BOSSINI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 592)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2005

FINANCIAL RESULTS

The board of directors (the "Board") of **Bossini International Holdings Limited** (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group" or "Bossini") for the year ended 31 March 2005, together with the comparative figures for the previous year, as follows:

Consolidated Profit and Loss Account
Year ended 31 March 2005

	Notes	**2005** *HK$'000*	2004 *HK$'000* (Restated)
Turnover	*2, 3*	**2,016,941**	1,783,418
Cost of sales		**(1,019,259)**	(939,858)
Gross profit		**997,682**	843,560
Other revenue and gains	*3*	**18,058**	12,388
Selling and distribution costs		**(575,137)**	(508,892)
Administrative expenses		**(177,522)**	(158,123)
Other operating expenses		**(37,408)**	(42,694)
Profit from operating activities	*4*	**225,673**	146,239
Finance costs	*5*	**(635)**	(4,387)
Profit before tax		**225,038**	141,852
Tax	*6*	**(42,908)**	(23,756)
Net profit from ordinary activities attributable to shareholders		**182,130**	118,096
Dividends			
Interim		**28,240**	–
Proposed final		**61,188**	46,288
		89,428	46,288
Earnings per share	*7*		
Basic		**11.74 cents**	7.97 cents
Diluted		**11.41 cents**	7.90 cents

Notes:

1. **Basis of preparation and accounting policies**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

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

HKFRS 3 "Business Combinations" applies to accounting for business combinations for which the agreement date is on or after 1 January 2005. The Group did not have any business combinations during the year and accordingly, this HKFRS has had no impact on these financial statements.

The accounting policies used in the preparation of these financial statements are consistent with those in the annual financial statements for the year ended 31 March 2004.

2. Segment information

Segment information is presented by way of geographical segment as the primary segment. In determining the Group's geographical segments, revenue and results are attributed to the segments based on the location of the customers.

The following table presents revenue and results information for the Group's geographical segments.

	Hong Kong		Mainland China		Taiwan		Singapore		Consolidated	
	2005	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue										
Sales to external customers	**1,034,644**	834,756	**442,863**	459,359	**348,328**	315,553	**191,106**	173,750	**2,016,941**	1,783,418
Other revenue and gains	**8,585**	1,528	**4,456**	6,928	**3,132**	2,627	**96**	72	**16,269**	11,155
Total	**1,043,229**	836,284	**447,319**	466,287	**351,460**	318,180	**191,202**	173,822	**2,033,210**	1,794,573
Segment results	**151,801**	95,739	**31,873**	15,421	**17,570**	16,960	**22,640**	16,886	**223,884**	145,006
Interest income									**1,789**	1,233
Profit from operating activities									**225,673**	146,239
Finance costs									**(635)**	(4,387)
Profit before tax									**225,038**	141,852
Tax									**(42,908)**	(23,756)
Net profit from ordinary activities attributable to shareholders									**182,130**	118,096

3. Turnover, revenue and gains

Turnover represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts, and the rendering of services, but excludes intra-group transactions.

An analysis of turnover, other revenue and gains is as follows:

	2005	2004
	HK$'000	*HK$'000*
Turnover		
Retailing and distribution of garments	**1,987,705**	1,752,652
Rendering of garment-related services	**29,236**	30,766
	2,016,941	1,783,418
Other revenue and gains		
Interest income	**1,789**	1,233
Claims received	**440**	1,261
Royalty income	**3,573**	1,041
Gross rental income	**2,371**	2,580
Recognition of negative goodwill upon liquidation of a subsidiary	**–**	5,199
Write-back of impairment in value of leasehold land and buildings	**8,000**	–
Others	**1,885**	1,074
	18,058	12,388
	2,034,999	1,795,806

4. Profit from operating activities

The Group's profit from operating activities is arrived at after charging/(crediting):

