The above geographical turnover and results are determined on the basis of the destination of delivery of merchandise to customers.

3. **Operating profit**

Operating profit is stated after charging and crediting the following:

	2005	**2004**
	HK$'000	*HK$'000*
Charging		
Amortisation of Intangible assets (included in general and administrative expenses)	302	–
Bad debts written off	27	841
Provision for doubtful debts	94	337
Provision for slow-moving inventories (included in cost of sales)	3,272	6,589
Depreciation	2,502	1,872
Write off of goodwill	262	54
Loss on dilution of interests in a subsidiary (i)	2,161	–
Operating lease rentals of premises	15,809	11,832
Auditors' remuneration	829	648
Staff costs	59,957	50,764
Crediting		
Gain on disposals of subsidiaries	–	525
Net gain on disposal of fixed assets	22	20
Net exchange gain	850	1,949

Note:

(i) On 13th May 2004, MCU Power Limited ("MCU"), a subsidiary incorporated in Hong Kong, allotted 300,000 of its new ordinary shares of HK$1 each to a company beneficially owned by a director and his spouse, and a technical manager of MCU, at par value of HK$300,000 in total. As a result of this share allotment, the Group's equity interest in MCU was reduced from 100% to 70% and accordingly, a loss on dilution of interest in that subsidiary amounting to approximately HK$2,161,000 was recorded.

4. **Finance costs**

	2005	**2004**
	HK$'000	*HK$'000*
Interest on short-term bank loans	1,710	847

5. **Taxation**

The amount of taxation charged to the consolidated profit and loss account represents:

	2005	**2004**
	HK$'000	*HK$'000*
Current taxation:		
– Hong Kong profits tax	7,771	5,724
– Overseas taxation	1,933	910
– (Over)/under provision in prior years	(202)	98
Deferred taxation relating to reversal of temporary differences	–	(9)
Taxation charges	9,502	6,723

The Company is exempted from taxation in Bermuda until 2016.

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit arising in or derived from Hong Kong.

Mobicon Electronic Trading (Shenzhen) Limited ("MET") being a foreign investment enterprise established in the free trade zone of Futian, Shenzhen, PRC, and with a financial year end date falling on 31st December, is subject to PRC enterprise income tax at the rate of 15%. No provision for PRC enterprise income tax has been made as MET is still in a tax loss position.

Taxation on profits of the other overseas subsidiaries has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the subsidiaries operate.

6. **Dividends**

	2005	**2004**
	HK$'000	*HK$'000*
Interim, paid, of HK3 cents (2004: HK2 cents) per ordinary share	6,000	4,000
Final, proposed, of HK3 cents (2004: HK3 cents) per ordinary share	6,000	6,000
	12,000	10,000

At a meeting held on 7th July 2005, the directors of the Company proposed a final dividend of HK3 cents per ordinary share. The proposed dividend is not reflected as a dividend payable but will be reflected as an appropriation of retained profits for the year ending 31st March 2006.

7. **Earnings per share**

The calculation of basic earnings per share for the year ended 31st March 2005 is based on the Group's profit attributable to shareholders of approximately HK$32,455,000 (2004: HK$28,635,000) and on the 200,000,000 (2004: 200,000,000) ordinary shares in issue during the year.

No diluted earnings per share is presented as there were no potential dilutive ordinary shares in issue during the years ended 31st March 2005 and 2004.

BUSINESS RESULTS

The Group recorded a turnover of around HK$1.28 billion during the fiscal year ended 31st March 2005. This represented an increase of about 10% on the figure of around HK$1.16 billion for the previous year. Gross profit grew by approximately 27% to around HK$162 million, up from last year's figure of about HK$128 million. The Group's operating profit amounted to around HK$47 million (31st March 2004: around HK$40 million), while the profit attributable to shareholders was approximately HK$32 million (31st March 2004: approximately HK$29 million), representing earnings per share of HK$0.162 (31st March 2004: HK$0.143 per share).

