LINMARK

LINMARK GROUP LIMITED

林麥集團有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 915

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 APRIL 2005

FINAL RESULTS HIGHLIGHTS

- Profit after taxation amounted to approximately US$14.8 million (equivalent to HK$115.4 million).
- Turnover amounted to approximately US$89.8 million (equivalent to HK$700.4 million).
- Shipment volume amounted to approximately US$747.5 million (equivalent to HK$5,830.5 million).
- Declared a final dividend of 4.8 HK cents (equivalent to 0.62 US cent) per share.

AUDITED RESULTS

The board of directors ("Board" or "Directors") of Linmark Group Limited ("Company" or "Linmark") is pleased to announce that the audited consolidated results of the Company and its subsidiaries ("Group") for the year ended 30 April 2005, together with comparative figures for the previous year, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

	Notes	**2005** **US$'000**	2004 US$'000
Turnover	3	**89,837**	44,338
Cost of sales		**(41,513)**	(5,652)
Gross profit		**48,324**	38,686
Other operating income		**2,443**	2,947
Administrative expenses		**(35,112)**	(26,861)
Profit from operations	4	**15,655**	14,772
Finance costs		**(22)**	(4)
Gain on dissolution of subsidiaries		**13**	—
Share of loss of a joint venture		**(12)**	—
Profit before taxation		**15,634**	14,768
Taxation	5	**(880)**	(143)

	Note		
Profit for the year, attributable to equity holders of the Company		**14,754**	14,625
Dividends	6		
— Interim, paid		**2,208**	2,095
— Final, proposed		**4,008**	3,773
		6,216	5,868
Earnings per share (US cents)	7		
— Basic		**2.3**	2.3
— Diluted		**2.2**	2.2

Consolidated Balance Sheet

	Note	**At 30 April 2005** *US$'000*	At 30 April 2004 *US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	8	**3,119**	2,176
Goodwill		**42,446**	16,181
Deferred expenditure		**3,014**	3,014
Club membership		**83**	83
Investment in a joint venture		**170**	—
		48,832	21,454
CURRENT ASSETS			
Inventories		**55**	—
Trade receivables	9	**20,308**	10,535
Prepayments, deposits and other receivables		**3,709**	2,202
Short-term investment		**—**	109
Bank balances and cash		**27,323**	34,869
		51,395	47,715
CURRENT LIABILITIES			
Trade payables	10	**9,144**	923
Accruals and other payables		**6,588**	2,478
Short-term bank loan		**2,300**	—
Obligations under a finance lease		**—**	6
Balance of consideration payable for an acquisition of a subsidiary — due within one year		**1,987**	1,987
Balance of consideration payable for an acquisition of business and assets — due within one year	11	**4,474**	—
Tax payable		**1,454**	1,861

	Note		
		25,947	7,255
NET CURRENT ASSETS		**25,448**	40,460
TOTAL ASSETS LESS CURRENT LIABILITIES		**74,280**	61,914
NON-CURRENT LIABILITIES			
Balance of consideration payable for an acquisition of a subsidiary — due after one year		**1,987**	3,974
Balance of consideration payable for an acquisition of business and assets — due after one year	11	**5,205**	—
Post-employment benefits		**1,651**	1,272
Deferred tax liabilities		**118**	21
		8,961	5,267
NET ASSETS		**65,319**	56,647
CAPITAL AND RESERVES			
Share capital		**13,113**	13,090
Reserves		**52,206**	43,557
		65,319	56,647

Notes:

1. Adoption of International Financial Reporting Standards

In the current year, the Group has adopted International Financial Reporting Standards ("IFRS") No. 3 "Business Combinations", which becomes effective for the financial year beginning on or after 31 March 2004. IFRS No. 3 is applied prospectively and requires simultaneous adoption with International Accounting Standards ("IAS") No. 36 (revised 2004) "Impairment of Assets" and IAS No. 38 (revised 2004) "Intangible Assets". In previous years, goodwill is amortised on a straight-line basis over its useful life. Upon adoption of IFRS No. 3, the Group ceased amortisation of goodwill, accumulated amortisation of goodwill has been eliminated with a corresponding decrease in the cost of goodwill, and goodwill is tested annually for impairment in accordance with IAS No. 36.

