DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 567)

INTERIM RESULTS ANNOUNCEMENT
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2005
AND
APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board of Directors (the "Board") of Daisho Microline Holdings Limited (the "Company") is pleased to present the unaudited interim results of the Company and its subsidiaries (the "Group") for the 6 months ended 30 September 2005 and its interim financial position as at 30 September 2005 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	(Unaudited) 6 months ended 30 September 2005 HK$'000	2004 HK$'000
TURNOVER	3	**251,507**	121,701
Cost of sales		**(160,361)**	(109,972)
Gross profit		**91,146**	11,729
Other revenue and gains		**841**	648
Selling and distribution costs		**(44,968)**	(7,894)
Administrative expenses		**(14,079)**	(10,801)
Other operating expenses		**(2,535)**	(715)
PROFIT/(LOSS) FROM OPERATIONS		**30,405**	(7,033)
Finance costs	4	**(1,136)**	(646)
PROFIT/(LOSS) BEFORE TAXATION	4	**29,269**	(7,679)
Income tax	5	**(3,494)**	–
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**25,775**	(7,679)
INTERIM DIVIDEND	6	**–**	–
EARNINGS/(LOSS) PER SHARE	7		
– Basic		**HK5.53 cents**	(HK1.65) cent
– Diluted		**HK5.51 cents**	(HK1.65) cent

CONSOLIDATED BALANCE SHEET

	Notes	(Unaudited) 30 September 2005 HK$'000	(Audited) 31 March 2005 (restated) HK$'000
NON-CURRENT ASSETS			
Fixed assets	*8*	**158,387**	131,509
Prepaid land lease payments		**4,136**	4,121
		162,523	135,630
CURRENT ASSETS			
Inventories		**36,001**	38,564
Trade debtors	*9*	**106,640**	62,996
Sundry debtors, prepayments & deposits		**11,511**	2,760
Cash and bank balances		**16,712**	7,169
		170,864	111,489
CURRENT LIABILITIES			
Trust receipt loans		**2,226**	16,294
Trade creditors	*10*	**81,214**	51,685
Other creditors and accruals		**41,674**	18,646
Finance leases and hire purchase contract payables		**13,729**	6,739
Bank loans		**6,669**	11,456
Other loans, secured		**2,166**	2,115
Current tax payable		**2,358**	–
		150,036	106,935
NET CURRENT ASSETS		**20,828**	4,554
TOTAL ASSETS LESS CURRENT LIABILITIES		**183,351**	140,184
NON-CURRENT LIABILITIES			
Finance leases and hire purchase contract payables		**21,507**	12,140
Bank loans		**6,937**	2,216
Other loans, secured		**182**	1,278
Deferred tax liabilities		**480**	–
		29,106	15,634
		154,245	124,550
CAPITAL AND RESERVES			
Issued capital		**46,601**	46,601
Reserves		**107,644**	77,949
		154,245	124,550

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim report has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The accounting policies and methods of computation used in the preparation of this interim report are the same as those adopted in preparing the annual audited financial statements for the year ended 31 March 2005, except that the Group has changed certain of its accounting policies following its adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations (hereinafter collectively referred to as the "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The changes to the Group's accounting policies and the effect of adopting these new policies are set out in note 2 below.

2. CHANGES IN ACCOUNTING POLICIES

The adoption of the new HKFRSs has no material effect on the results of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment is required. The adoption of the new HKFRSs has resulted in certain changes in the presentation of this interim report as set out below. Certain comparative figures have been reclassified to conform with the current period's presentation.

(a) Employee share option scheme (HKFRS 2, "Shared-based Payment")

In prior years, no amounts were recognised when employees (which term includes directors) of the Group were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of issued capital and share premium account were credited only to the extent of the option's exercise price receivable.

With effect from 1 April 2005, in order to comply with HKFRS 2, the Group recognises the fair value of such share options as an expense in the income statement. A corresponding increase is recognised in a capital reserve within equity.

For share options which are required to be held by the employees for a period before exercise ("vesting period"), the cost of the share options is recognised over the vesting period, from the date of grant till the employees become fully entitled to the share options. For share options which do not have any vesting period, the cost is fully recognised in the period in which the options are granted.

If the employees choose to exercise options, the related capital reserve is transferred to the share premium account while the proceeds net of any directly attributable costs are credited to share capital and share premium account. If the options lapse unexercised, the related capital reserve is transferred directly to retained profits.