During the year under review, the Group continued to develop its two core business lines, namely: (1) distribution of electronic parts, components and equipment under the MOBICON brand; and (2) retail sales of computer products and accessories under the VideoCom retail brand. The turnover the Group derived from the distribution of electronic parts, components and equipment increased substantially, mainly due to intensification of its "Satellite Development Strategy" and the expansion of its "Small Order Services" to all satellite companies, both of which contributed to the satisfactory sales performance of the Group. The total turnover of the seven satellite companies, namely Arkia Advance Limited, Conwise Power Limited, MCU Power Limited, DV Power Limited, Milliard Devices Limited, MEC Quartz Limited and Sensor Power Limited, under the Group's electronic parts, components and equipment distribution operations saw a surge of 63% to around HK$336 million, compared to the previous fiscal year.

BUSINESS REVIEW

The Group's two core business operations, namely: (1) the distribution of electronic parts, components and equipment under the MOBICON brand; and (2) retail sales of computer products and accessories under the VideoCom retail brand, respectively accounted for 62% and 38% of the Group's total turnover for the fiscal year ended 31st March 2005.

DISTRIBUTION OF ELECTRONIC PARTS, COMPONENTS AND EQUIPMENT

Hong Kong and China

During the year under review, the Group's electronic parts, components and equipment distribution business achieved remarkable results, posting an increase in turnover of 35% to around HK$798 million. A significant part of this growth is attributable to the success of the Group's "Satellite Development Strategy". In addition, the Group obtained exclusive rights to produce and sell wafer chips carrying the brand name of Actions Semiconductor Co. Ltd. ("Actions") for radio-controlled cars, as well as agency rights for various electronic component brands, all of which helped to diversify and expand its business.

On the other hand, the Group further extended its well-established "Small Order Services" to satellite companies, in order to cope with the trend towards the predominance of consumer electronic products, the abundant variety of electronic products available, and the low demand for large-volume orders for individual products in the Hong Kong market. This helped to expand further the Group's client network as well as revenue opportunities.

During the year, the Group signed agentship contracts with a number of brand-name vendors. These included Hong Kong agents Tak Cheong (a provider of Zener diodes), LRC (a provider of transistors and diodes), Chesen (a provider of USB controllers and OTG full/high speed controllers), Philson (a provider of USB pen controllers and memory card controllers), Chiplus (a provider of compo chips and SRAMs) as well as South Africa agents ELAN (a solution provider for embedded consumer and industrial applications), DUCATI (a provider of capacitors), E-LAB (an electronic product developer) and CRC (a specialty chemicals provider).

Since last year, the Group's subsidiary, MCU Power Ltd., has committed to expanding its professional MP3 application solution development and product design team to offer MP3 solutions, such as comprehensive interface design and innovative functionalities. Besides speeding up the production processes of MP3 manufacturers, this capability also raised the company's turnover rapidly from several million Hong Kong dollars during the previous year to around HK$100 million this year. Milliard Devices Ltd., another subsidiary of the Group actively introduced brands of high-quality electronic parts from Europe, the United States and Japan for deployment in the illumination and power-supply industries.

To expand its overall electronic components business further, the Group succeeded in obtaining exclusive rights to produce and sell wafer chips for radio-controlled cars worldwide for Actions, a major radio-controlled car wafer manufacturer in Asia. In addition, Actions offered the Group's personnel six months of training in knowledge management and associated technology, enabling the Group to establish a wafer production and packaging process team, and giving it the required knowledge and capability for wafer outsourced production and packaging processes. This has made the Group a major supplier of wafer chips for radio-controlled cars, and enables it to target numerous toy manufacturers in Hong Kong and China, who already accounted for over 90% of the global market. More importantly, it allows the Group to rapidly transform itself from a trader of electronic parts, components and equipment into a developing distributor that possesses its own intellectual properties.