	2005	2004
	HK$'000	*HK$'000*
Cost of sales		
Cost of inventories sold	**984,614**	921,573
Inventory provision	**34,645**	18,285
	1,019,259	939,858
Depreciation	**47,600**	48,997
Loss on disposal of fixed assets	**2,982**	6,296
Net rental income	**(421)**	(496)

5. Finance costs

	2005	2004
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**635**	4,387

6. **Tax**

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2005	2004
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**22,974**	6,636
Overprovision in prior years	**(348)**	(42)
Current – Elsewhere		
Charge for the year	**16,556**	4,327
Underprovision in prior years	**815**	1,381
Deferred	**2,911**	11,454
Total tax charge for the year	**42,908**	23,756

7. **Earnings per share**

The basic earnings per share is calculated based on the net profit from ordinary activities attributable to shareholders for the year of HK$182,130,000 (2004: HK$118,096,000), and the weighted average of 1,551,467,394 (2004: 1,482,333,708 as restated) ordinary shares in issue during the year, as adjusted to reflect the bonus shares issued during the year.

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK$182,130,000 (2004: HK$118,096,000). The weighted average number of ordinary shares used in the calculation is the 1,551,467,394 (2004: 1,482,333,708 as restated) ordinary shares in issue during the year, as used in the basic earnings per share calculation; and the weighted average of 45,235,587 (2004: 13,117,406 as restated) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the year.

DIVIDEND

The Board has resolved to recommend a final dividend of HK3.9 cents (2004: HK3.0 cents after adjustment for the one for one bonus issue of shares in September 2004) per ordinary share for the year ended 31 March 2005 at the forthcoming annual general meeting to be held on 30 August 2005 (the "AGM"). The final dividend, if approved by the members, will be paid on 9 September 2005 to members whose names appear on the principal or branch register of members of the Company in Bermuda or Hong Kong respectively (collectively the "Register of Members") as at the close of business on 30 August 2005.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from 25 August 2005 (Thursday) to 30 August 2005 (Tuesday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 24 August 2005 (Wednesday).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The Group was successful in achieving double-digit growth in both turnover and profits during the year under review. The pragmatic growth strategy in network expansion plus the improved economic environment in all of the Group's four core markets accounted for the Group's outstanding business performance in the year under review.

With clear corporate objectives and well-executed business strategies, the Group achieved another year of record high results. The consolidated turnover surged 13% from HK$1.78 billion to HK$2.02 billion. With a two-percentage-point growth in gross margin to 49%, gross profit grew 18% to HK$998 million (2004: HK$844 million). Focused on effective cost management, the Group's operating profit rose to HK$226 million (2004: HK$146 million), a 54% increase over that of 2003/2004. Operating margin also improved from the prior year's 8% to 11% this year.

Net profit increased a substantial 54% to HK$182 million (2004: HK$118 million). This indicated our ability to achieve sustainable growth even when gross margin was slightly affected by the unseasonably warm weather in the second half of the year. The 9% net margin was two percentage points over that of the prior year.

The Group's operational efficiencies improved prominently during the year under review. The overall same store sales grew 11% with the overall net retail sales per sq. ft. improved by 18% to HK$3,300 (2004: HK$2,800). We also managed to reduce the total operating expenses to 39% of our revenue (2004: 40%).

Business Review

Since opening its first store in 1987, Bossini has successfully expanded its business to about 20 countries around the globe, from Asia to the Middle East, Central America, and Europe. The Group has been and remains as a brand owner, retailer, and franchiser. Currently, the Group's apparel brands include its premier "**bossini**" label, a widely recognised casual wear brand and "**sparkle**", a younger brand catering only for the Mainland China market at present.

