DAIDO GROUP LIMITED

大同集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 544)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

The board of directors (the "Board") of Daido Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2006 and the unaudited condensed consolidated balance sheet of the Group as at 30th June, 2006 together with the comparative figures in 2005 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2006

		Continuing operations		Discontinued operations		Total	
		Six months ended		Six months ended		Six months ended	
		30.6.2006	30.6.2005	**30.6.2006**	30.6.2005	**30.6.2006**	30.6.2005
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	NOTES	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Revenue	3	**73,430**	5,145	**4,022**	53,347	**77,452**	58,492
Direct costs		**(64,895)**	(92)	**(3,488)**	(51,439)	**(68,383)**	(51,531)
Gross profit		**8,535**	5,053	**534**	1,908	**9,069**	6,961
Other income		**3,475**	1,301	**15**	861	**3,490**	2,162
Selling and distribution costs		**(1,791)**	—	**(465)**	(1,805)	**(2,256)**	(1,805)
Administrative expenses		**(9,742)**	(1,141)	**(928)**	(4,920)	**(10,670)**	(6,061)
Reversal of impairment loss recognised in respect of trade and other receivables		**—**	—	**—**	394	**—**	394
Gain on disposal of subsidiaries		**—**	5,289	**879**	—	**879**	5,289
Share of results of an associate		**—**	(116)	**—**	—	**—**	(116)
Impairment loss in respect of interest in an associate		**—**	(1,430)	**—**	—	**—**	(1,430)
Finance costs		**(14)**	(994)	**—**	—	**(14)**	(994)
Profit (loss) before tax		**463**	7,962	**35**	(3,562)	**498**	4,400
Taxation	4	**100**	(664)	**—**	(51)	**100**	(715)
Profit (loss) for the period	5	**563**	7,298	**35**	(3,613)	**598**	3,685
Dividend	6					**—**	—
Earning per share-basic	7						
— from continuing and discontinued operations						**0.02 HKcents**	0.12 HKcents
— from continuing operations						**0.02 HKcents**	0.24 HKcents

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30TH JUNE, 2006

	NOTES	**30.6.2006** **HK$'000** **(unaudited)**	31.12.2005 *HK$'000* (audited)
NON-CURRENT ASSETS			
Investment property		**17,000**	17,000
Property, plant and equipment		**23,142**	776
Goodwill		**14,913**	—
Rental deposits paid		**14,416**	71,292
Deposit paid for acquisition of subsidiaries		**100,000**	10,000
Pledged deposits		**56,875**	—
Interest in an associate		**—**	—
		226,346	99,068
CURRENT ASSETS			
Trade and other receivables	8	**34,519**	2,814
Tax recoverable		**1,168**	—
Bank balances and cash		**121,603**	199,936
		157,290	202,750
Assets classified as held for sale		**—**	38,466
		157,290	241,216
CURRENT LIABILITIES			
Trade and other payables	9	**12,644**	1,722
Rental deposits received		**—**	10,050
Obligations under a finance lease		**131**	127
Unclaimed dividends		**19**	19
		12,794	11,918
Liabilities associated with assets classified as held for sale		**—**	13,294
		12,794	25,212
NET CURRENT ASSETS		**144,496**	216,004
		370,842	315,072
CAPITAL AND RESERVES			
Share capital		**34,800**	30,000
Reserves		**334,452**	284,706
		369,252	314,706
NON-CURRENT LIABILITIES			
Obligations under a finance lease		**300**	366
Deferred tax liabilities		**1,290**	—
		1,590	366
		370,842	315,072

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

As at 30th June, 2006, the Group is organised into three operating divisions — cold storage and logistics services, manufacturing and trading of ice, and property investment. The provision of cold storage and logistics services, and manufacturing and trading of ice are new segments in the current period.

In December 2004, the Group entered into a conditional sale and purchase agreement to dispose of the entire issued capital in Best Goal International Limited and Double Worth Profits Limited, both are indirectly wholly-owned subsidiaries of the Company, which carried on property investment business, for a cash consideration of HK$650,000,000. Details of the disposal were set out in the circular of the Company dated 20th January, 2005. The property investment business became discontinued upon the completion of the disposal on 15th February, 2005 and the property investment business was disclosed as discontinued operation in 2004's annual report and the interim financial report for the six months ended 30th June, 2005. During the second-half year of 2005, the Group purchased investment property and explored this business again. Accordingly, the property investment segment is disclosed as continuing operation for the current period, and the comparative figures of property investment segment was re-classified from discontinued operation as continuing operation.