Overseas Business

During the year under review, the businesses of the Group's overseas subsidiaries also grew rapidly. With the effective implementation of "Small Order Services" and the successful development of local services in Singapore, the Group's turnover in this market increased considerably. The performances of its Singapore and Malaysia subsidiaries were the most outstanding, with substantial increases in turnover of around 35% and 37%, respectively, compared to the previous fiscal year. As at 31st March 2005, the overall turnover of all the Group's overseas subsidiaries was approximately HK$72 million.

In terms of geographical segments, the turnover of each region was almost as great as in the corresponding period of last year; and the contributions of Hong Kong, the Asia-Pacific region (other than Hong Kong), South Africa, Europe and other regions, accounted for: 88%, 6%, 3%, 2% and 1% respectively of the Group's total turnover.

RETAIL SALES OF COMPUTER PRODUCTS AND ACCESSORIES

Following the positive market response to the VideoCom, which opened in August last year, this business model has since been extended to all its retail outlets. To increase profit margins, selected electronic consumer products priced at less than HK$100 were sold in special-offer corners in each retail outlet, while computer accessories and electronic consumer products continued to be sold in VideoCom. Furthermore, the new VideoCom logo reinforced the brand image of its retail electronic consumer products, while simultaneously strengthening the leading position of VideoCom. The Group expects the turnover of VideoCom to increase from 5% to 10% of the total turnover of the Group's computer products business.

As the market price of computer products declined continuously during the year under review, the Group gradually scaled down its computer hardware distribution business of A Plus 2 Computer Limited and shifted its focus onto promoting and selling its own MP3 brands, and Jt through A Power Limited. The Group's computer product and accessory business grew steadily, thanks to recovery of the Hong Kong and Macau economies. To cater for increasing demand for uninterrupted power supply (UPS) and computer security and maintenance services, as well as to reduce its operating costs, the Group re-allocated manpower from A Plus 2 Computer Limited to A Power Limited.

Furthermore, the Group continued to develop the VideoCom retail brand. By becoming an authorised exclusive distributor of Acer LCD monitors for retail outlets and a selection of the latest Acer notebook computer models, the Group strives to provide consumers with more choices of high-quality computer products.

DEVELOPMENT STRATEGY

Since the inception of its "Satellite Development Strategy", the Group has successfully transformed itself from a distributor of electronic parts, components and equipment into a professional agent and distributor that is capable of designing and developing application solutions. The Group's turnover was greatly increased by the comprehensive applications and services for its electronic products provided by the satellite companies under its umbrella.

On 1st January 2005, the Group was granted exclusive rights to produce and sell wafer chips carrying the brand name of Actions for radio-controlled cars worldwide. Using technology and knowledge-management training provided by Actions, the Group has formed a professional team and acquired the knowledge and capability required to manage outsourced production and packaging processes for wafer chips, which enabled it to become a distributor that owns the intellectual property rights of a brand.

To grasp opportunities in the MP3 market, one of the Group's satellite companies, MCU Power Ltd., has actively expanded its professional MP3 application solution development and product design team since April 2004; and this was instrumental in helping MP3 manufacturers to speed up the time-to-market for their new product models. Within the space of a few months, the turnover attributable to the Group's sale of MP3 chips grew rapidly, from several million Hong Kong dollars during the previous fiscal year to approximately HK$100 million during this year.

To ensure the stable and pragmatic growth of its computer products and accessories business, as well as to reduce its operating costs and logistics overheads, the Group gradually wound down the computer hardware distribution business of A Plus 2 Computer Limited and changed its strategy to focus on promotion and sales of its own MP3 brands, and Jt, through A

Power Limited. In addition, the Group continued to develop the VideoCom retail brand. By becoming an authorised exclusive distributor of Acer LCD monitors and a selection of the latest Acer notebook computer models, the Group strikes to provide more high-quality choices of computer products to consumers.