2. Principal Accounting Policies

The consolidated financial statements have been prepared under the historical cost convention. Save as disclosed in Note 1, the accounting policies adopted are consistent with those adopted in the preparation of the Group's annual accounts for the year ended 30 April 2004.

3. Segmental Information

An analysis of the Group's revenue and profit for the year by principal activities and geographical markets is as follows:

By Principal Activities

	For the year ended 30 April 2005		
	Sales of merchandise	**Provision of services**	**Total**
	US$'000	***US$'000***	***US$'000***
REVENUE			
External revenue	**47,496**	**42,341**	**89,837**
SEGMENT RESULTS	**1,745**	**13,029**	**14,774**
Interest income			**1,321**
Unallocated corporate expenses			**(440)**
Finance costs			**(22)**
Gain on dissolution of subsidiaries			**13**
Share of loss of a joint venture			**(12)**
Profit before taxation			**15,634**
Taxation			**(880)**
Profit for the year			**14,754**

	For the year ended 30 April 2004		
	Sales of merchandise	Provision of services	Total
	US$'000	*US$'000*	*US$'000*
REVENUE			
External revenue	7,353	36,985	44,338
SEGMENT RESULTS	300	12,868	13,168
Interest income			2,160
Unallocated corporate expenses			(556)
Finance costs			(4)
Profit before taxation			14,768
Taxation			(143)
Profit for the year			14,625

By Geographical Markets

The following table provides an analysis of the Group's revenue by geographical location of customers:

	2005	2004
	US$'000	*US$'000*
Europe	**22,517**	6,047
United States	**20,386**	15,132
Australia	**11,860**	10
South Africa	**11,172**	684
Canada	**8,514**	12,168
Others	**15,388**	10,297
	89,837	44,338

4. Profit from Operations

Profit from operations has been arrived at after (crediting)/charging:

	2005	2004
	US$'000	*US$'000*
Interest income	**(1,321)**	(2,160)
Reimbursement income from customers	**(587)**	(224)
Amortisation of goodwill	**—**	379
Depreciation of property, plant and equipment	**1,188**	966

5. Taxation

Taxation charge comprises:

	2005	2004
	US$'000	*US$'000*
Hong Kong profits tax		
— current year	**665**	135
Income tax in other jurisdictions		
— current year	**112**	307
— under/(over) provision in prior years	**6**	(293)
Deferred taxation	**97**	(6)
	880	143

6. Dividends

On 16 January 2004, a dividend of 2.5 HK cents per share was paid to shareholders of the Company as the interim dividend for the year ended 30 April 2004. On 19 August 2004, a dividend of 4.5 HK cents per share was paid to shareholders of the Company as the final dividend for the year ended 30 April 2004.

On 10 January 2005, a dividend of 2.63 HK cents per share was paid to shareholders of the Company as the interim dividend for the year ended 30 April 2005.

The Directors recommend the payment of a final dividend of 4.8 HK cents per share in respect of the year ended 30 April 2005. Subject to shareholders' approval at the forthcoming annual general meeting, the final dividend will be paid in cash on or about 26 August 2005 to shareholders whose names appear on the register of members of the Company on 19 August 2005.

7. Earnings Per Share

The calculation of the basic earnings per share for the year ended 30 April 2005 is based on the profit attributable to equity holders of approximately US$14,754,000 (2004: US$14,625,000) and on the weighted average number of approximately 654,593,000 (2004: 650,598,000) shares in issue during the year.

The calculation of the diluted earnings per share for the year ended 30 April 2005 is based on the profit attributable to equity holders of approximately US$14,754,000 (2004: US$14,625,000) and on the weighted average number of approximately 663,986,000 (2004: 664,645,000) shares issued and issuable, comprising the weighted average number of approximately 654,593,000 (2004: 650,598,000) shares in issue during the year and the weighted average number of 9,393,000 (2004: 14,047,000) shares, as adjusted for the dilutive effect of share options outstanding during the year.

