



# AUTOMATED SYSTEMS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 771)

## INTERIM RESULTS ANNOUNCEMENT 2006

### RESULTS

The Board of Directors (the "Directors") of Automated Systems Holdings Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2005. The interim financial statements have been reviewed by the Company's Audit Committee.

### Condensed Consolidated Profit and Loss Account

	Notes	Unaudited Three months ended 30th September,		Unaudited Six months ended 30th September,	
		2005 HK\$'000	2004 HK\$'000 (Restated)	2005 HK\$'000	2004 HK\$'000 (Restated)
TURNOVER	(4)	267,592	220,845	498,591	450,608
Direct costs		(162,992)	(126,215)	(296,498)	(263,022)
Other costs of services and distribution costs		(79,186)	(71,971)	(153,870)	(142,625)
Other net operating income	(5)	4,580	2,563	6,124	2,956
Sales expenses		(11,517)	(9,774)	(23,033)	(19,259)
Administrative expenses		(7,883)	(7,025)	(15,836)	(15,042)
Restructuring costs		-	-	-	(1,979)
<b>PROFIT FROM OPERATIONS</b>	(6)	<b>10,594</b>	<b>8,423</b>	<b>15,478</b>	<b>11,637</b>
Finance costs		(114)	(55)	(201)	(156)
Share of results of associates		6	(56)	44	(81)
<b>PROFIT BEFORE TAXATION</b>		<b>10,486</b>	<b>8,312</b>	<b>15,321</b>	<b>114,00</b>
Taxation	(7)	(1,051)	(893)	(1,710)	(1,179)
<b>PROFIT FOR THE PERIOD</b>		<b>9,435</b>	<b>7,419</b>	<b>13,611</b>	<b>10,221</b>
Attributable to:					
Equity holders of the parent		9,435	7,419	13,611	9,848
Minority interest		-	-	-	373
		<b>9,435</b>	<b>7,419</b>	<b>13,611</b>	<b>10,221</b>
Interim dividend	(8)	5,864	4,375	5,864	4,375
<b>EARNINGS PER SHARE</b>	(9)				
Basic		<b>3.22 cents</b>	2.54 cents	<b>4.66 cents</b>	3.38 cents
Diluted		<b>3.20 cents</b>	2.54 cents	<b>4.62 cents</b>	3.37 cents

Note: Certain comparative figures have been restated so as to conform the current period's presentation.

## Condensed Consolidated Balance Sheet

	Notes	Unaudited 30th September, 2005 HK\$'000	Audited 31st March, 2005 HK\$'000 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	(10)	140,382	149,479
Intangible assets		5,237	5,844
Interests in associates		66	22
Club memberships		900	900
		<u>146,585</u>	<u>156,245</u>
<b>CURRENT ASSETS</b>			
Inventories		73,910	92,478
Trade receivables	(11)	163,495	121,070
Other receivables, deposits and prepayments		47,236	38,081
Investments in securities	(12)	21,137	18,461
Short term bank deposits	(13)	261,558	254,215
Bank balances and cash		43,666	104,190
		<u>611,002</u>	<u>628,495</u>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	(14)	146,308	132,351
Other payables and accruals		49,618	48,065
Receipts in advance		83,053	110,523
Taxation		3,995	3,973
Bank borrowings		11,982	12,985
		<u>294,956</u>	<u>307,897</u>
<b>NET CURRENT ASSETS</b>		<u>316,046</u>	<u>320,598</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>462,631</u>	<u>476,843</u>
<b>NON-CURRENT LIABILITY</b>			
Deferred taxation		9,398	9,398
		<u>453,233</u>	<u>467,445</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		29,310	29,173
Reserves		423,923	438,272
		<u>453,233</u>	<u>467,445</u>

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1. Basis of Preparation

The condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and 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").

### 2. Principal Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of land and building and investments in securities, which are measured at fair value or revalued amounts, as appropriate.

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

In the current period, the Group has applied a number of new and revised Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statements of changes in equity. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in the following changes to the Group's accounting policies:

#### Share-based payments

In the current period, the Group has applied HKFRS 2 "Share-based Payment" which requires an expense to be recognised on the basis of the fair value of Directors' and employees' share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognize the financial effect of these share options until they were exercised. The Group has applied retrospectively HKFRS 2 to share options granted on or after 7th November, 2002 and had not vested on 1st April, 2005. The fair value of share options at grant date are amortised over the relevant vesting periods to the profit and loss account.