FUTURE OUTLOOK

The Group will continue to deploy its "Small Order Services" business model and further intensify Mobicon's "Satellite Development Strategy". Coupled with the expertise of its subsidiaries, the Group aims to expand its business, and offer more specialised and higher-quality products and services. In addition, the Group will continue to position Hong Kong as its central hub, while simultaneously developing local services in China and overseas markets.

In its electronic parts, components and equipment distribution business, the Group will continue to acquire more agent lines for electronic components, equipment and automation parts. It will also continue its efforts to unify and standardise its product database by increasing the existing 40,000 items on its price list to 70,000. It will also mass-produce and distribute product catalogues to its distributor partners. This will give distributors worldwide more convenient and efficient access to the most up-to-date and comprehensive product information and prices. With its vast array of products and professional one-stop procurement services, the Group aims to develop itself as an authorised distribution hub for various renowned brands, as well as further strengthen its relationships with distributors around the world.

The Group will continue to expand its computer products business, and increase the profit margin of its retail outlets and VideoCom. To meet continuing market demand for notebooks and LCD monitors, the Group has acquired exclusive distributorship rights for Acer LCD monitors and the latest selected Acer notebook computer models. It will also continue to develop its two retail brands, VideoCom and VideoCom, in order to expand its high-quality computer product retail business.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has a strong financial foundation. As at 31st March 2005, it had cash and bank balances of approximately HK$48 million (as at 31st March 2004: HK$30 million). About 1%, 3%, 3%, 2% and 15% of its total cash and bank balances were denominated in Singapore dollars, Chinese Renminbi, Malaysia Ringgit, South African Rand and US dollars respectively. The balance of approximately 76% was denominated in Hong Kong dollars. The Group's total assets amounted to approximately HK$352 million (as at 31st March 2004: approximately HK$300 million). Net assets per share amounted to HK$0.79 (as at 31st March 2004: approximately HK$0.69). Dividend earnings and basic earnings per share were HK$0.06 and HK$0.162 respectively (as at 31st March 2004: approximately HK$0.05 and HK$0.143, respectively).

As at 31st March 2005, the Group had banking facilities for overdrafts, loans and trade financing from several banks totalling approximately HK$202 million (as at 31st March 2004: HK$93 million), with an unused balance of approximately HK$122 million (as at 31st March 2004: HK$36 million).

The Directors believe the Group's existing financial resources are sufficient to fulfil its commitments and working capital requirements.

CAPITAL STRUCTURE

As at 31st March 2005, the total borrowings of the Group were HK$80 million (as at 31st March 2004: HK$57 million). These were in the form of short-term bank loans for financing the expansion and future development plans of its subsidiaries. The Group's bank borrowings were denominated in US dollars and Hong Kong dollars. These loans were secured by the Company's corporate guarantee of around HK$202 million (as at 31st March 2004: HK$103 million), with a maturity term of two to three months, and they can be rolled over afterwards at the Group's discretion. During the year, the Group's borrowings bore interest at rates ranging from 1.7% to 4.1% per annum (as at 31st March 2004: ranging from 1.3% to 4.3 % per annum).

GEARING RATIO

The Group's gearing ratio as at 31st March 2005 was 47.6% (as at 31st March 2004: 38.8%), which was measured on the basis of total borrowings of approximately HK$80 million (as at 31st March 2004: HK$57 million) as a percentage of total assets less current liabilities of approximately HK$168 million (as at 31 March 2004: HK$147 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Most of the Group's transactions were denominated in Hong Kong dollars, RMB and US dollars. Given that the exchange rate of Hong Kong dollars against the RMB has been and is likely to remain stable, and the HKSAR Government's policy of linking the Hong Kong dollars to the US dollars remains in effect, the directors consider that the Group's risk on foreign exchange will remain minimal. In order to properly hedge against its demand for US dollars, the Group has entered into a forward contract to buy US$500,000 per month at a rate of HK$7.75 for the coming eleven months. Other than that, as at 31st March 2005, the Group had no significant risk exposure pertaining to foreign exchange contracts, interest rates, currency swaps, or other financial derivatives.

