

MINTH **敏實集團**

MINTH GROUP LIMITED

敏實集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 425)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

FINANCIAL HIGHLIGHTS

- Turnover rose by approximately 46% to RMB678.6 million (2004: RMB464.2 million)
- Gross profit rose by approximately 46% to RMB272.0 million (2004: RMB186.5 million)
- Net profit attributable to equity holders of the Company rose by approximately 58% to RMB195.1 million from RMB123.1 million in 2004
- Earnings per share rose to RMB0.315 (2004: RMB0.205)
- Proposed final dividend of HK\$0.033 per share
- CAPEX rose by approximately 53% to RMB152.2 million from RMB99.4 million in 2004
- Consolidated net asset value increased by approximately 126% to RMB972.8 million from RMB430.8 million, due mainly to proceeds from the Company's initial public offering
- Total interest debts was RMB230.3 million compared to RMB146.4 million in 2004
- Total interest bearing debts to total assets and total interest bearing debts to shareholder's equity improved to 16% and 24% respectively, (2004: 18% and 37% respectively)

The board of directors (the "Board" or "Directors") of Minth Group Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2005, together with the comparative figure for the year ended 31 December 2004.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2005

	<i>Notes</i>	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Turnover	<i>1</i>	678,606	464,178
Cost of goods sold		(406,641)	(277,640)
Gross profit		271,965	186,538
Other income		23,545	21,142
Distribution and selling expenses		(15,402)	(7,771)
Administrative expenses		(72,455)	(46,793)
Interest on bank borrowings wholly repayable within five years		(9,088)	(2,107)
Share of profits of an associate		11,722	–
Profit before taxation		210,287	151,009
Taxation	<i>2</i>	(12,179)	(6,251)
Profit for the year		198,108	144,758
Attributable to:			
Equity holders of the Company		195,067	123,091
Minority interests		3,041	21,667
		198,108	144,758
Dividends	<i>3</i>	164,903	109,562
Distribution	<i>3</i>	40,303	–
Earnings per share – basic	<i>4</i>	0.315	0.205

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER, 2005

	<i>Notes</i>	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		459,318	335,153
Lease premium for land		47,365	44,618
Intangible assets		11,186	7,571
Investment in a joint controlled entity		8,071	–
Interest in an associate		31,233	–
		<u>557,173</u>	<u>387,342</u>
Current assets			
Lease premium for land		1,096	1,088
Inventories		175,940	111,634
Trade and other receivables	5	199,531	214,523
Amounts due from related companies		–	9,620
Amount due from a director		–	21,256
Pledged bank deposits		7,856	3,091
Bank balances and cash		465,540	86,380
		<u>849,963</u>	<u>447,592</u>
Current liabilities			
Trade and other payables	6	203,134	141,829
Amounts due to related companies		–	20,982
Dividend payable to equity holders of the Company		–	76,886
Taxation payable		956	–
Short-term bank loans		114,695	146,355
Other loan		–	18,066
		<u>318,785</u>	<u>404,118</u>
Net current assets		<u>531,178</u>	<u>43,474</u>
Total assets less current liabilities		<u>1,088,351</u>	<u>430,816</u>
Non-current liabilities			
Long-term bank loans		115,557	–
Net assets		<u>972,794</u>	<u>430,816</u>
Capital and reserves			
Share capital		86,345	236,483
Reserves		861,280	154,271
Equity attributable to equity holders of the Company			
Minority interests		947,625	390,754
		25,169	40,062
Total equity		<u>972,794</u>	<u>430,816</u>

GROUP REORGANIZATION

The Company was incorporated on 22 June 2005 as an exempted company with limited liability in Cayman Islands. Pursuant to a reorganization (the “**Reorganization**”) as disclosed in the prospectus of the Company dated 22 November 2005 to rationalise the structure of the Group in preparation for the listing of the Company’s share on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company became the holding company of the companies now comprising the Group on 30 June 2005. The Company acts as an investment holding company with its subsidiaries engaged in the design, manufacture and sales of body structural parts, decorative parts and rim for passenger cars.