#### Financial instruments

In the current period, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". In the prior period, the unrealized gains and losses of other securities are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in net profit and loss for that period.

Upon the adoption of HKAS 39, the other securities have been reclassified as listed securities at fair value through profit & loss. The listed securities at fair value through profit & loss are carried at fair value, with changes in fair values recognized in profit and loss. The cumulative unrealised gains or losses previously reported in equity continues to be held in equity. On subsequent disposal of such investment, the unrealized gains or losses remaining in equity will be transferred to the profit & loss.

### 3. Summary of the Effect of the Changes in Accounting Policies

The effect of the changes in the accounting policies described in Note 2 above on the results for the current and prior period are as follows:

	Unaudited Six months ended 30th September, 2005 HK\$'000	2004 HK\$'000
Unrealised gain arising from fair value changes of investments in securities	2,004	-
Expenses in relation to share options granted to the Directors and employees	(989)	(291)
Increase in net profit/(loss) for the period	<u>1,015</u>	<u>(291)</u>

The cumulative effect of the application of the new HKFRSs on the balance sheet as at 31st March, 2005 and 1st April, 2005 are summarized below:

	Unaudited Accumulated Profits 2005 HK\$'000	2004 HK\$'000
Previously reported at 31st March	331,751	308,676
Effect of adoption of HKFRS 2	(1,464)	(481)
After adoption of HKFRS 2 at 1st April	<u>330,287</u>	<u>308,195</u>

#### 4. Turnover and Segmental Information

Turnover represents the net amount received and receivable for goods sold by the Group to outside customers (less returns and allowances) and revenue from service contracts, and is analysed as follows:

	Unaudited Three months ended 30th September, 2005		Unaudited Six months ended 30th September, 2005	
	2005 HK\$'000	2004 HK\$'000 (Restated)	2005 HK\$'000	2004 HK\$'000 (Restated)
Sales of goods	177,465	142,732	324,144	291,827
Revenue from service contracts	90,127	78,113	174,447	158,781
	<u>267,592</u>	<u>220,845</u>	<u>498,591</u>	<u>450,608</u>

Although the Group sells computer products and provides a wide range of services, in the opinion of the Directors, all the sales of goods and provision of services are information technology ("IT") related and, in most of the time, are negotiated under a single contract with a single customer. Accordingly, the Directors consider that the Group is engaged in one single business segment, namely IT services, and mainly serves the Hong Kong market.

#### 5. Other Net Operating Income

	Unaudited Three months ended 30th September, 2005		Unaudited Six months ended 30th September, 2005	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Interest on bank deposits	1,798	425	3,237	703
Dividend income from investments in securities	1,655	1,844	1,655	1,844
Unrealised gains on fair value changes of investments in securities	2,004	–	2,004	–
Other income	112	585	217	700
	<u>5,569</u>	<u>2,854</u>	<u>7,113</u>	<u>3,247</u>
Share option expenses	(989)	(291)	(989)	(291)
	<u>4,580</u>	<u>2,563</u>	<u>6,124</u>	<u>2,956</u>

#### 6. Profit from Operations

	Unaudited Three months ended 30th September, 2005		Unaudited Six months ended 30th September, 2005	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Profit from operations has been arrived at after charging:				
Depreciation and amortisation:				
Intangible assets (included in other costs of services and distribution costs)	332	356	663	716
Property, plant and equipment	9,269	8,916	18,641	17,680
Loss on disposal of property, plant and equipment	32	145	11	1,929
and after crediting:				
Interest income	1,798	425	3,237	703
Dividend income from investments in securities	1,655	1,844	1,655	1,844
	<u>1,655</u>	<u>1,844</u>	<u>1,655</u>	<u>1,844</u>

#### 7. Taxation

	Unaudited Three months ended 30th September, 2005		Unaudited Six months ended 30th September, 2005	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
The charge comprises:				
Hong Kong Profits Tax	783	576	1,370	835
Overseas taxation	268	317	340	344
Taxation attributable to the Company and its subsidiaries	<u>1,051</u>	<u>893</u>	<u>1,710</u>	<u>1,179</u>

Hong Kong Profits Tax is calculated at 17.5% (FY05: 17.5%) of the estimated assessable profits derived from Hong Kong for the three months and the six months ended 30th September, 2005. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

#### 8. Interim Dividend

The Directors have determined that the interim dividend of HK2.0 cents (FY05: HK1.5 cents) per share for the six months ended 30th September, 2005 should be paid to the shareholders of the Company whose names appear in the register of members on 10th January, 2006.