CHARGES ON ASSETS

The Group did not have any charge on its assets as at 31st March 2005.

COMMITMENTS AND CONTINGENT LIABILITIES

During the year under review, the Group had entered into a foreign exchange contract as mentioned above and committed to buy US dollars on each specified monthly settlement date under the contract from 15th September 2004 to 15th February 2006. Pursuant to the contract, the Group is committed to buy US$500,000 in the event that the spot USD-HKD rate at expiration date is greater than or equal to the contract forward rate (i.e. US$1.00 = HK$7.75). Otherwise, the Group is committed to buy US$1,500,000 in the event that the spot USD-HKD rate at expiration date is less than the contract forward rate.

As at 31st March 2005, the Group had total outstanding operating lease commitments of approximately HK$13 million (as at 31st March 2004: HK$18 million). In view of the Group's high level of liquid funds, it is expected that the Group will be able to fulfill all these commitments without any difficulty.

The Group had no contingent liabilities as at 31st March 2005.

EMPLOYMENT, TRAINING AND REMUNERATION POLICY

As at 31st March 2005, the Group had 472 full-time employees. Employee salaries are based on individual work performance and seniority. The Group strongly believes that employees are the company's precious assets, and it therefore attaches great importance to staff training. In February 2005, the Group held its first Asian Sales Conference in Malaysia to introduce and share the Group's development strategies and product knowledge with its overseas staff. More than 60 staff members from Hong Kong, Malaysia, Singapore and South Africa gathered to exchange experience about the operation systems in the Group's different regional offices. The event greatly enhanced communication between local and overseas staff. The Group also encourage staff members to enrol for the "RoHS Compliance Management Seminar" organised by the City University of Hong Kong in May, in which provided them with an opportunity to learn more about the electronic product manufacturing industry and equip themselves better.

In order to commend their contributions to the Group and to boost their morale, the Group awards certificates to staff members in each department who perform outstandingly every quarter; and it announces these via the "Mobicon Walk" notice board in its office. Monthly birthday parties and festival parties are regularly held to strengthen the bonds between staff members and enhance their sense of belonging.

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

The Company has not redeemed any of its listed shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the year.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Society of Accountants.

The Audit Committee provides an important link between the Board and the company's auditors in matters coming within the scope of the group audit. It also reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluations. The Committee comprises three independent non-executive directors, namely Mr. Charles E. Chapman, Dr. Leung Wai Cheung and Mr. Chow Shek Fai. Two meetings were held during the current financial year.

CODE OF BEST PRACTICE

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that the independent non-executive directors are not appointed for specific terms. Instead, the independent non-executive directors are subject to retirement by rotation and re-election at annual general meeting in accordance with the Company's bye-laws.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 4 August 2005 (Thursday) to 5 August 2005 (Friday), both dates inclusive, during which no transfer of shares will be effected, and the final dividend will be paid on 18 August 2005 (Thursday). In order to qualify for the final dividend, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at its office situated at Shops 1712-1726, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 3 August 2005 (Wednesday).

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

This results announcement is published on the website of the Stock Exchange at www.hkex.com.hk. The annual report and the notice of annual general meeting will be despatched to shareholders of the Company in due course.

MEMBERS OF THE BOARD

As at the date of this announcement, the board of directors of the Company comprises Dr. Hung Kim Fung, Measure, Madam Yeung Man Yi, Beryl, Mr. Hung Ying Fung, Mr. Yeung Kwok Leung, Allix as executive Directors and Mr. Charles E. Chapman, Dr. Leung Wai Cheung and Mr. Chow Shek Fai as independent non-executive Directors.

By order of the Board
Hung Kim Fung, Measure
Chairman and Managing Director

Hong Kong, 7th July 2005

"Please also refer to the published version of this announcement in The Standard."