8. Movements in Property, Plant and Equipment

During the year ended 30 April 2005, the Group spent approximately US$2,296,000 (2004: US$1,207,000) on acquisition of property, plant and equipment, including approximately US$883,000 (2004: Nil) for acquisition of business and assets (*Note 11*).

9. Trade Receivables

The general credit terms granted to customers range from 60 to 90 days. The aging analysis of trade receivables is as follows:

	2005	2004
	US$'000	*US$'000*
0–30 days	**13,237**	7,813
31–60 days	**3,453**	1,429
61–90 days	**578**	337
Over 90 days	**3,649**	1,245
	20,917	10,824
Less: Allowance for doubtful debts	**(609)**	(289)
	20,308	10,535

10. Trade Payables

The aging analysis of trade payables is as follows:

	2005	2004
	US$'000	*US$'000*
0–30 days	**6,547**	425
31–60 days	**759**	214
61–90 days	**227**	154
Over 90 days	**1,611**	130
	9,144	923

11. Acquisition of the Business and Assets

On 19 November 2004, the Company entered into an agreement to acquire the business and specified assets and to assume the related liabilities of Tamarind International Limited (subsequently renamed as Stirling (HK) Limited), a company incorporated in Hong Kong. The acquisition completed on 31 December 2004.

The effect of the acquisition as at the date of completion is summarised as follows:

	US$'000
Property, plant and equipment	883
Trade receivables	9,749
Prepayments, deposits and other receivables	4,460
Bank balances and cash	39
Trade payables	(10,260)
Accruals and other payables	(1,534)
Post-employment benefits	(131)
Net assets acquired	3,206
Goodwill arising on acquisition	26,265
Cash consideration and expenses directly attributable to the acquisition	29,471
Consideration and expenses paid	19,792
Consideration payable due within one year	4,474
Consideration payable due after one year	5,205
	29,471

12. Related Party Transactions

During the year under review, the Group had the following related party transactions:

Identity of related parties	*Notes*	Nature of transactions	**2005**	2004
			US$'000	*US$'000*
Turmar Limited	(i)	Rental expense	**131**	131
Subsidiaries of Roly	(i)	Rental expense	**67**	86
International Holdings Ltd.	(ii)	Sales of merchandise	**14**	13
Premier Consultants Limited	(iii)	Consultancy fee	**31**	14
Digitech Holdings Limited	(iii)	Consultancy fee	**15**	7

Turmar Limited is a company owned by Mr. WANG Lu Yen, a director of the Company, and his spouse.

Subsidiaries of Roly International Holdings Ltd. are the fellow subsidiaries of the Company.

Premier Consultants Limited and Digitech Holdings Limited are 100% and 80% respectively, owned by Mr. Barry Richard PETTITT, a director of ISO International (Holdings) Limited, a wholly owned subsidiary of the Company.

Notes:

(i) Rental expense was determined based on market rate and floor area.

(ii) Sales were based on cost plus a percentage of profit mark-up.

(iii) Consultancy fee was charged in accordance with the terms of agreements made between the parties.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

For the year ended 30 April 2005, the Group recorded a higher shipment volume of approximately US$747.5 million (equivalent to HK$5,830.5 million), representing an increase of approximately 4.7% as compared with last year. Shipment volume in the second half of the financial year was undermined by the weakened consumer demand in the North American markets. In addition, temporary changes in our customers' buying strategy resulted in order delays or in some cases cancellation due to uncertainty caused by China's WTO accession.

The Group's turnover surged approximately 102.6% to approximately US$89.8 million (equivalent to HK$700.4 million). The increase was mainly contributed by the Group's newly acquired business of Tamarind (as defined below). Tamarind, operating under a trading model, contributed a significantly higher turnover from the sales of merchandise than Linmark itself. Therefore, the Group's trade receivables and trade payables grew significantly post Tamarind acquisition.

Operating expenses increased approximately US$8.3 million (equivalent to HK$64.7 million) to approximately US$35.1 million (equivalent to HK$273.8 million). The additional operating expenses of approximately US$3.2 million (equivalent to HK$25.0 million) was incurred by the newly acquired businesses. Less that related to the acquisitions, the additional staff costs of the Group increased by approximately US$3.5 million (equivalent to HK$27.3 million).