#### 9. Earnings Per Share

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited Three months ended 30th September, 2005		Unaudited Six months ended 30th September, 2005	
	2005 HK\$'000	2004 HK\$'000 (Restated)	2005 HK\$'000	2004 HK\$'000 (Restated)
Earnings for the purpose of basic earnings per share and diluted earnings per share	<u>9,435</u>	<u>7,419</u>	<u>13,611</u>	<u>9,848</u>
	<u>Number of shares</u>	<u>'000</u>	<u>Number of shares</u>	<u>'000</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	292,863	291,634	292,339	291,566
Effect of dilutive potential ordinary shares – share options	2,187	276	2,000	296
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>295,050</u>	<u>291,910</u>	<u>294,339</u>	<u>291,862</u>

#### 10. Movements in Property, Plant and Equipment

During the period, the Group spent HK\$9,980,000 on property, plant and equipment. The Group disposed of property, plant and equipment with an aggregate carrying amount of HK\$174,000 for proceeds of HK\$163,000, resulting in a loss on disposal of HK\$11,000.

The Group's leasehold land and buildings were stated at valuations made in 1998, less depreciation and amortisation. The Directors, after taking into account the current market condition, considered that the carrying amounts of the Group's leasehold land and buildings at 30th September, 2005 did not differ significantly from their market value at the same date.

#### 11. Trade Receivables

The Group has granted credit to substantially all of its customers for 30 days and has credit control procedures to minimise credit risk. Overdue balances are reviewed regularly by senior management.

An aged analysis of the trade receivables at the balance sheet date, based on payment due date and net of provisions, is as follows:

	Unaudited 30th September, 2005 HK\$'000	Audited 31st March, 2005 HK\$'000
Current	86,487	64,308
Within 1 month	36,878	21,174
1 - 2 months	13,413	14,733
2 - 3 months	8,109	8,926
Over 3 months	18,608	11,929
	<u>163,495</u>	<u>121,070</u>

## 12. Investments in Securities

	Unaudited 30th September, 2005 HK\$'000	Audited 31st March, 2005 HK\$'000
Other securities at market value	-	18,461
Listed securities at fair value through profit or loss	21,137	-
	<u>21,137</u>	<u>18,461</u>

## 13. Short Term Bank Deposits

The short term bank deposits included the bank deposits amounting to HK\$1,552,000 (31st March, 2005: HK\$ Nil) which have been pledged to the bank for banking facilities.

## 14. Trade and Bills Payables

An aged analysis of the trade and bills payables at the balance sheet date, based on payment due date, is as follows:

	Unaudited 30th September, 2005 HK\$'000	Audited 31st March, 2005 HK\$'000
Current	70,382	81,342
Within 1 month	47,443	26,472
1 - 2 months	11,366	7,511
2 - 3 months	3,324	6,297
Over 3 months	13,793	10,729
	<u>146,308</u>	<u>132,351</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results and Business Review

The Group has maintained stable growth throughout the first half of FY06. Total turnover for the six months ended 30th September, 2005 was HK\$498.6 million, an increase of HK\$48.0 million or 10.7% over the same period last year. Turnover for the three months ended 30th September, 2005 was HK\$267.6 million, an increase of HK\$46.8 million or 21.2% over the second quarter of FY05. Products sales improved by 11.1% and service-based revenue increased by 9.8% compared with the corresponding six-month period last year, making up 65.0% and 35.0% of total income respectively. Commercial and public sector sales contributed 50.3% and 49.7% to turnover respectively as compared to 54.4% and 45.6% for the first six months of FY05.

Profit before taxation for the half year were HK\$15.3 million, representing an increase of HK\$3.9 million over the same period in FY05. Profit before taxation in the second quarter were HK\$10.5 million, higher by HK\$2.2 million compared to the corresponding period last year. Influences on improved profits for FY06 include continuing growth of the maintenance and managed services businesses, contribution of interest income, and unrealized gain on the revaluation of the investment in the listed securities to fair value as a result of the adoption of the new and revised Hong Kong Financial Reporting Standards, the Hong Kong Accounting Standards and Interpretations.

The Group maintained a Balance Sheet with net cash of approximately HK\$293.2 million as at 30th September, 2005.