On 22nd February, 2006, the Company announced that a conditional sale and purchase agreement was entered into among one of its wholly-owned subsidiaries and the purchaser on 17th February, 2006 in respect of the disposal of the entire issued capital in certain subsidiaries which carried out construction work contracting and sales of concrete products. The disposal was approved by the shareholders on 6th March, 2006. Details of the disposal were set out in the circular of the Company dated 22nd March, 2006. Accordingly, the business segment of construction work contracting and sales of concrete products was classified as discontinued operation, and the comparative figures of construction work contracting and sales of concrete products was re-classified from continuing operation as discontinued operation.

During the last period, the Group sub-leased two cold storage warehouses in Hong Kong to Brilliant Cold Storage Management Limited ("BCSML") and Brilliant Top In Logistics Limited ("BTILL"), the wholly-owned subsidiaries of Best Merchant Limited. During the current period, through the acquisition of Best Merchant Limited on 9th January, 2006, BCSML and BTILL become the wholly-owned subsidiaries of the Company and the sub-leasing business of the Group has been ceased since 9th January, 2006. Accordingly, the sub-leasing business segment no longer exists for the current period, and the comparative figures of sub-leasing business segment was re-classified from continuing operation as discontinued operation.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties, which are measured at fair value, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2005 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("INTs") (new "HKFRSs") issued by the HKICPA, which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The adoption of these new HKFRSs has had no material effect on how the results for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standard, amendment or interpretations that have been issued but are not yet effective. The directors of the Company is still not yet in the position to reasonably estimate the impact that may arise on the Group's results and financial position from the application of these standard, amendment or interpretations.

HKAS 1 (Amendment)	Capital disclosures[1]
HKFRS 7	Financial instruments: Disclosures[1]
HK(IFRIC)-INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[2]
HK(IFRIC)-INT 8	Scope of HKFRS 2[3]
HK(IFRIC)-INT 9	Reassessment of Embedded Derivatives[4]

[1] Effective for annual periods beginning on or after 1st January, 2007.

[2] Effective for annual periods beginning on or after 1st March, 2006.

[3] Effective for annual periods beginning on or after 1st May, 2006.

[4] Effective for annual periods beginning on or after 1st June, 2006.

3. SEGMENT INFORMATION

The Group's turnover for the period was derived mainly from activities carried out in Hong Kong. An analysis of the Group's turnover and segment results by business segment which is the Group's primary reporting segment is as follows:

For the six months ended 30th June, 2006

	Continuing operations				Discontinued operation	
	Cold storage and logistics services	**Manufacturing and trading of ice**	**Property investment**	**Total**	**Construction work contracting and sales of concrete products**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE	**72,010**	**1,420**	**—**	**73,430**	**4,022**	**77,452**
SEGMENT RESULT	**1,329**	**237**	**(262)**	**1,304**	**(844)**	**460**
Unallocated corporate income						**3,207**
Unallocated corporate expenses						**(4,034)**
Gain on disposal of subsidiaries	**—**	**—**	**—**	**—**	**879**	**879**
Finance costs	**(14)**	**—**	**—**	**(14)**	**—**	**(14)**
Profit before tax						**498**
Taxation	**100**	**—**	**—**	**100**	**—**	**100**
Profit for the period						**598**

For the six months ended 30th June, 2005

	Continuing operation	Discontinued operations			
	Property investment	**Construction work contracting and sales of concrete products**	**Sub-leasing**	**Total**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE	5,145	38,392	14,955	53,347	58,492
SEGMENT RESULT	5,093	2,881	(6,443)	(3,562)	1,531
Unallocated corporate income					1,217
Unallocated corporate expenses					(1,097)
Gain on disposal of subsidiaries	5,289	—	—	—	5,289
Share of results of an associate					(116)
Impairment loss in respect of interest in an associate					(1,430)
Finance costs	(994)	—	—	—	(994)
Profit before tax					4,400
Taxation	(664)	(51)	—	(51)	(715)
Profit for the period					3,685

4. TAXATION

	Six months ended	
	30.6.2006	30.6.2005
	HK$'000	*HK$'000*
The (credit) charge comprises:		
Continuing operations:		
Hong Kong Profits Tax	**(280)**	342
Deferred taxation	**180**	322
Income tax relating to continuing operations	**(100)**	664
Discontinued operations:		
Hong Kong Profits Tax	**—**	—
Deferred taxation	**—**	51
Income tax relating to discontinued operations	**—**	51
	(100)	715

Hong Kong Profits Tax is calculated at 17.5% of estimated assessable profit.