SIGNIFICANT ACCOUNTING POLICY

The consolidated financial statements have been prepared under the historical cost convention, with the exception of certain financial instruments which are measured at fair value and in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA. The consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Notes

1. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the year.

Business segments

The Group’s operation is regarded as a single business segment, being engaged in the design, manufacture and sales of exterior automobile body parts.

Geographical segments

As over 90% of the consolidated turnover and operating results of the Group for the Relevant Periods is derived in the PRC, an analysis of the consolidated turnover and operating results of the Group by business and geographic location is not presented.

No geographic segments information of the Group’s assets and liabilities is shown as the Group’s assets and liabilities are substantially located in the PRC.

2. TAXATION

The charge represents PRC income tax calculated at the applicable rates in accordance with the relevant laws and regulations in the PRC.

Pursuant to the relevant laws and regulations in the PRC, certain of the Group’s PRC subsidiaries and associated companies are entitled to exemption from PRC income tax for the two years commencing from their first profit making year of operation and thereafter, these PRC companies will be entitled to a 50% relief from PRC income tax for the following three years (“**Tax Holidays**”).

The charge for the year is reconciled to the profit before taxation as follows:

	2005		2004	
	RMB'000	%	RMB'000	%
Profit before taxation	210,287		151,009	
Tax at the applicable income tax rate	(31,543)	(15.0)	(22,651)	(15.0)
Additional tax credit on qualified research and development costs	4,385	2.1	1,948	1.3
Tax effect of expenses not deductible for tax purposes	(500)	(0.2)	(525)	(0.3)
Tax effect of tax losses not recognized	–	–	(489)	(0.3)
Effect of Tax Holidays	16,552	7.8	15,503	10.2
Tax effect of different tax rates of subsidiaries	(185)	(0.1)	153	0.1
Others	(888)	(0.4)	(190)	(0.1)
Tax charge and effective tax rate for the year	<u>(12,179)</u>	<u>(5.8)</u>	<u>(6,251)</u>	<u>(4.1)</u>

The applicable income tax rate of 15% is the domestic rate in the respective regions where the operations of the Group are substantially based.

No deferred taxation was provided at 31 December 2005 and 2004 as the amounts involved were not significant.

3. DIVIDENDS/DISTRIBUTION

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Name of the companies		
The Company	49,988	–
Chongqing Changtai Automobile Spare Parts Co., Ltd.	5,406	3,570
Guangzhou Minhui Automobile Parts Co., Ltd.	54,377	6,903
Relevant Business of Ningbo Guoya Machines Co., Ltd	23,097	30,552
Ningbo Shin Tai Machines Co., Ltd.	50,510	72,036
	<u>183,378</u>	<u>113,061</u>
<i>Less:</i> Dividends to minority owners of subsidiaries	18,475	3,499
	<u>164,903</u>	<u>109,562</u>

Dividends of the Company were declared prior to the listing and other dividends represented the dividends of the subsidiaries declared for prior years' distributable profits to their owners before the Reorganization.

Distribution represents a deemed distribution of the retained profits of Ningbo Guoya as at 30 June 2005 to Mr. Chin Jong Hwa during the Reorganization.

4. EARNINGS PER SHARE

The calculation of the basic per share attributable to the equity holders of the Company is based on the following data:

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Earnings for the purpose of basic earnings per share (profit for the year attributable to equity holders of the Company)	<u>195,067</u>	<u>123,091</u>
	Number of ordinary shares	
	2005	2004
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>618,465,753</u>	<u>600,000,000</u>

For the purpose of basic calculation of basic earnings per share, the weighted average number of 600,000,000 shares in issue assumed that the Reorganization had taken place on 1 January 2004.

No diluted earnings per share has been presented for both 2005 and 2004 as there were no dilutive potential ordinary shares in both years.