The share options granted to employees of the Group up to 30 September 2005 were all granted after 7 November 2002 but had all vested before 1 April 2005.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to options that were granted after 7 November 2002 but vested before 1 April 2005. Hence, there is no effect on the results of the Group for the 6 months ended 30 September 2005 and 30 September 2004, and the reserves as at those dates.

(b) Leasehold land and buildings held for own use (HKAS 17, "Leases")

In prior years, leasehold land and buildings held for own use were stated at cost less accumulated depreciation and any impairment losses.

With the adoption of HKAS 17 as from 1 April 2005, the interest in leasehold land and land use rights is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from fixed assets to prepaid land lease payments, while leasehold buildings continue to be classified as part of fixed assets. Land lease payments for leasehold land and land use rights paid under operating leases are amortized in the income statement on the straight-line basis over the lease term or where there is impairment, the impairment is expensed in the income statement.

This change in accounting policy has no effect on the consolidated income statement and retained profits. The comparative amounts on the consolidated balance sheet as at 31 March 2005 have been restated to reflect the reclassification of leasehold land and land use rights in both non-current assets and current assets.

3. TURNOVER AND SEGMENT INFORMATION

The principal activities of the Group are the manufacture and trading of printed circuit boards. There was no change in the nature of the Group's principal activities during the current period.

Turnover represents the net invoiced value of goods sold, after allowances for goods returns and trade discounts.

(a) Business segment

The Group has only one business segment, which is the manufacture and trading of printed circuit boards. Therefore, no business segment analysis is presented.

(b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers.

	(Unaudited) 6 months ended 30 September	
	2005	2004
	HK$'000	*HK$'000*
		(restated)
Segment revenue:		
Sales to external customers		
Mainland China	**120,360**	28,299
Estonia	**37,476**	32,620
Europe (excluding Estonia)	**38,019**	11,623
Hong Kong	**22,529**	21,023
Japan	**18,312**	15,135
Others	**14,811**	13,001
	251,507	121,701

4. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after crediting and (charging):

	(Unaudited) 6 months ended 30 September	
	2005	2004
		(restated)
	HK$'000	*HK$'000*
(a) Finance costs:		
Interest on:		
Bank loans and other loans wholly repayable within five years	**(618)**	(602)
Finance leases and hire purchase contracts	**(518)**	(44)
	(1,136)	(646)
(b) Other items:		
Depreciation	**(18,153)**	(16,436)
Amortization of land lease payments	**(58)**	(58)
Staff costs (including directors' remuneration)	**(14,880)**	(11,605)
Bank interest income	**51**	10

5. INCOME TAX

Hong Kong profits tax has not been provided for the current period as all companies of the Group either had no assessable profits for the current period or had utilized tax losses brought forward from prior years to offset the assessable profits arising during the current period. Overseas profits tax has been provided for at the applicable local rate on the estimated assessable profits of the individual company concerned.

Deferred tax has been provided on temporary differences using the current applicable rate.

	(Unaudited) 6 months ended 30 September	
	2005	2004
	HK$'000	*HK$'000*
Current tax – Overseas	**3,014**	–
Deferred tax	**480**	–
	3,494	–

6. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the year ending 31 March 2006 to the shareholders (2005: Nil).

7. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit after taxation attributable to equity holders of the Company of HK$25,775,000 (2004: loss after taxation of HK$7,679,000) and the weighted average number of 466,013,785 (2004: 466,013,785) ordinary shares in issue during the period.

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the profit after taxation attributable to equity holders of the Company of HK$25,775,000 (2004: loss after taxation of HK$7,679,000) and the weighted average number of 467,888,459 (2004: 466,395,918) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

(c) Reconciliation

	(Unaudited) 6 months ended 30 September	
	2005	2004
	Number of shares	*Number of shares*
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	**466,013,785**	466,013,785
Deemed issue of ordinary shares for no consideration arising from share options	**1,874,674**	382,133
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	**467,888,459**	466,395,918

8. FIXED ASSETS

	(Unaudited) 6 months ended 30 September	
	2005	2004
	HK$'000	*HK$'000*
Purchase of plant and equipment	**43,354**	6,535

9. TRADE DEBTORS

The Group has a policy which allows an average credit period of 60 days to its customers. An aged analysis of the trade debtors as at the period end, based on the payment due date and net of provisions, is as follows:

	(Unaudited) 30 September 2005	(Audited) 31 March 2005
	HK$'000	*HK$'000*
Current to within 1 month	**105,418**	60,525
1 to 2 months	**1,030**	1,007
2 to 3 months	**51**	225
Over 3 months	**141**	1,239
	106,640	62,996