During the year under review, the Group hired more professionals in China and the Indian Sub-Continent and for the five marketing offices in North America and Europe. The return of the marketing offices was less than expected in their first year of operation. Although the French and Los Angeles offices exceeded their targets, the Toronto, New York and Manchester offices failed to generate significant additional business and were closed. This is expected to cause a saving to the Group of approximately US$1.0 million (equivalent to HK$7.8 million) in the next financial year. Tightening the expense control, the Group expects to achieve growth for its core business in financial year 2006 without incurring additional costs.

The increase of expenses and reduction of interest income impacted the growth of the Group's profit. The Group's profit after tax amounted to approximately US$14.8 million (equivalent to HK$115.4 million). Net profit after tax as a percentage of shipment volume was maintained at approximately 2.0%. Basic earnings per share was maintained at approximately 2.3 US cents (equivalent to 17.9 HK cents).

Segmental Analysis

The acquisition of Tamarind business provided Linmark with a more balanced geographic footprint, putting the southern hemisphere, namely Australia and South Africa, within the Group's direct access.

The acquisition of the new businesses increased our business in the European market significantly and it overtook US as the Group's largest revenue contributor in terms of turnover. During the year under review, turnover from the European market increased from approximately US$6.0 million (equivalent to HK$46.8 million) to approximately US$22.5 million (equivalent to HK$175.5 million), representing approximately 25.1% of the Group's total turnover. US represented approximately 22.7% of the total turnover, followed by Australia with an approximately 13.2% of total turnover. South Africa accounted for approximately 12.4% and Canada approximately 9.5%. The Group will continue with its diversification strategy to forge more extensive geographical reach.

The Group's strategy to boost its value-added services of higher margins such as its design and social compliance auditing service has been effective. During the year under review, contribution from value-added services represented approximately 36.2% of the Group's net profit after tax compared to approximately 25.3% in financial year 2004.

For the year under review, the turnover from hardgoods business amounted to approximately US$12.4 million (equivalent to HK$96.7 million), approximately 51.8% higher than that of the previous financial year mainly due to the newly acquired businesses.

Acquisition

The Group completed the acquisition of the business and specified assets and assumption of related liabilities of Tamarind International Limited (subsequently renamed as Stirling (HK) Limited, "Tamarind") on 31 December 2004. Tamarind is an integrated sourcing services provider principally engaged in the design and sourcing of goods ranging from apparel to fashion accessories, toys, homewares, gifts and jewellery.

Tamarind has a mixed customer portfolio, including a number of major customers from Europe, South Africa and Australia, thereby allowing the Group to diversify its reliance on markets in North America. The Tamarind acquisition also allows the Group to capture maximum synergistic benefits from cross selling and resources sharing.

The maximum purchase price for the Tamarind acquisition of approximately US$29.1 million (equivalent to HK$226.6 million) will be settled by one initial payment in cash and three subsequent installments over a three-year period. The Group has made the initial payment of approximately US$19.4 million (equivalent to HK$151.1 million) and the three subsequent installments are subject to downward adjustments according to certain performance benchmark levels.

China Developments

Despite the uncertainties ahead in the China apparel industry, it is clear that China will become one of the most important sourcing hubs in the years to come. The China market offers both challenges and opportunities to all market players. To prepare the best for future opportunities, the Group has been deepening sourcing penetration of the China market and its partnership with Chinese authorities. On top of adding two new offices in Guangzhou and Qingdao to strengthen the sourcing network, Linmark has been working with the China National Textile & Apparel Council ("CNTAC"), the national federation of all textile related industries in China, and the China Textile Information Center ("CTIC") to develop a Code of Conduct in Social Compliance for the textile industry in China. A joint venture company with CTIC was formed to provide services such as textile testing services and social compliance auditing.

To further strengthen the Group's presence in the retail industry in China, Linmark co-hosted, through its parent company Roly International Holdings Ltd., for the third time, the China Department Store Summit 2005 in Beijing in March 2005. The summit has become one of the most distinguished annual events for the retail industry in China. It also presented overseas companies with a platform to exchange ideas with Chinese retailers. For Linmark, the annual summit is an important channel to further strengthen the Group's position as the bridge between the retail markets in China and overseas.