5. TRADE AND OTHER RECEIVABLES

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Trade receivables		
– related companies	–	36,140
– associate	10,637	–
– third parties	139,669	96,326
	<u>150,306</u>	<u>132,466</u>
Bills receivables	22,468	42,100
	<u>172,774</u>	<u>174,566</u>
Prepayment for purchase of raw materials	19,499	18,256
Advances to suppliers	–	230
Other receivables	7,258	21,471
	<u>199,531</u>	<u>214,523</u>

Payment terms with customers are mainly on credit. Invoices are normally payable from 60 days to 90 days from the time when the goods are verified and accepted by customers. The following is an aged analysis of trade receivables and bills receivables at the balance sheet date:

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Age		
0 – 90 days	167,228	137,550
91 – 180 days	2,138	27,410
181 – 365 days	3,347	6,261
1 – 2 years	489	4,993
Over 2 years	7,125	7,866
	<u>180,327</u>	<u>184,080</u>
Allowance for bad and doubtful debts	(7,553)	(9,514)
	<u><u>172,774</u></u>	<u><u>174,566</u></u>

The Directors consider that the carrying amounts of trade and other receivables approximate their fair values.

6. TRADE AND OTHER PAYABLES

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Trade payables		
– associate	1,244	8,070
– third parties	80,398	65,883
	<u>81,642</u>	<u>73,953</u>
Bills payables	31,147	14,250
	<u>112,789</u>	<u>88,203</u>
Payroll and welfare payables	14,569	9,870
Advance payment from customers	10,639	2,968
Consideration payable of acquisition of property, plant and equipment	40,390	30,195
Dividend payable to minority owners of subsidiaries	2,390	2,299
Other payables	22,357	8,294
	<u><u>203,134</u></u>	<u><u>141,829</u></u>

The following is an aged analysis of trade payables and bills payable at the balance sheet date:

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>
Age		
0 to 90 days	110,427	78,310
91 to 180 days	1,692	4,340
181 to 365 days	153	254
1 – 2 years	497	3,099
Over 2 years	20	2,200
	<u>112,789</u>	<u>88,203</u>

The Directors consider that the carrying amounts of trade and other payables approximate their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry overview

During the financial year under review, the Group continued to focus on the design, manufacture and sales of trim, decorative parts and body structural parts for the auto parts industry in the PRC. The Chinese passenger car market recovered and grew rapidly in 2005, with approximately 19% increase in production and approximately 21% increase in sales over last year.

With the rapid industry growth, increased competition and the fluctuation in steel supply, the capabilities of technology, quality and cost control have become all the more important in the auto parts industry.

During the financial year under review, the Group was able to consolidate its strong position in the market by strengthening its customer selection, research and development, centralized procurement, interactive approach with its suppliers, stringent production management and system standards.

Results

For the financial year ended 31 December 2005, the Group achieved a total turnover of RMB678,606,000, representing a growth of approximately 46.2% as compared to RMB464,178,000 in 2004. The turnover for trims, decorative parts and body structural parts were RMB158,464,000, RMB157,691,000 and RMB286,271,000 respectively, representing approximately 23.3%, 23.2% and 42.2% of the total turnover. There was a significant growth in the body structural part and decorative product categories. The profit attributable to equity holders of the Company was RMB195,067,000, a surge of approximately 58.5% from 2004. The gross margin was approximately 40.1%, similar to the one in 2004. The negative effects of falling prices were offset by the localization of raw materials purchases and the launching of new products.

Product sales

In 2005, the Group continued to focus on its three main product categories and supply to the top 6+3 global auto makers. Most of the Group's sales were generated in the PRC. The Group's export ratio increased from 5.0% in 2004 to 8.9% in 2005.

Turnover analysis by product category

Product category	2003		2004		2005	
	RMB'000	%	RMB'000	%	RMB'000	%
Trims	82,069	27.5	127,500	27.5	158,464	23.3
Decorative parts	49,266	16.5	63,119	13.6	157,691	23.2
Body structural parts	57,056	19.1	169,529	36.5	286,271	42.2
Others (NB)	110,442	36.9	104,199	22.4	76,417	11.3
Total	298,833	100	464,347	100	678,842	100
Less: Sales tax	(57)		(169)		(231)	
Total Turnover	<u>298,776</u>		<u>464,178</u>		<u>678,606</u>	

NB: Includes PVC, moulds, headliner and others.

