GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 677)

2005/2006 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2005

SUMMARY OF INTERIM RESULTS

The Directors of Golden Resources Development International 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 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th September,	
		2005	2004
		(Unaudited)	(Unaudited) (As restated)
	Notes	***HK$'000***	*HK$'000*
Turnover	4	**316,010**	335,357
Cost of sales		**(211,908)**	(242,614)
Gross profit		**104,102**	92,743
Net unrealised loss on financial assets at fair value through profit or loss/investments in securities		**(5,364)**	(57,566)
Other income	5	**8,912**	6,433
Selling and distribution costs		**(13,180)**	(15,361)
Administrative expenses		**(50,038)**	(46,904)
Write-back of provision for receivable		**–**	10,417
Profit/(loss) from operations	4,6	**44,432**	(10,238)
Finance costs		**(85)**	(104)
Share of results of associates		**(358)**	(6,081)
Gain on disposal of an associate		**14,179**	–
Release of negative goodwill of an associate		**–**	194
Loss on partial disposal of an associate		**–**	(19,302)
Profit/(loss) before taxation		**58,168**	(35,531)
Taxation	7	**(9,255)**	(7,440)
Profit/(loss) for the period		**48,913**	(42,971)
Attributable to:			
Shareholders of the Company		**48,750**	(43,272)
Minority interests		**163**	301
		48,913	(42,971)
Dividend	8	**16,336**	16,318
Interim dividend per share		**1.25 cents**	1.25 cents
Earnings/(loss) per share	9		
– Basic		**3.7 cents**	(3.3) cents
– Diluted		**3.7 cents**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30th September, 2005 (Unaudited) HK$'000	31st March, 2005 (Audited) (As restated) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**84,269**	87,091
Investment properties		**43,630**	43,630
Interests in associates		**66,359**	93,376
Available-for-sale investments		**211,165**	–
Investments in securities		**–**	12,448
Advances to investee companies		**–**	42,812
Prepaid lease payments		**20,294**	20,463
		425,717	299,820
CURRENT ASSETS			
Inventories		**61,976**	64,332
Trade debtors	*10*	**55,350**	52,262
Other debtors, deposits and prepayments		**176,684**	133,375
Available-for-sale investments		**35,342**	–
Financial assets at fair value through profit or loss		**18,394**	–
Investments in securities		**–**	195,371
Cash and cash equivalents		**213,160**	224,411
		560,906	669,751
CURRENT LIABILITIES			
Trade creditors	*11*	**7,821**	7,227
Other creditors and accruals		**25,358**	54,649
Tax liabilities		**39,349**	24,324
Bank loans		**14,679**	22,226
		87,207	108,426
NET CURRENT ASSETS		**473,699**	561,325
TOTAL ASSETS LESS CURRENT LIABILITIES		**899,416**	861,145
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,100**	2,105
Advances from minority shareholders		**11,631**	11,858
		13,731	13,963
NET ASSETS		**885,685**	847,182
CAPITAL AND RESERVES			
Share capital		**130,691**	130,691
Reserves		**745,089**	707,089
Shareholders' equity		**875,780**	837,780
Minority interests		**9,905**	9,402
TOTAL EQUITY		**885,685**	847,182

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2005

1. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 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. SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared on the historical cost basis except for investment properties and financial instruments, which are measured at fair values 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 below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005 and adopted by the Group with effect from 1st April, 2005. The application of the new HKFRSs has resulted in changes to the Group's accounting policies. Summary of the changes in accounting policies which have significant impacts on the Group's financial statements are summarized as follows:

Owner-occupied Leasehold Interest in Land (HKAS 17 "Leases")
In prior years, owner-occupied leasehold land and buildings were included in property, plant and equipment and stated at cost less accumulated depreciation, amortization and impairment loss. Certain of the Group's leasehold land and buildings had taken advantage of the transitional relief provided by the predecessor of HKFRSs, the Statement of Standard Accounting Practice ("SSAP") No.17 "Property, Plant and Equipment" issued by HKICPA, to state at their revalued amounts less accumulated depreciation and amortisation. Surplus arising from revaluation of these land and buildings was credited to the land and buildings revaluation reserve.

In the current period, the Group has applied HKAS 17 retrospectively. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see Note 3 for the financial impact). Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

Investment Properties (HKAS 40 "Investment Property")
In prior years, investment properties were stated at open market value, with revaluation surplus or deficit credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged.