This period has seen the securing of several multi-million dollar IT infrastructure replacement and system upgrade projects with financial institutions. Projects included the provision of high performance and workgroup servers to two leading international banks in Hong Kong, the replacement of a Japan-based financial institution's enterprise storage system, a large scale data backup project for a banking customer's data center, and provision of networked storage system, relocation and Fiber-to-IP data replication services to a storage upgrade project for a major US-based bank. We also won the first project to provide business recovery service for SWIFT (Society for Worldwide Interbank Financial Telecommunication) system for a Canada-based bank.

The outlook for IT services business continued to be positive with particular growth in the client-specific managed services business on helpdesk, desktop support, IT facilities management and outsourcing services, which led to a growth in recurrent income. Revenue from managed services alone was HK\$54.8 million for the first half of FY06, an increase of 24.3% as compared to the same period last year. Significant contributing contracts during the period included provision of IT support services to various Hong Kong Special Administrative Region (HKSAR) government or quasi-government organizations, such as Leisure & Cultural Services Department and Airport Authority Hong Kong. The Group has also been providing technical support services to 73 primary and secondary schools in Hong Kong. New public sector service contracts secured in the second quarter included a 3-year Standing Offer Agreement for the provision of IT contract staff services to various government departments.

Turnover for overseas business in Macau, Thailand and Taiwan was HK\$32.4 million for the first half of this year, an increase of 14.7% in relation to the same period in FY05. Business in Macau has been particularly active where the resurgent local economy has fed demand for new IT infrastructure from both public and private sectors. Apart from providing computing infrastructure for schools and governmental departments in Macau, the Group also witnessed an increase in business within the hospitality and entertainment industry. The Group secured a number of contracts to provide back office systems for various hotels and catering groups, including Emperor Entertainment Hotel and Future Bright Group, and a contract to set up storage and backup system for a large entertainment project.

Newly secured contracts for turnkey business solutions for the first half of FY06 included the provision of a Web-based document management solution for a government department, following the implementation of a pilot enterprise class document management project for another government department. During the period, the Group won contract from a well-known local developer to design and develop a new transportation system for one of the largest private residential estate in Hong Kong. The new system will replace the current one by streamlining the fare collection and access control systems to reduce operation cost and enhance management efficiency. We were also selected by the Transport Department to develop their Permit Application System.

During the period, the Group was awarded the "Most Strategic Win Availability" by Symantec for the deployment of their Veritas Availability Solution and the "Best Performing Partner" from Trend Micro for the significant growth of Trend Micro product sales achieved by the Group in the second quarter.

### Outlook and Prospect

The key factors influencing the business remain largely unchanged in FY06 with the economy continuing to play a dominant role. A buoyant economy drives a rise in labour costs and exerts increasing pressure in retaining well-trained and experienced staff. Having foreseen this issue, the Group has already implemented a suite of initiatives to invest in the development and retention of staff, including on-going career development and specialist training programs.

The significance of domestic sales means that the IT strategy of HKSAR Government continues to play a vital role in the Group's business, as well as the IT industry as a whole. The Government's forward-thinking approach to IT policy towards all industries adds to a positive outlook for the immediate future.

The developing banking and finance business between Mainland China and Hong Kong is generating increasing IT spending and placing demands on quality IT support in this sector. Having a long-term presence in this area, the Group is well positioned to service and capitalize on this trend.

The Group will continue enhancing its services and focusing on major corporate clients, providing tailored solutions to meet specific clients' needs. Moreover, the Group will be building stronger relationships with industry vendors and continue to align business strategies. Seeing the opportunity of providing computing solutions that help customers simplify their datacenter operations and infrastructure, we have entered into a distributor agreement with Egenera, Inc. to sell the Egenera® BladeFrame® product line in Hong Kong and Macau.

The Group will continue to explore opportunities to expand through provision of its proven IT solutions to a wider market outside of Hong Kong and continue to look at possibilities to move up the value chain.

### Financial Resources and Liquidity

As at 30th September, 2005, the Group's total assets of HK\$757.6 million were financed by current liabilities of HK\$295.0 million, deferred tax of HK\$9.4 million and shareholders' equity of HK\$453.2 million. The Group had a working capital ratio of approximately 2.07:1.

As at 30th September, 2005, the Group had an aggregate composite banking facilities from banks of approximately HK\$321.4 million of which HK\$28.4 million was utilized (31st March, 2005: HK\$28.8 million). The Group's gearing ratio was 2.6% (31st March, 2005: 2.8%) as at 30th September, 2005.