Turnover by customer group

Customer group	2003		2004		2005	
	RMB'000	%	RMB'000	%	RMB'000	%
Japanese automakers	125,989	42.2	303,100	65.3	463,782	68.3
EU automakers	12,181	4.1	21,479	4.6	66,152	9.7
US automakers	14,792	4.9	25,722	5.5	60,546	8.9
Chinese automakers	41,117	13.8	39,477	8.5	56,892	8.4
Others (Note 1)	104,754	35	74,569	16.1	31,465	4.7
Total	298,833	100	464,347	100	678,837	100
Less: Sales tax	(57)		(169)		(231)	
Total turnover (Note 2)	<u>298,776</u>		<u>464,178</u>		<u>678,606</u>	

Note 1: Apart from automakers, the Group also serves other auto parts producers and trading companies. These may include joint ventures set up by multinational automakers in China.

Note 2: The total turnover includes export of RMB10,148,000, RMB23,134,000 and RMB60,750,000 in 2003, 2004 and 2005 respectively.

The Group has continued to expand the production of its key product categories. In 2005, the three main product categories achieved a turnover of RMB602,426,000, or approximately 88.7% of the total turnover, representing a growth of approximately 11.1% over the one in 2004's ratio.

In 2005, Japanese automakers accounted for a turnover of RMB463,782,000 or approximately 68.3% of the total turnover and representing a ratio growth of approximately 3.0% as compared to the figure in 2004. European automakers accounted for a turnover of RMB66,152,000 or approximately 9.7% of the total turnover with a ratio growth of approximately 5.1% as compared to the figure in 2004. American automakers accounted for a turnover of RMB60,546,000 or approximately 8.9% of the total turnover and representing a ratio growth of approximately 3.4% as compared to the figure in 2004.

Cost of goods sold

Cost of goods sold in 2005 totaled RMB406,641,000 (2004: RMB277,640,000). Direct materials, direct labor and overhead accounted for approximately 68.2% (2004: 70.2%), 4.5% (2004: 5.3%) and 27.3% (2004: 24.5%), respectively, of the total cost of goods sold in 2005.

Gross profit

The gross profit for the financial year ended 31 December 2005 amounted to RMB271,965,000, representing a growth of approximately 45.8% as compared to the gross profit of RMB186,538,000 in 2004. The gross margin remained stable, dropping slightly from approximately 40.2% in 2004 to approximately 40.1% in 2005. The gross profit margin remained fairly stable because the negative effects of falling prices were offset by localizing raw materials purchases and the launching of new products.

Other income

Other income amounted to RMB23,545,000 in 2005, up approximately 11.4% from RMB21,142,000 million in 2004.

Distribution and selling expenses

Distribution and selling expenses amounted to RMB15,402,000 in 2005, an increase of approximately 98.2% from RMB7,771,000 in 2004. This was attributed to increases in export sales which required correspondingly more logistics expenses and efforts in developing new markets, especially those in the overseas, as well as the increase in the number of staff, wages and travel expenditure.

Administrative expenses

Administrative expenses amounted to RMB72,455,000 in 2005, an increase of RMB25,622,000 from RMB46,793,000 in 2004. This was attributed to the expanded scale of the Group's operations, the increase in the number of administrative staff, improvement on welfare and benefits and listing expenses.

Interest on bank borrowings

The Group's interest on bank borrowings for 2005 was approximately RMB9,088,000, an increase of RMB6,981,000 from RMB2,107,000 in 2004. This was mainly due to an increase in the Group's bank loan balance.

Taxation

For the financial year ended 31 December, 2005, the Group's taxation was approximately RMB12,179,000 (2004: RMB6,251,000), with an effective tax rate of approximately 5.8% (2004: 4.1%). This represented an increase of approximately 94.8%. The increase was mainly due to an increase in the Group's profits and expiry of tax-free period for Guangzhou Minhui.