10. TRADE CREDITORS

An aged analysis of the trade creditors as at the period end, based on the payment due date, is as follows:

	(Unaudited) 30 September 2005	(Audited) 31 March 2005
	HK$'000	*HK$'000*
Current to within 1 month	**71,039**	45,131
1 to 2 months	**6,214**	4,655
2 to 3 months	**3,187**	1,679
Over 3 months	**774**	220
	81,214	51,685

11. CAPITAL COMMITMENTS

The Group had the following capital commitments as at the period end:

	(Unaudited) 30 September 2005 *HK$'000*	(Audited) 31 March 2005 *HK$'000*
Capital commitments, Contracted but not provided for, in respect of machinery and equipment	**34,499**	6,064
	34,499	6,064

12. SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of encouraging the eligible participants to perform their best in achieving the goals of the Company and at the same time allows the eligible participants to enjoy the results of the Company attained through their effort and contribution. Eligible participants of the share option scheme include any full-time employees, directors or professional advisers of the Company or any of its subsidiaries or associated companies. The share option scheme became effective on 28 August 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The share options previously granted by the Company were vested at the date of grant and will be settled by shares.

As at 30 September 2005, 15,300,000 share options which were granted on 15 June 2004 remained unexercised. These share options are exercisable during the period from 15 June 2004 to 14 June 2009 at an exercise price of HK$0.20 per share. If these outstanding share options are fully exercised, they shall represent approximately 3.3% of the existing issued share capital of the Company. Movements of share options during the 6 months ended 30 September 2005 are as follows:

	Number of share options
At 1 April 2005	16,250,000
Granted during the current period	–
Exercised during the current period	–
Lapsed during the current period	950,000
At 30 September 2005	15,300,000

13. COMPARATIVE FIGURES

Certain comparative figures have been restated as a result of the changes in accounting policies as set out in note 2.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Thanks to the substantial orders for High Density Inter-connect ("HDI") printed circuit boards ("PCB") and the gradual improvement in the operating environment commencing from December 2004 onwards, the Group's previous investment in advanced machinery for the manufacture of HDI PCB has begun to bear fruit. The contribution of HDI PCB to the Group's turnover and profits during the current period was particularly significant.

The Group's turnover during the current period was about 107% higher than the last corresponding period. The percentage of the sales value of HDI PCB on the Group's turnover for the current period and the last corresponding period was about 68% and 22% respectively. The Group's turnover during the current period was a great leap forward resulting mainly from the fact that the Group has finally become an approved vendor for the provision of HDI PCB to its telecommunication customers from December 2004 onwards after passing through these customers' lengthy and stringent approval process.

The Group's gross profit percentage has improved significantly from 9.6% for the last corresponding period to 36.2% for the current period. The poor returns for the last corresponding period was primarily attributable to the sharp increase in the purchase prices of certain major raw material items such as copper foil and laminate etc., and the strategic postponement of selling price increase. On the contrary, the considerable returns for the current period was mainly due to the volume discount on bulk purchase of raw material arising from the big jump in sales orders and the fact that the Group could ask for a higher selling price for HDI PCB because there were not enough PCB manufacturers who are capable of manufacturing high quality HDI PCB for mobile phones with large volume under the requirement of short delivery time.

The percentage of the selling and distribution costs on the Group's turnover for the current period and the last corresponding period was 17.8% and 6.5% respectively. Because the magnitude of the profits from the Group's sales orders has a direct bearing on the level of the Group's selling and distribution costs, the higher selling and distribution costs for the current period was reasonable. In fact, the selling and distribution costs have been fully reflected in the Group's selling price quotations and they have been borne by the customers indirectly.

FINANCIAL REVIEW

The Group's gearing ratio (i.e. the ratio of the Group's aggregate outstanding balances of the finance leases and hire purchase contract payables, other loans and bank borrowings to shareholders' fund) at 30 September 2005 and 31 March 2005 was 0.35 times and 0.42 times respectively while the Group's current ratio at 30 September 2005 and 31 March 2005 was 1.14 times and 1.04 times respectively. Because the Group can generate substantial net cash inflow from its PCB operating activities, these financial ratios will improve further during the second half of the current financial year.