Recognition in Corporate Governance

Linmark was named one of the top ten Hong Kong listed companies with the best corporate governance practice in September 2004. The survey undertaken by the City University of Hong Kong and sponsored by the Hong Kong Institute of Directors was based on international standards and the Hong Kong Exchanges and Clearing Limited's Recommended Best Practice for Corporate Directors. Some of the best performing companies include Hong Kong based blue-chips corporations, banks and utility companies.

Repurchase of Shares

In addition to general business development, during the year under review, the Company repurchased 1,902,000 shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") at an average price of approximately HK$2.78 per share. The share buyback reflected management's confidence in the future development of the Group's business. Furthermore, it also enhanced earnings per share of the Company.

Financial Review

After the initial payment of approximately US$19.4 million (equivalent to HK$151.1 million) for the Tamarind acquisition, the Group's financial position remains strong with bank balances and cash of approximately US$27.3 million (equivalent to HK$212.9 million) as at 30 April 2005. In addition, the Group has total banking facilities of approximately US$41.7 million (equivalent to HK$325.3 million).

Following the Tamarind acquisition, the Group's current ratio changed from 6.6 as at 30 April 2004 to 2.0 as at 30 April 2005. The Group has a low gearing ratio of less than 0.04, based on the interest bearing borrowing of approximately US$2.3 million (equivalent to HK$17.9 million) and shareholders' equity of approximately US$65.3 million (equivalent to HK$509.3 million) as at 30 April 2005. During the year under review, the Group's capital comprised solely shareholders' equity. There has not been any material change in the Group's borrowings since 30 April 2005.

The Group's net asset value as at 30 April 2005 was approximately US$65.3 million (equivalent to HK$509.3 million).

As at 30 April 2005, pledges of bank deposits amounted to approximately US$5.0 million (equivalent to HK$39.0 million) to cover banking facilities in the ordinary course of business. The Group had no material contingent liability and there has been no material change since then.

The majority of the Group's transactions are denominated in US dollars and Hong Kong dollars. Since the Hong Kong dollar is pegged to US dollar, management believes that exchange risk is not significant at this time.

Remuneration Policy and Staff Development Scheme

As at 30 April 2005, the Group had 1,101 staff. The total staff costs for the year under review amounted to approximately US$22.7 million (equivalent to HK$177.1 million) (2004: US$16.9 million (equivalent to HK$131.8 million)). The Group offers competitive remuneration schemes to its employees based on industry practices, individual and the Group's performance. In addition, share options and discretionary bonuses are also granted to eligible staff based on both the Group's as well as individual performance. It also offers fringe benefits such as professional tuition and training subsidies to staff to enhance their sense of loyalty and as part of the Group's emphasis on staff training and development.

Prospects

Looking ahead, the uncertainties surrounding China's apparel export and the re-valuation of the Renminbi are expected to continue. Nevertheless, supported by its widespread sourcing network, the Group will continue to grasp business opportunities and offer comprehensive sourcing services to our international customers. At the same time, the Group is committed to controlling operating expenses so as to reap maximum benefits from using its global sourcing network cost effectively.

In May 2005, a major customer reached a new sourcing arrangement with Linmark. Warnaco Inc ("Warnaco"), who for the year under review is accounted for almost 11.8% of the Group's turnover, decided to expand its direct sourcing capabilities, after experiencing sales growth with the help of Linmark. Under the new arrangement, Linmark will work with and assist Warnaco in implementing its China sourcing plan over the next year. Linmark will continue to exclusively source for Calvin Klein Jeans®, Chaps Ralph Lauren® and Speedo® offshore. The increased presence of Warnaco in China will call for additional on-the-ground support for its direct sourcing needs. Thus, Warnaco intends to continue using all of the Group's value-added services such as compliance auditing and trims and packaging sourcing services inside and outside of China.

The Group does not expect the change of Warnaco's sourcing arrangement to have any material impact on it in the next financial year. With a global network covering 37 cities in 25 countries and territories, Linmark is capable of providing top-tier global customers tailored sourcing solutions that meet their changing needs and strategic business directions.