In the current period, the Group has adopted HKAS 40. In accordance with the fair value model under HKAS 40, all investment properties are stated at fair value with gain or loss arising from changes in fair value to be recognised directly in the income statement for the period in which they arise.

The adoption of HKAS 40 has no effect on the Group's results for the current or prior accounting periods as the Group's investment properties had net revaluation deficits which had been dealt with in the income statement for the period in which they arose. Accordingly, no prior period adjustment has been required.

Deferred Taxes related to Investment Properties (HKAS-INT 21 "Income Taxes -recovery of revalued non-depreciable assets")
In prior years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the former SSAP Interpretation.

In the current period, the Group has applied HKAS Interpretation 21 which removes the presumption that the carrying amounts of investment properties are to be recovered through sale. Accordingly, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manners in which the Group expects to recover the properties at each balance sheet date. In the absence of any specific transitional provisions in HKAS Interpretation 21, this change in accounting policy has been applied retrospectively (see Note 3 for the financial impact).

Business Combinations
Goodwill (HKFRS 3 "Business Combinations" and HKAS 21 "The Effects of Changes in Foreign Exchange Rates")
In prior years, goodwill arising on acquisitions prior to 1st April, 2001 was held in reserve, and goodwill arising on acquisitions after 1st April, 2001 was capitalised and amortised on a straight-line basis over its estimated useful life.

In the current period, the Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserve has been transferred to the Group's retained earnings on 1st April, 2005. With respect to goodwill previously capitalised on the balance sheet, the Group has discontinued amortising such goodwill from 1st April, 2005 onwards and goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1st April, 2005 is measured at cost less accumulated impairment losses, if any, after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current period. This new accounting policy has been applied prospectively (see Note 3 for the financial impact).

In the current period, the Group has also applied HKAS 21 which requires goodwill to be treated as assets and liabilities of the foreign operation and translated at closing rate at each balance sheet date. In prior years, goodwill arising on acquisitions of foreign operations was reported at historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1st April, 2005 is treated as a non-monetary foreign currency item of the Group. Accordingly, no prior period adjustment has been required.

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill") (HKFRS 3 "Business Combinations")
In prior years, negative goodwill arising on acquisitions prior to 1st April, 2001 was held in reserve, and negative goodwill arising on acquisitions after 1st April, 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted.

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in the income statement in the period in which the acquisition takes place. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised and transferred all negative goodwill balances to the Group's retained earnings on 1st April, 2005 (see Note 3 for the financial impact).

Financial Instruments (HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement")
In the current period, the Group has applied HKAS 32 and the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

In prior years, the Group classified and measured its debt and equity securities as "investment securities" or "other investments" in accordance with former SSAP 24. "Investment securities" were stated at cost less impairment losses, if any, while "other investments" were measured at fair value, with unrealised gains or losses included in the income statement for the year.

With effect from 1st April, 2005, the Group classifies and measures its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale investments", "loans and receivables", or "held-to-maturity financial assets". The classification depends on the purpose for which the assets are acquired. "Financial assets at fair value through profit or loss" and "available-for-sale investments" are carried at fair value, with changes in fair values recognised in the income statement and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method. In accordance with HKAS 39 which does not permit retrospective application, no comparative figures have been restated (see Note 3 for the financial impact on current period's profit).

Share-based Payments (HKFRS 2 "Share-based Payments")
In the current period, the Group has applied HKFRS 2 which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing 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 recognise the financial effect of these share options until they were exercised.

The Group has applied HKFRS 2 to share options granted on or after 1st April, 2005, if any. In accordance with the relevant transitional provisions under HKFRS 2, the Group has not applied HKFRS 2 to share options granted before 1st April, 2005 as all of these share options were granted before 7th November, 2002. This new accounting policy has no financial impact on the Group for the current or prior periods.

Changes in presentation of financial statements

Minority Interests (HKAS 1 "Presentation of Financial Statements" and HKAS 27 "Consolidated and Separate Financial Statements")

In prior years, minority interests were presented in the consolidated balance sheet separately from liabilities and as a deduction from net assets. Profit or loss shared by minority interests was separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders.

In the current period, in order to comply with HKAS 1 and HKAS 27, minority interests are presented in the consolidated balance sheet as an element of total equity, separately from the equity attributable to the shareholders of the Company. Profit or loss shared by minority interests is presented on the face of the consolidated income statement as an allocation of the attributable results between the minority interests and shareholders of the Company. Comparative figures for the presentation of minority interests in the consolidated balance sheet and consolidated income statement have been restated accordingly.