Profit attributable to the shareholders of the Company

Profit attributable to the shareholders of the Company for 2005 was about RMB195,067,000, an increase of approximately 58.5%, as compared to RMB123,091,000 in 2004. The net profit margin was approximately 28.7%, an increase of approximately 2.2% from 26.5% in 2004.

Minority interests

The Group's minority interests for 2005 amounted to about RMB3,041,000, a decrease of 86% from RMB21,677,000 in 2004. The main reason is that the Group reached an agreement with a subsidiary minority shareholder that the Group paid a fixed sum to the minority shareholder in exchange for all dividends it is entitled for four years ending 31 December 2008.

Dividends

A Dividend declared by the Group was RMB164,903,000 for 2005 and RMB109,562,000 for 2004, representing an increase of 50.5%. A final dividend of HK\$0.033 per ordinary share of the Company is recommended, amounting to HK\$27,390,000.

Financial data

For the financial year ended 31 December 2005, cash and bank balance increased from RMB86,380,000 to RMB465,540,000, such increase was mainly attributable to the proceeds from the Company's listing and operational results for 2005.

During the financial year review, the current ratio also increased from 1.1 to 2.7.

Inventories turnover days reduced to 94 days in 2005 from 104 days in 2004, mainly due to the Group's improved inventory control.

Due to the Group's increased control on accounts receivable, receivables turnover days reduced from 93 days in 2004 to 80 days in 2005.

Payables turnover days reduced to 77 days in 2005 from 106 days in 2004, which mainly resulted from the Group's efforts on new supplier development in order to reduce purchase cost. The new suppliers requested for relatively shorter credit period because of the relatively new purchasing relations. On the other hand, many current suppliers requested for price increase due to the increase in raw material cost. The Group refused to increase its purchase costs but agreed to shorten the credit period in order to obtain better terms with its current suppliers.

On the whole, the Group closely supervised liquidity with a view to maintaining a well-balanced capital structure.

Capital commitments

As at 31 December 2005, the Group has the following commitments:

	<i>(RMB'000)</i>
Operating lease arrangements	1,997
Capital commitments	50,320

Operating lease arrangements refer to minimum rental payments on land lease commitments. Capital commitments refer to contracts signed on purchases of property plants and equipment which had not been recognized as the Company's assets as at the end of the financial year 31 December 2005.

Interest rate and foreign exchange risks

Majority of the Group's sales and procurements are calculated in Renminbi. In order to mitigate the foreign currency risk, management will closely monitor such risks and consider hedging significant foreign currency exposure should the need arise.

As of 31 December 2005, the Group's bank loan balance was about RMB 230,252,000, of which about RMB 149,452,000 was denominated in U.S. dollars with floating interest rate. The exchange rate fluctuation of U.S. dollars relative to RMB represents a foreign exchange risk.

Contingent liabilities

The Group had no contingent liabilities as at 31 December 2005.

Capital expenditure

During the year ended 31 December 2005, the Group's investment in property, plant and equipment, construction in progress and land use rights amounted to RMB152,218,000. These capital investments were attributed to the expansion of its production facilities in order to meet increasing demands from customers.

Net proceeds from initial public offering

Net proceeds from the Initial public offering were approximately RMB508,007,000. As the Company was listed on the Hong Kong Stock Exchange on 1 December 2005, the Group has not utilised much of the proceeds from the initial public offering. Substantially all of the proceeds have been placed in the Company's bank accounts in Hong Kong and mainland China; except for a small portion that has been used for working capital in expanding operations scale and capital expenditure.

Employee and remuneration policies

As at 31 December, 2005, the Group had 1,841 employees, increased 577 from 2004. Total employee cost in 2005 accounted for 10% (8% in 2004) of the Group' total turnover.

The Group provides employees with such welfare as medical treatment insurance and pension according to the continuous and stable human resources administration policy.