Breakdown of Directly Managed Outlets vs Franchised Outlets

	As at Mar 2005	As at Mar 2004	+/(-) Outlets
Hong Kong			
Directly managed outlets	**32**	27	+5
Mainland China			
Directly managed outlets	**274**	189	+85
Franchised outlets	**203**	195	+8
Sub-total	***477***	*384*	*+93*
Taiwan			
Directly managed outlets	**75**	71	+4
Singapore			
Directly managed outlets	**28**	27	+1
Other Countries			
Export franchised outlets	**215**	169	+46
Total			
Directly managed outlets	**409**	314	+95
Franchised outlets	**418**	364	+54
	827	678	+149

Distribution Network Expansion

The Group added 149 new outlets in its distribution network increasing the number of outlets from 678 to 827 mainly in Mainland China and its export franchise markets. The Group's directly managed outlets are found exclusively in the four core markets of Hong Kong, Mainland China, Taiwan, and Singapore. In Mainland China, the Group's directly managed outlets cover 8 key cities and its franchise business now sells "**bossini**" and "**sparkle**" brands in more than 100 2nd- and 3rd-tier cities. Other than directly managed outlets, the Group's distribution network also comprises overseas franchises in 16 countries around the world.

As at 31 March 2005, the Group operated 409 directly managed retail outlets (2004: 314), 95 more than the previous year. The total retail floor area thus grew 12% to 542,700 sq. ft. (2004: 482,600 sq. ft.). After the restructuring of the franchise network in Mainland China, the number of franchised outlets there totalled 203 (2004: 195), 8 more than in 2003/2004. For overseas franchise business, the number of outlets now stands at 215 (2004: 169), with the addition of 46 new outlets mainly in the Middle East and Thailand during the year.

Brand Development

Adhering to its brand tagline "Color Our World", Bossini's goal is to raise our brand value by consistently offering a variety of easy to mix and match casual wear for its customers. Innovative marketing initiatives were launched in Hong Kong during the year under review and brand awareness campaigns were conducted in Mainland China.

During the year, Hong Kong piloted several innovative retailing concepts including infotainment TV commercials, the introduction of fashion ambassadors at the Group's new flagship store in Hong Kong, and the world-class Traffic Count System plus some other first-in-town marketing activities.

To further increase brand awareness among consumers in Mainland China, a regional media campaign was launched using TV, magazines, metro and buses to promote "**bossini**" and "**sparkle**". Other campaigns included joint promotion and cross-selling with other reputable brands.

Analysis by Geographical Market

	Hong Kong		**Mainland China**		**Taiwan**		**Singapore**		**Total**	
Year ended 31 March	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004
Net retail sales (in HK$million)	**803**	678	**331**	309	**348**	315	**191**	174	**1,673**	1,476
Retail floor area (sq. ft.) (a)	**112,000**	98,600	**276,400**	235,600	**124,100**	119,500	**30,200**	28,900	**542,700**	482,600
Net sales per sq. ft. (in HK$) (b)	**7,700**	6,800	**1,300**	1,200	**2,800**	2,600	**6,600**	5,400	**3,300**	2,800
Franchise sales (in HK$million)	**218**	148	**97**	129	**N/A**	N/A	**N/A**	N/A	**315**	277

Notes:

(a) As at 31 March

(b) On weighted average basis

Operating Cost Analysis

	2005 HK$million	***% of total turnover***	2004 *HK$million*	*% of total turnover*	*+/(-)%*
Turnover	**2,016.9**	***100.0%***	1,783.4	*100.0%*	+13%
Selling and distribution costs	**575.1**	***28.5%***	508.9	*28.5%*	+13%
Administrative expenses	**177.5**	***8.8%***	158.1	*8.9%*	+12%
Other operating expenses	**37.4**	***1.9%***	42.7	*2.4%*	–12%
Total operating expenses	**790.0**	***39.2%***	709.7	*39.8%*	+11%

Key Operations Breakdown and Analysis

Hong Kong, the Group's primary market includes both its Hong Kong retail business and export franchise business, which accounted for 52% of the Group's turnover and 67% of its operating profit in the year under review. Mainland China was the second largest turnover and operating profit contributor for the year, accounting for 22% and 15% of the Group's total respectively. Taiwan and Singapore contributed 17% and 9% of the consolidated turnover respectively and 8% and 10% respectively of the consolidated operating profit.