As at 30 September 2005, the Group's aggregate outstanding balances of the finance leases and hire purchase contract payables, other loans and bank borrowings amounting to HK$53,416,000 (31 March 2005: HK$52,238,000) out of which HK$24,790,000 (31 March 2005: HK$36,604,000) were repayable within the next 12 months. These borrowings were all denominated in either Hong Kong dollars ("HK$") or United States dollars ("US$"), originally repayable monthly over 3 years (except for the bank borrowings totaling HK$2,226,000 (31 March 2005: HK$24,414,000) which were originally repayable within 3 months) and subjected to floating interest rates for about 70% (31 March 2005: 86%) of them. The Group has not adopted any interest rate hedging tool for these borrowings. Certain machinery and equipment of the Group with a net book value at 30 September 2005 of HK$48,389,000 (31 March 2005: HK$28,484,000) were pledged to secured these borrowings.

As at 30 September 2005, the Group's current assets and total liabilities were mostly denominated in either HK$ or US$. Because the exchange rate for US$ against HK$ is relatively stable in Hong Kong for the moment, the Group does not expect any significant exchange difference relating to its assets or liabilities denominated in US$. Besides, the Group's subsidiary in Mainland China has net assets value as at 30 September 2005 and will be able to finance its operating expenses out of its trading receipts. Although the exchange rate for Renminbi ("RMB") against HK$ is likely to appreciate in the near future, it is generally expected that the extent of such likely appreciation will not be significant. Hence, the Group's net exposure to fluctuation in exchange rates for US$ and RMB is insignificant and therefore the Group has not adopted any foreign currency hedging tool.

EMPLOYEE BENEFITS

As at 30 September 2005, the Group had 1,390 (31 March 2005: 1,169) employees, including directors, working mainly in Mainland China. For the period ended 30 September 2005, the Group's total staff costs including directors' remuneration were HK$14,880,000 (2004: HK$11,605,000).

According to the Group's staff remuneration policy, the remuneration of an employee is determined by the Board from time to time with reference to his performance and duties, the performance and profitability of his employer and the prevailing market conditions.

OUTLOOK

The Group's turnover and earnings have shown an upward trend since April 2005. The Group's operating results for the second quarter of the current period was much better than that for the first quarter of the current period. Because the Group's PCB plants have been operating at full capacity and confronting production bottle-neck problem during the third quarter of the current financial year, the Group has planned to acquire more machinery and equipment so as to keep pace with the rosy sales forecast from the customers. When these additional machinery and equipment are fully installed during the fourth quarter of the current financial year, the Group's turnover will record another breakthrough.

Although the current financial year looks promising, the Board is wary of the challenging factors that could adversely affect the Group.

First of all, the Group could exert no influence to any mismatch in the worldwide demand and supply of non-ferrous metals used in the manufacture of major raw material items. It is noteworthy that the purchase prices of gold and copper etc. have reached their unprecedentedly high level during the year 2005 due to their huge demand in excess of their supply. If there is any such mismatch which will drive up the purchase prices of major raw material items steeply and the Group cannot shift the burden wholly to the customers, the Group will suffer because the cost of raw material is still a significant component of the Group's cost of sales.

Besides, the Group is currently quite heavily relying on its telecommunication products customers from whom about 70% of the Group's turnover is generated. Although the business of these customers is still quite robust for the moment, there is no guarantee that the same will apply in next year. In light of this, the Board intends to broaden the customer base of the Group in next year so as to alleviate the impact which may result from relying too much on particular type of customer.

The PCB manufacturing technology is ever changing and the PCB manufacturers must continuously invest in modern machinery and equipment in order to meet the customers' ever changing requirements. For the current financial year up to 22 December 2005, the Group has placed orders to acquire modern machinery and equipment costing over HK$100 million. If the machinery and equipment bought by the Group become obsolete due to the customers' new requirements, the Group will be required to dispose of them or write them off.

The petroleum price has remained at a fairly high level during the year 2005. The interest rates for US$ and HK$ are expected to rise further during the first quarter of the year 2006. The RMB is likely to appreciate in the near future. Although these economic events may not increase the operating costs of the Group to a great extent, they may hinder the growth of the world economy and the business of the Group may be adversely affected accordingly.

In spite of the above concern, the Board is optimistic about the results of the Group for the current financial year barring any unforeseen circumstance.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the 6 months ended 30 September 2005, except for the following deviations:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and CEO and Mr. Chan Sik Ming, Harry currently holds both positions. The Board believes that vesting the roles of both Chairman and CEO in the same person ensures consistent leadership within the Group and enables more effective and efficient planning of long-term strategies and implementation of business plans. The Board believes that the balance of power and authority will not be impaired and is adequately ensured by an effective Board which comprises experienced and high calibre individuals with a sufficient number thereof being independent non-executive directors ("INED(s)").