No provision for Hong Kong Profits Tax has been made during the six months ended 30th June, 2006 as the Group has no assessable profit for the period. The tax credit represents the overprovision Hong Kong Profits Tax in prior year.

The tax charge for the six months ended 30th June, 2005 had been partly relieved by the tax losses brought forward from previous years.

5. CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD

	Six months ended	
	30.6.2006	30.6.2005
	HK$'000	*HK$'000*
Consolidated profit (loss) for the period have been arrived at after charging (crediting) the following items:		
Depreciation	**2,622**	2,798
Release of prepaid lease payments	**60**	302
Loss (gain) on disposal of property, plant and equipment	**22**	(1)
Interest income	**(3,218)**	(1,866)

6. DIVIDEND

No dividend was paid during the period.

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th June, 2006 and 30th June, 2005.

7. EARNINGS PER SHARE

From continuing and discontinued operations

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

	Six months ended	
	30.6.2006	30.6.2005
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purposes of basic earnings per share	**598**	3,685
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**3,095,470**	3,000,000

From continuing operations

The calculation of the basic earnings per share from continuing operations attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended	
	30.6.2006	30.6.2005
	HK$'000	*HK$'000*
Earnings:		
Earnings for the period attributable to equity holders of the Company	**598**	3,685
Less: Profit (loss) for the period from discontinued operations	**35**	(3,613)
Earnings for the purposes of basic earnings per share from continuing operations	**563**	7,298

Basic earning per share for discontinued operations is insignificant (six months ended 30.6.2005: loss of 0.12 HK cents per share), based on the profit for the period from discontinued operations of HK$35,000 (six months ended 30.6.2005: loss of HK$3,613,000). The denominators used are the same as those detailed above for basic earnings per share.

8. TRADE AND OTHER RECEIVABLES

The Group allows a credit period ranging from 30 to 60 days to its customers in respect of provision of cold storage and related services.

Included in trade and other receivables are trade receivables with an aged analysis as follows:

	30.6.2006	31.12.2005
	HK$'000	*HK$'000*
0–30 days	**12,651**	—
31–60 days	**9,679**	—
61–90 days	**4,222**	—
91–120 days	**238**	—
More than 120 days	**44**	—
	26,834	—

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with an aged analysis as follows:

	30.6.2006	31.12.2005
	HK$'000	*HK$'000*
0–30 days	**3,104**	—
31–60 days	**1,243**	—
61–90 days	**375**	—
91–120 days	**12**	—
More than 120 days	**2**	—
	4,736	—

INTERIM DIVIDEND

The Board of the Company has resolved not to declare the payment of an interim dividend for the six months ended 30th June, 2006 (2005: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Results

With the vision to strengthen the portfolio of its existing assets in order to bring the greatest possible returns to shareholders, the Group has implemented business restructuring since last year. The Autoclaved Aerated Lightweight Concrete business ("ALC business") was disposed at the beginning of 2006 due to the shrinkage of local building materials market. In view of the stable income of cold storage and logistics businesses, the Group acquired Best Merchant Limited and its subsidiaries Brilliant Cold Storage Management Limited and Brilliant Top In Logistics Limited. The Best Merchant Group was the former tenant under the Group's sub-lease agreement on the cold storage properties ("the cold storage"). The cold storage was previously owned by the Group and disposed of by the Group in early 2005. Following with the disposal, the Group leased back the cold storage and sub-lease to Best Merchant Group.

At present, following the discontinuance of ALC business and cold storage sub-leasing business, the Group operates three separate business segments, which include: (i) Cold Storage and Logistics Services, (ii) Manufacturing and Trading of Ice and (iii) Property Investment.

Actual Group turnover for the first six months ended 30th June, 2006 was HK$77 million, an increase of 32% compared to the corresponding period in last financial year. Net profit attributable to shareholders was HK$0.6 million, representing a 84% decrease on last year's first six month results. The decrease was mainly attributable to the gain on disposal of the cold storage of approximately HK$5 million in last six months period. Earnings per share also decreased from 0.12 HK cents per share as of 30th June, 2005 to 0.02 HK cents per share for the same period in 2006.

Business Review

Continuing operations

Cold Storage and Logistics Services

In January 2006, the Group completed the acquisition of Best Merchant Limited and its subsidiaries Brilliant Cold Storage Management Limited and Brilliant Top In Logistics Limited. During the period under review, this segment registered a turnover of HK$72 million, accounting for over 90% of total revenue and become the new core business of the Group.