Hong Kong

Hong Kong's apparel market is one of the most competitive markets in the world. The valuable retail experience garnered in the Hong Kong market has contributed to the successful expansion into other markets. The Group met its goal of expanding its presence in the region by opening a total of five new outlets, bringing the number of stores to 32 as at 31 March 2005 (2004: 27). The Group performed well in both the retail and export franchise businesses despite that the business environment was not entirely conducive in the second half of the year.

Retail sales for the year under review amounted to HK$803 million (2004: HK$678 million), an 18% rise over that of 2003/2004. Retail floor area increased to 112,000 sq. ft., up 14% from 98,600 sq. ft. in the past fiscal year. Same store sales grew 11% during the year. Operating profit amounted to HK$97 million, up 43% from HK$68 million in 2003/2004. Operating margin was 12% in the year under review (2004: 10%).

In 2004/2005, the Group's export franchise business recorded under Hong Kong operation had an impressive year, achieving a 47% rise in turnover at HK$218 million (2004: HK$148 million), contributing 11% to the Group's overall turnover. Currently, we have 215 franchised outlets (2004: 169) in 16 countries including the 46 new outlets added during the year under review. Operating profit of this business for the year was HK$65 million (2004: HK$41 million), which was up 59% and accounted for 29% of the Group's total operating profit, at the margin of 30% (2004: 28%). At this pace, we are confident in the superb growth potential of this high value business.

Mainland China

The Group began operations in Mainland China in 1993. Since then, the number of directly managed outlets has increased to 274 (2004: 189) of which 85 were added in the year under review, covering a total of 8 cities. Retail floor area totalled 276,400 sq. ft. as at 31 March 2005 (2004: 235,600 sq. ft.), a 17% increase over the previous year.

The Group's first franchised store in China was opened in 1995. It is now part of a distribution network of 203 stores covering over 100 Mainland cities (2004: 195).

As part of its optimisation plan, the Group will continue to improve its operations in Mainland China by strengthening service quality, providing more staff training and facilitating knowledge sharing between the directly managed outlets and franchisees. During the year under review, measures were taken to improve profitability. This was done by providing extensive staff training across the Group from management to sales staff. At the same time, marketing activities were substantially increased to promote the brand awareness in the local market.

During the year, it was witnessed that many franchisees, due to various reasons, failed to satisfactorily manage their business and dropped out. In view of this situation, major transformation of the franchise operation, aiming at streamlining the franchise division and improving distribution efficiency, was started in the year under review. Benefits of the transformation have been realised progressively and will continue to manifest in the medium term. Despite the keen competition in the Mainland market, the Group was able to achieve satisfactory results for the year. As the Group recruits more quality franchisees to its win-win scheme in the coming years, performance of the operation is expected to improve.

Same store sales for the Mainland China market recorded an 11% growth this year. Retail sales surged to HK$331 million (2004: HK$309 million), a 7% rise over fiscal year 2003/2004. Operating profit was HK$9 million, compared with a loss of HK$22 million last year. An operating profit margin of 3% (2004: –7%) was achieved. However, during this transitional period of transformation, franchise sales dropped by 25% to HK$97 million (2004: HK$129 million). This led to a substantial drop in operating profit of 30% to HK$23 million (2004: HK$33 million) with an operating margin of 24% (2004:26%). Mainland China's overall turnover for the year was thus down slightly to HK$443 million (2004: HK$459 million) with an operating margin of 7% (2004: 3%). Nevertheless, due to outstanding margin and cost management plus the successful reforms, the country's operating profit at HK$33 million (2004: HK$16 million) more than doubled that of the prior year. Operating margin was 7% (2004: 3%).

In view of the huge potential existing in the Mainland China market, with over 12 years retailing experience there, the Group is well poised to prosper.

Taiwan

Like most of its Asian neighbours, Taiwan experienced an upward shift in its economic trend in 2003 and 2004. These gains are expected to continue and correspondingly influence the retail sector.