Given that more international players are starting or increasing sourcing in China, the Group is positioning itself as the bridge between foreign apparel markets and the Chinese textile industry to grasp business opportunities. Linmark will continue the partnership with the CNTAC and CTIC and provide quality social compliance auditing services to manufacturers in China. Supported by the Group's extensive experience in auditing and certifying manufacturing facilities in many countries on behalf of well-known brands and retailers, the China Code of Conduct in Social Compliance it developed with CNTAC and CTIC will help the textile industry in China to gain recognition by the overseas apparel markets.

Linmark sees four major growth drivers for the future. Firstly, we will continue to implement our diversification strategy including continuing to expand our hardgoods business. Secondly, Linmark will further its business in Europe through ISO International (Holdings) Limited and Tamarind. Thirdly, the Group will also remain open to merger and acquisition opportunities to help accelerate its growth. Lastly, expansion of value-added services will also be one of its key pursuits. In this connection, the Group plans to set up two design or development hubs and testing laboratory to strengthen the service scope of the value-added services business.

Based on the current assessment, management maintains an overall positive view on the Group's performance for the next financial year.

DIVIDENDS

An interim dividend of 2.63 HK cents per share was declared and paid during the year under review.

The Directors recommend the payment of a final dividend of 4.8 HK cents per share in respect of the year ended 30 April 2005. Subject to shareholders' approval at the forthcoming annual general meeting, the final dividend will be paid in cash on or about 26 August 2005 to shareholders whose names appear on the register of members of the Company on 19 August 2005.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 August 2005 to 19 August 2005, both days inclusive. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrars of the Company, Standard Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4.30 p.m. on 16 August 2005.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 30 April 2005, the Company repurchased 1,902,000 shares on the Stock Exchange. These shares were cancelled or deemed to have been cancelled on the date of repurchase.

Details of such repurchase are as follows:

Month of repurchase	Number of shares repurchased	Price paid per share		Aggregate price paid
		Highest	Lowest	
		HK$	*HK$*	*HK$'000*
May 2004	538,000	2.950	2.500	1,465
December 2004	400,000	2.700	2.700	1,084
January 2005	438,000	2.800	2.775	1,226
February 2005	100,000	2.925	2.925	294
March 2005	150,000	2.950	2.950	444
April 2005	276,000	2.975	2.700	779
	1,902,000			5,292

Save as disclosed above, at no time during the year ended 30 April 2005 was there any purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares.

REVIEW OF RESULTS

The audit committee, comprising the three independent non-executive Directors referred to below, has reviewed with management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the report to the audit committee for audited financial statements of the Group for the year ended 30 April 2005 issued by the external auditors of the Company.

The audit committee has also reviewed the terms and conditions of connected transactions of the Company took place during the year under review.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises six executive Directors, being Mr. WANG Lu Yen (Chairman), Mr. Steven Julien FENIGER (Chief Executive Officer), Mr. FU Jin Ming, Patrick, Mr. WONG Wai Ming, Mr. KHOO Kim Cheng and Mr. KWOK Chi Kueng and three independent non-executive Directors, being Mr. WANG Arthur Minshiang, Dr. WOON Yi Teng, Eden and Mr. TSE Hau Yin, Aloysius.

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on the Stock Exchange (in force prior to 1 January 2005 and applicable to results announcement in respect of accounting periods commencing on or before 1 January 2005) throughout the year under review.

PUBLICATION OF THE RESULTS ON THE STOCK EXCHANGE'S WEBSITE

A detailed results announcement containing all the information required under paragraphs 45(1) to 45(3) inclusive of Appendix 16 to the Listing Rules in force prior to 31 March 2004, which remain applicable to results announcements in respect of accounting periods commencing before 1 July 2004 under the transitional arrangements, will be published on the Stock Exchange's website in due course.

By Order of the Board
WANG Lu Yen
Chairman

Hong Kong, 28 June 2005

Principal Place of Business in Hong Kong:
20th Floor, Office Tower One
The Harbourfront, 18 Tak Fung Street
Hunghom, Kowloon, Hong Kong

* *For identification purpose only*

Please also refer to the published version of this announcement in the ***(The Standard)***