Through the CEPA agreement, Hong Kong now enjoys a close and harmonious economic relationship with Mainland China. According to the statistics released by Hong Kong Census and Statistics Department, for the first half of 2006, total port cargo throughput rose by 3% to 115.6 million tonnes in Hong Kong. The volume of imported products is clearly rising, which in turn is helping to create favourable market conditions for cold storage and logistics. In addition, according to the statistics released by Hong Kong Trade and Industrial Department, 45% of all Hong Kong's imports come from the Mainland. With the strategy to focus on foods and specialities getting imported from China, the cold storage owns 30% of the local market share in Hong Kong and has successfully differentiated itself from its competitors.

The Group expects that this core business will bring additional revenue and stability by effective cost control, and it is the clear vision of the Group to establish its one-stop cold storage and logistics arm as one of the strongest in the Hong Kong market.

Manufacture and Trading of Ice

The manufacture and trading of ice is conducted at the Brilliant Cold Storage facility in Kwai Chung. At present this segment accounts for approximately 2% of annual turnover from the Cold Storage and Logistics business segment. As one of the leading producers of block and tubular ice in Hong Kong, it operates in two distinct markets: (i) industrial and (ii) food and beverage.

For the first six months of 2006, this segment was recorded a turnover of HK$1.4 million. The stable demand is still there from the food and beverage industry, however, a drop in the number of live construction projects has impacted on the sales performance of industrial ice.

Property Investment

Due to the acquisition of Best Merchant Group in the beginning of 2006, the Group was no longer to receive the monthly rental income from the cold storage. The commercial properties in Hunghom Commercial Centre became the only asset in the property investment portfolio. During the period under review, the properties were recorded a loss of HK$0.3 million compared to a profit of HK$3.4 million last year. The loss was attributable to the management and maintenance expenses for the properties which had not been leased as of 30th June, 2006. Currently the Group has strong intention to lease the properties, as the overall rental rate in Hong Kong has been getting higher. According to the report released by Hong Kong Rating and Valuation Department, the rental index of private retail from April to June 2006 rose by 2.8% to 101.8 compared with the same period of last year.

Discontinued operations

Sub-leasing

The Group disposed the cold storage in early 2005. After completion of the disposal of the cold storage, the Group leased back the cold storage with the purchaser and sub-leased the cold storage to Best Merchant Group which operates cold storage and logistics businesses. In January 2006, the Group diversified its business to cold storage and logistics services by acquiring Best Merchant Group, and as a result, it is no longer to receive the monthly rental income generated by the cold storage.

ALC business

The ALC business had been continuing to downsize since 2004 and was disposed of by the Group at the beginning of 2006.

Liquidity and Financial Resources

As at 30th June, 2006, the Group had cash and bank balances of HK$122 million (31st December, 2005: HK$200 million). Except for obligation under a finance lease of HK$0.4 million, the Group did not have any outstanding bank borrowings and third party loans as at 30th June, 2006 (31st December, 2005: HK$0.5 million).

The Group's capital expenditure and investments were financed by internal cash generation and share placement.

Capital Structure

During the period, the Company placed out 480,000,000 ordinary shares at HK$0.116 per share for the purpose of financing the acquisition of an 12% indirect attributable interest in Grand Waldo Hotel Complex.

Employment and Remuneration Policy

As at 30th June, 2006, the total number of staff of the Group in Hong Kong was approximately 297. Remuneration is reviewed annually and in addition to the basic salaries, the Group also provides staff benefits including discretionary bonus, contributory provident fund and professional tuition/training subsidies in order to retain competent employees.

Prospects

Cold Storage and Logistics Business

The Group will continue to engage in the provision of cold storage and logistics services both in Hong Kong and on the Mainland as well as using the collective expertise of Best Merchant Group. As opportunities continue to develop throughout the Pearl River Delta region, and closer economic ties are made, the Directors believe that demand for cold storage warehousing facilities and logistics services will continue to increase and offer growth prospects. In view of these favourable conditions, it is expected that an incremental increase in rent will be made at some future stage.

With GDP on the Mainland grew by 10.9% in the second quarter of 2006, according to the National Bureau of Statistics, the economic climate should be highly favourable. The Group will continue to pave the way for top-line growth and bottom line improvement by controlling operation cost and searching for joint venture opportunity in the Mainland. The key strategy will be to provide a one-stop logistics service between HK and the PRC, as well as expanding the Group's logistics arm by increasing the number of trucks used for deployment. Better co-ordination and improved communication between Hong Kong and the Mainland will be rigorously pursued to guarantee a better quality of service to customers.