In the fiscal year under review, those changes helped pave the way for a rise in operating profit of 6% over that in 2003/2004 to HK$18 million (2004: HK$17 million) with operating profit margin at 5% (2004: 5%). Business was stronger than expected in the first half of the year, but slipped in the second half due to the unseasonably warm weather. Retail floor area increased to 124,100 sq. ft. from 119,500 sq. ft. in 2003/2004. Sales for the year under review amounted to HK$348 million (2004: HK$315 million), 10% higher than the prior fiscal year. Same store sales grew 6% for the year.

The Group directly managed 75 outlets (2004: 71) in Taiwan, an increase of 4 over the fiscal year 2003/2004.

Singapore

In Singapore, the Group added one new store during the year, bringing the total number of outlets to 28 (2004: 27) and increasing the retail floor area by 4% to 30,200 sq. ft. (2004: 28,900 sq. ft.). Operating profit increased 35% to HK$23 million (2004: HK$17 million), and same store sales grew 12%. Retail sales for the year amounted to HK$191 million (2004: HK$174 million), a 10% rise over that of last year. Operating profit margin was 12% (2004: 10%).

Liquidity and Financial Resources

For two years in a row, the Group's cash on hand rose substantially. For the year ended 31 March 2005, it stood at HK$326 million (2004: HK$225 million). The Group's current ratio was maintained at a healthy level of 2.5 (2004: 2.7) and total liabilities to equity was 47% (2004: 43%). We managed to maintain consistent quality inventory management as reflected by the inventory turnover period of 39 days, a level close to prior year's 37 days. There was a remarkable improvement in return on equity from 33% to 36%.

As at 31 March 2005, the Group's total assets and liabilities were HK$824 million (2004: HK$638 million) and HK$263 million (2004: HK$192 million) respectively with equity amounting to HK$561 million (2004: HK$446 million). The Group had net cash (total cash on hand minus total bank borrowings) of HK$311 million (2004: HK$190 million) with total bank borrowings of HK$15 million (2004: HK$35 million).

Capital expenditures for the year included HK$50 million (2004: HK$34 million), mainly for shop renovations in Hong Kong and Mainland China.

Contingent liabilities

The Group had certain contingent liabilities with respect to business tax in Taiwan. The Directors, based on the advice from the local tax representative of the Taiwan Branch, believe that the branch has a valid ground to object the claims from the tax bureau in Taiwan, and accordingly, have not made any provision for the tax claim or any potential additional profits tax liabilities as at 31 March 2005.

Human Capital

As of 31 March 2005, the Group employed a total of 3,963 (2004: 3,230) full-time equivalent employees in Hong Kong, Mainland China, Taiwan and Singapore. The Group reimburses its employees on performance basis and offers insurance, retirement plans, share options, and discretionary performance bonuses.

Outlook

With proven impressive profitability in the past two years and recent explosive growth of its export franchise business, the Group is poised to capture growth potential in the near future. The Group expects to meet keen competition in the years head-on as economic globalisation continues. Facing these challenges, Bossini will implement effective purchase management, cost controls, and a cautious global expansion plan.

In spite of the anticipated intense competition, Bossini sees measures of success not only in profitability but also growth in operation and market share. The Group regards its export franchise business and Mainland China market as its future growth engines, and targets Mainland China to be the number one turnover and profits contributor to the Group in the medium term. Bossini is committed to offering more training to and collaborating more closely with its export franchise partners, encouraging their network expansion and enhancing operational efficiency.

The Group expects the Hong Kong retail sector to boom as the economy improves and the number of tourists increases. As the Group has already achieved prime location penetration, three to five new stores will be opened this year mainly in residential areas in Hong Kong in order to benefit fully from the rebounding consumer sentiment.

Adopting a rental renewal strategy that focuses on optimising floor area utilisation, the Group expects rental increment for prime shop sites to be balanced by the mild rental increment for shops in residential areas, hence creating minimal pressure on its overall profitability. The Group also expects its sales growth to be in line with rental cost increment in Hong Kong.