Except for the pledged bank deposits of HK\$1.6 million, there was no charge on the Group's assets as at 30th September, 2005.

### Treasury Policies

The Group generally financed its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Bank facilities used by the Group included trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the respective countries' Interbank Offer Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and United States dollars ("US dollars").

### Foreign Exchange Exposure

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group will continue to be minimal as long as the policy of the Government of the Hong Kong Special Administrative Region to link the Hong Kong dollars to the US dollars remains in effect. There was no material exposure to fluctuations in exchange rates, and therefore no related hedging financial instrument was applied during the six-month period ended 30th September, 2005.

#### **Contingent Liabilities**

Corporate guarantee to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK\$51.8 million as at 30th September, 2005. The amount utilized against such facilities and goods supplied as at 30th September, 2005 which was secured by the corporate guarantee amounted to approximately HK\$5.6 million. The performance bond issued by the Group to customers as security of contract was approximately HK\$16.4 million as at 30th September, 2005.

#### **Employee and Remuneration Policies**

As at 30th September, 2005, the Group, excluding its associates, employed 1,052 permanent and contract staff in Hong Kong, Macau, Taiwan and Thailand. The Group remunerates its employees based on their performance, working experience and the prevailing market conditions. Bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance, medical coverage and share options scheme.

#### **PRIVATIZATION OF CSA HOLDINGS LTD**

In June 2005, CSA Holdings Ltd (“CSA”) and CSC Computer Sciences International Inc. (“CSI”) jointly announced a proposal to privatize CSA by way of a scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore (the “Scheme”). Under the Scheme, all CSA shares will be transferred to CSI and its nominees for a cash consideration to be paid by CSI and CSA will withdraw its listed status from Singapore Stock Exchange. The Scheme was approved and took effect from 17th October, 2005. As a result of the privatization, CSA becomes a wholly-owned subsidiary of CSI who in turn is a wholly-owned subsidiary of Computer Sciences Corporation (CSC). Before the privatization, CSA was the immediate holding company of the Company and CSC our ultimate holding company. The Company is not aware of any material effect on this shareholding structure due to the privatization of CSA. CSC has its shares listed on the New York Stock Exchange.

#### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from 11th January, 2006 to 13th January, 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s registrars, Tengis Limited at G/F Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 10th January, 2006. The dividend warrants will be despatched on or before 23rd January, 2006.

#### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30th September, 2005, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

#### **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results.

#### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the six months ended 30th September, 2005, and they all confirmed that they have fully complied with the required standard set out in the Model Code.

#### **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the accounting period for the six months ended 30th September, 2005 except as noted below:

- (a) with respect to Code A.1.7, the Board approved a procedure to enable the Directors to seek independent professional advice at the Company’s expenses; the procedure was approved after 30th September, 2005;
- (b) with respect to Code A.2.1, the Company approved a schedule setting out the separate roles of the Chairman and the Managing Director of the Company; the schedule was approved after 30th September, 2005;
- (c) with respect to Code A.4.1, all Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Company’s Bye-laws. The majority of Non-executive Directors are nominated by the Company’s controlling shareholder and are not appointed with a specific term. The Company has no intention to change the present arrangement;
- (d) with respect to Code A.5.4, the Board adopted written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the securities of the Company; the guideline was adopted after 30th September, 2005; and
- (e) with respect to Code B.1.4 and C.3.4, the Terms of References for Remuneration Committee and Audit Committee are available on request but not accessible through the Company’s website. The Board will consider posting the terms of references on the Company’s website where appropriate.

By Order of the Board  
**Lai Yam Ting**  
Managing Director

Hong Kong, 5th December, 2005

*As at the date of this announcement, the board of directors comprises Mr. Lai Yam Ting and Mr. Lau Ming Chi, Edward being executive directors, Mr. Allen Joseph Pathmarajah, Mr. Kuo Chi Yung, Peter, Mr. Tan Swee Hock, Sunny, Mr. Moo Kwee Chong, Johnny, Ms. Tan Suan Kheng, Esther, Mr. George Finlay Bell, Mr. Samuel Timothy Hilbert and Mr. Darren John Collins (alternate to Mr. Hilbert) being non-executive directors and Mr. Cheung Man, Stephen, Mr. Hon Sheung Tin, Peter and Mr. Li King Hang, Richard being independent non-executive directors.*

“Please also refer to the published version of this announcement in China Daily.”