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The INEDs of the Company do not have a specific term of appointment, but subject to retirement by rotation and re-election in accordance with the relevant provisions of the Company's Bye-laws.

Code Provision B.1.1 stipulates that the Company should establish a Remuneration Committee with specific written terms of reference which deal clearly with its authority and duties. The Company has not established a Remuneration Committee during the current period as the directors' and senior management's remuneration was not due for review during the current period.

On 22 December 2005, the Board has approved to set up a Remuneration Committee comprising the existing three INEDs and two executive directors, and also the specific written terms of reference of the Remuneration Committee in accordance with Rule B.1.3 in Appendix 14 of the Listing Rules.

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

During the current period, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities.

NON-COMPLIANCE WITH RULE 3.10(1) OF THE LISTING RULES

Resulting from the death of Mr. Taro Akashi, an INED of the Company, on 28 September 2005, the Company had only two INEDs since then. According to the requirement under Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three INEDs. Hence, the Company has not complied with Rule 3.10(1) of the Listing Rules since 28 September 2005.

On 22 December 2005, the Company has appointed Dr. Li Chi Kwong as an INED to fill the casual vacancy. Hence, the Company has complied with Rule 3.10(1) of the Listing Rules since 22 December 2005. The details of Dr. Li as required to be disclosed under Rule 13.51(2) of the Listing Rules are set out in the section of "APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR" below.

AUDIT COMMITTEE

The Audit Committee of the Company comprises the three INEDs of the Company. It was established in compliance with the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The Audit Committee of the Company has reviewed the unaudited interim report of the Group for the 6 months period ended 30 September 2005 and agreed with all the accounting treatments which have been adopted in the interim report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has not adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") in Appendix 10 of the Listing Rules. In other words, the Company has adopted the Model Code. The Company, having made specific enquiry, confirms that all directors of the Company have complied with the required standard set out in the Model Code throughout the 6 months period ended 30 September 2005.

RELOCATION OF THE COMPANY'S BRANCH REGISTRAR

The Company's Branch Registrar, Tengis Limited, will be relocated to "26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong" with effect from 3 January 2006.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the website of the Stock Exchange. The interim report for the 6 months ended 30 September 2005 containing all information required by Appendix 16 of the Listing Rules will be dispatched to shareholders and published on the website of the Stock Exchange in due course.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Li Chi Kwong, aged 53, was appointed as an INED and a member of the Audit Committee of the Company on 22 December 2005. Save as disclosed herein, Dr. Li has not previously held any other position with the Group.

Dr. Li holds a Doctor of Philosophy degree from the University of Westminster in the United Kingdom and a Master of Science degree in Cybernetics from the London University in the United Kingdom. He also holds numerous professional qualifications in engineering, including Chartered Engineer, Member of the Institute of Mechanical Engineers, Fellow of the Institute of Electrical Engineers, Fellow of the Hong Kong Institute of Engineers, Senior Member of the Institute of Electrical and Electronic Engineers Inc., Fellow of the Hong Kong Association of the Advancement of Science and Technology, and Register Professional Engineer.

Dr. Li is at present an Associate Professor in the Department of Electronic and Information Engineering in the Hong Kong Polytechnic University where he has taught since January 1985. He has over 29 years of experience in the academic field relating to engineering and he has published about 150 technical papers in international journals and conferences.

Dr. Li will have no fixed term of service but will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws. According to the service contract entered into between Dr. Li and the Company, he will receive a monthly director's fee of HK$8,333 which is determined by the Board having regard to his duties and the prevailing market rate.

Dr. Li is not related to any directors, senior management or substantial shareholders or controlling shareholders of the Company. As at 22 December 2005, within the meaning of Part XV of the Securities and Futures Ordinance, he has no interests in the shares of the Company. Dr. Li had been an INED of Zida Computer Technologies Limited, a listed company in Hong Kong, during the period from May 2000 to May 2005. Save as disclosed herein, Dr. Li has not held any position in other listed public companies in the past three years.

The Board would like to take this opportunity to welcome Dr. Li to join the Board.

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 22 December 2005

As at the date of this announcement, the Board comprises the following members:

Executive directors:
CHAN Sik Ming, Harry *(Chairman & CEO)*
Motofumi TSUMURA
Hiroto SASAKI
Hiroyuki KIKUCHI
AU-YEUNG Wai Hung

Independent non-executive directors:
Kohu KASHIWAGI
CHAN Yuk Tong
LI Chi Kwong