The export franchise markets not only provide high growth potential, but also help diversify the Group's business portfolio. Currently, Bossini is investigating market development opportunities in India, Korea, and Japan. The Group will also start its franchise business in Nepal. The Group's goal is to expand its export franchise sales by 30% in the coming year; this logically follows the almost 50% growth achieved in the year under review. The Group will continue to increase the collaborative training offered to franchise partners and encourage export partners especially those in the Middle East and Thailand to expand business, a strategy proven highly successful in 2004/2005.

The retail market and consumer spending in Mainland China is growing as reflected in current economic and retail figures. Mainland China is also adding retail space the fastest in the world. Bossini is well established to take advantage of this emerging market as it matures. The Group aims to add more than 150 outlets in the country via its retail and franchise divisions in the next fiscal year. By providing more staff training and increasing knowledge sharing between directly managed stores and franchisees, service quality of the operations will improve and so will their overall performance.

To foster the Group's growth potential in Taiwan, franchise operation will be introduced. More than 20 directly managed and/or franchise outlets will be added in the coming year, riding on Taiwan's general economic recovery.

Bossini is currently one of the leading apparel retailers in the Singapore market, which is mature and very competitive like Hong Kong. The Group plans to spur sales growth in Singapore by increasing brand development and enhancing outlays. Though the market in Singapore is saturated, the Group believes that profitability gains are attainable by capitalising on enhancement of operational effectiveness and efficiencies in 2004/2005. It is Bossini's goal to capture the lion share of Singapore's apparel market in five years.

The Group is also planning to repeat the success of its Singapore operations in Malaysia by operating retail stores in the second half of 2005/2006. The experienced management team in Singapore will directly oversee such operations in Malaysia.

Looking ahead, Bossini will strive to achieve sustainable double-digit growth in both turnover and profits. In the foreseeable future, turnover and profits will continue to be driven by increasing market shares in the Group's core markets and growth of its export franchise business. As a company motivated by profitability, the Group targets an annual dividend payout policy of at least 50%.

On the operation front, the Group will continue to adopt a series of ongoing initiatives to enhance growth. With cost effectiveness and efficiencies as priorities, the Group plans to implement world-class IT systems to enhance internal operations, inventory management, merchandise planning and forecasting. At the same time, the Group is also evaluating its supply chain and logistic systems for room of further improvement.

Our primary capital expenditure for the coming year will amount to HK$60 million of which HK$50 million will be spent on retail business expansion and shop renovation in Hong Kong, Mainland China, and Taiwan, and HK$10 million will be spent on IT system enhancement for long-term efficiency gains.

Bossini has in place an organic optimisation plan designed to enhance its position as a dominant global player in the apparel market. Combining consistency, efficiency, quality, and expansion, we aim to achieve increased market share in all core markets and seize development opportunities in new markets. By accomplishing the tasks and goals set forth previously and realising long-term optimisation, the Group expects to further enhance shareholders' value in the years ahead.

CODE OF BEST PRACTICE

In the opinion of the Board, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") throughout the accounting period covered by the annual report. All Independent Non-executive Directors of the Company have been appointed for a term of one year which will be automatically renewed subject to early termination by mutual consent or three months' prior notice and they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee has reviewed the audited annual results for the year ended 31 March 2005. The audit committee comprises the three Independent Non-executive Directors of the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The 2004/05 Annual Report of the Company containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules in force prior to 31 March 2004, which remain applicable to the results announcement in respect of accounting periods commencing before 1 July 2004 under the transitional arrangements, will be published on the website of the Stock Exchange in due course.

By Order of the Board
LAW Ka Sing
Chairman

Hong Kong, 5 July 2005

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. LAW Ka Sing, Ms. CHAN So Kuen, Ms. Pansy CHAU Wai Man, Mr. Dickie FU Shing Kwan and Mr. Simon ORR Kuen Fung and three Independent Non-executive Directors, namely Mdm. LEUNG Mei Han, Mr. Raymond LEE Man Chun and Mr. WONG Wai Kay.