It is the clear intention of the Group to become one of Hong Kong's leading logistics service providers. The development of its cold storage services will also be an important area of business growth. It is for these reasons that the Directors feel confident that a positive set of results will be delivered in the second half of 2006.

Hotel Investment

On 29th May, 2006, the Group entered into an agreement for the acquisition of 12% indirect attributable interest in the Grand Waldo Hotel Complex at a consideration of HK$336 million. The luxurious 5-star resort hotel complex located in Macau comprises shopping mall, casino and spa facilities. The acquisition represents an exciting, high-potential long-term investment which is expected to make a significant contribution to the Group. There are several factors that can account for such an optimistic outlook.

Firstly, and most importantly, the Mainland authorities have updated the travel regulations in order to bring it more in line with the 21st century. As the restrictions on the number of Mainland tourists have been lifted by initiating the Individual Visit Scheme, the tourist industry in Macau shows very strong signs of growth. According to the statistics released by Macau Statistic and Census Department, in for the six months of 2006, a total of 10.4 million tourists visited, up 16.8% on the previous period. Of these 10.4 million, approximately 5.8 million were from the Mainland, accounting for 55.9% of the total number of tourists. It is therefore the opinion of the Directors that more and more Mainland tourists will visit Macau in the future, given such favourable socio-political conditions.

Secondly, Macau has strong ambition to turn the region into the Las Vegas of the East. The statistics issued by Macau Statistic and Census Department indicated that gaming tax revenue accounted for 85.7% of the total tax revenue in June 2006. It rose 14.8% to MOP 9.78 billion in the first half of 2006. With more and more people visiting, the gaming industry is likely to expand significantly over the coming years. The Grand Waldo Hotel Complex has its gambling facility "Galaxy Casino", as one of the large-scale casinos in Macau. It is believed that the prosperity of gaming industry will trigger the demand of hotel rooms and services.

With Macau developing at such a fast rate, and with many more Mainland tourists expected to visit, the opportunities for this investment to make a sizeable and significant contribution to the long-term performance of the Group are well pronounced.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

The Board and senior management are committed to maintaining good corporate governance, consistently enhancing transparency and effective accountability in order to maximize shareholder's benefit. Detailed disclosure of the Company's corporate governance report was stated in the 2005 Annual Report.

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30th June, 2006, save for a few exceptions specified and explained below:

Code Provision A.4.1

Under the Code, non-executive directors should be appointed for a specific term, subject to re-election.

All Non-executive Directors have been re-elected at the annual general meeting of the Company held on 25th May, 2006 ("2006 AGM") for an initial period of one year and will continue thereafter unless and until terminated by either party given the other not less than three months' notice but is also subject to retirement by rotation and re-election under the Bye-laws of the Company.

Code Provision A.4.2

Under the Code, all directors be appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

A special resolution has been passed at the 2006 AGM to amend the Bye-laws of the Company so as to comply with Code Provision A.4.2.

The Board continues to review its practices from time to time with an aim to improve the Group's corporate governance practices so as to meet international best practice.

Model Code for Securities Transactions by Directors

The Company has 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 contained in Appendix 10 to the Listing Rules (the "Company's Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Company's Model Code during the period under review.

To enhance the corporate governance of the Group as a whole, all relevant employees who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company are subject to full compliance with the Company's Model Code. No incident of non-compliance was noted by the Company during the period under review.

Audit Committee

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th June, 2006 with the Directors. At the request of Audit Committee, the Group's external auditors have carried out a review of the unaudited interim accounts in accordance with the Statement of Auditing Standards 700 issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises all of the three Independent Non-executive Directors, namely Mr. Leung Chi Hung, Mr. Leung, Tsz Fung David Ferreira and Mr. Tse Yuen Ming.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2006.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

A detailed results announcement containing all the information required by paragraphs 46(1) to 46(6) and 46(9) of Appendix 16 of the Listing Rules will be subsequently published on the Stock Exchange's and the Company's website in due course.

By Order of the Board
Fung Wa Ko
Chairman

Hong Kong, 20th September, 2006

As at the date of this announcement, the member of the Board of Directors comprises Executive Directors namely, Mr. Fung Wa Ko, Mr. Tang Tsz Man, Philip and Independent Non-executive Directors namely, Mr. Leung Chi Hung, Mr. Leung, Tsz Fung David Ferreira and Mr. Tse Yuen Ming.