FUTURE DEVELOPMENT

Market

Although there was a slight decrease in the growth of the Chinese automotive industry in 2004, the industry recovered and had a rapid growth both in output and sales in 2005. It is anticipated that in the next ten years, the Chinese automotive industry will remain the world's fastest growing market. Although there might be short-term market fluctuations or fluctuations in certain sectors, the overall growth momentum is expected to remain strong. The Group will continue to select clients with growth potentials. In order to meet the needs of clients, the Group will expand its production facilities and also invest in new facilities in line with the growth of clients. This will help to raise the Group's competitiveness, while minimizing risks as much as possible. As such, the Group will grow together with its clients. In addition, in line with its selection policy, the Group will establish and maintain close contact with Chinese automakers that are not currently clients and conduct systematic and thorough business verification to prepare for the Group to enter into their supplier system at an opportune time.

In the coming years, the Group will expand its export operations by establishing offices, research and development centers and production facilities in key overseas markets. The Group also aims to establish its manufacturing base for export. With the close relationships established with Sankei Giken Kogyo Co. Ltd. of Japan and Carl Kittel Autoteile GmbH of Germany in 2005, as well as other technological and business alliances that the Group has formed, the Group will strive to explore the markets in North America, Europe, Australia and Southeast Asia.

Suppliers

The Group will continue to pursue centralized procurement and work with key suppliers and process contractors. The assessment of supplier's management system and cost control will be strengthened, and the relationship with the suppliers will be consolidated to improve the quality and price stability of raw materials and semi-finished products.

Research and Development

The Group will expand its existing R&D and product design departments in 2006. In managing the allocation of internal resources of new product categories, new process technologies and new materials, the Group will continue to strengthen its capabilities and experiences of simultaneous engineering and also accumulate its technical know-how of new process technologies including anodizing and new materials. By building on its current technological base, the Group will be in a position to expand its product category, so as to consolidate its core competency.

Enterprise Resource Planning (ERP)

On the basis of its past experience, the Group will continue to proceed with its ERP implementation in its other subsidiaries. This will help to streamline the management and operations of the Group implement more precise financial management in day-to-day operations, and improve the central management and resource allocation efficiency of the Group.

REVIEW OF RESULTS

The financial results for the year ended 31 December 2005 have been reviewed with no disagreement by the Audit Committee of the Company.

CODE OF CORPORATE GOVERNANCE PRACTICES

During the financial year under review, all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which became applicable to the Company were complied with by the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

Pursuant to the placing underwriting agreement dated 28 November 2005, the Company granted an option (the "**Over-allotment Option**") to the placing underwriters exercisable by Cazenove Asia Limited, to require the Company to allot and issue up to an aggregate of 30,000,000 additional shares to cover over-allocation in the international placing. On 12 December 2005, the Over-allotment Option was fully exercised and, as a result, the Company issued 30,000,000 additional shares.

Save as disclosed herein, since the listing of the shares of the Company on the Stock Exchange, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial year under review.

SCOPE OF WORK OF MESSRS, DELOITTE TOUCHE TOHMATSU

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2005 have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

BOOK CLOSURE

The reregister of members of the Company will be closed from Friday, 28 April 2006 to Monday 8 May 2006, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned final dividends, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4.30 p.m. on Monday, 8 May 2006.

APPRECIATION

The Board would like to take this opportunity to express gratitude to all the shareholders and customers for their continued support and to thank all staff members of the Group for their dedication and contribution to the Group.

By Order of the Board
Current Tien Tzu Liang
Secretary

Hong Kong, 28 March 2006

As at the date of this announcement, the board of directors of the Company comprises Mr. Chin Jong Hwa., Dr. Chin Jung Huang, Mr. Shi Jian Hui, Mr. Mu Wei Zhong and Mr. Current Tien Tzu Liang, being executive Directors, Mr. Shaw Sun Kan, Gordon, being non-executive Director, together with three independent non-executive directors, namely, Mr. Kwo Seng Heng, Dr. Wang Ching and Mr. Zhang Liren.

"Please also refer to the published version of this announcement in South China Morning Post."