Share of associates' taxation (HKAS 1 "Presentation of Financial Statements")

In prior years, share of associates' taxation was presented as a component of taxation in the income statement. Upon adoption of HKAS 1, share of associates' taxation is deducted from share of results of associates as presented in the income statement. Comparative figures for taxation and share of results of associates as presented in the income statement have been restated accordingly.

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The financial effects of the application of the new HKFRSs, as described in Note 2, to the Group's total equity and profit/(loss) for the period are summarised below:

(a) Effect on opening balance of total equity at 1st April, 2005 and at 1st April, 2004

	Shareholders' equity					
	Goodwill reserve *HK$'000*	**Land and buildings revaluation reserve** *HK$'000*	**Retained earnings** *HK$'000*	**Total** *HK$'000*	**Minority interests** *HK$'000*	**Total equity** *HK$'000*
At 1st April, 2005						
Prior period adjustments						
HKAS 17	–	(67,976)	22,515	(45,461)	–	(45,461)
HKAS-INT 21	–	–	210	210	172	382
	–	(67,976)	22,725	(45,251)	172	(45,079)
Opening balance adjustment						
HKFRS 3	4,167	–	(4,167)	–	–	–
Net increase/(decrease) in equity	4,167	(67,976)	18,558	(45,251)	172	(45,079)
At 1st April, 2004						
Prior period adjustments						
HKAS 17	–	(67,976)	20,548	(47,428)	–	(47,428)
HKAS-INT 21	–	–	117	117	97	214
Net increase/(decrease) in equity	–	(67,976)	20,665	(47,311)	97	(47,214)

(b) Effect on profit/(loss) for the period

	Attributable to shareholders *HK$'000*	**Minority interests** *HK$'000*	**Total** *HK$'000*
For the six months ended 30th September, 2005			
HKAS 17	983	–	983
HKAS-INT 21	28	23	51
HKFRS 3	237	–	237
HKAS 39	(3,106)	–	(3,106)
Net increase/(decrease) in profit for the period	(1,858)	23	(1,835)
Decrease in earnings per share			
– Basic	(0.1) cent		
– Diluted	(0.1) cent		

	Attributable to shareholders *HK$'000*	**Minority interests** *HK$'000*	**Total** *HK$'000*
For the six months ended 30th September, 2004			
HKAS 17	983	–	983
HKAS-INT 21	53	43	96
Net decrease in loss for the period	1,036	43	1,079
Decrease in loss per share			
– Basic	0.1 cent		
– Diluted	N/A		

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

An analysis of the Group's segment information by business and geographical segments is as follows:

Business segments

Income statement for the six months ended 30th September, 2005

	Rice operation	Securities investment	Property investment	Corporate and others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER					
External sales	**307,875**	**6,921**	**1,214**	**–**	**316,010**
RESULT					
Segment results	**42,875**	**(1,280)**	**570**	**2,267**	**44,432**
Finance costs					**(85)**
Share of results of associates	**(1,027)**	**–**	**(34)**	**703**	**(358)**
Gain on disposal of an associate	**–**	**–**	**–**	**14,179**	**14,179**
Profit before taxation					**58,168**
Taxation					**(9,255)**
Profit for the period					**48,913**
Attributable to:					
Shareholders of the Company					**48,750**
Minority interests					**163**
					48,913

Income statement for the six months ended 30th September, 2004, as restated

	Rice operation	Securities investment	Property investment	Corporate and others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER					
External sales	327,592	6,670	1,095	–	335,357
RESULT					
Segment results	30,139	(52,938)	11,743	818	(10,238)
Finance costs					(104)
Share of results of associates	(2,583)	–	(254)	(3,244)	(6,081)
Release of negative goodwill of an associate	–	–	–	194	194
Loss on partial disposal of an associate	–	–	–	(19,302)	(19,302)
Loss before taxation					(35,531)
Taxation					(7,440)
Loss for the period					(42,971)
Attributable to:					
Shareholders of the Company					(43,272)
Minority interests					301
					(42,971)

Geographical segments

The Group's operations are located in Hong Kong, elsewhere in the People's Republic of China (the "PRC") and other regions.

The following table provides an analysis of the Group's sales by location of markets, irrespective of the origin of the goods/services:

	Turnover by geographical markets For the six months ended 30th September,	
	2005	2004
	HK$'000	*HK$'000*
Hong Kong	**280,318**	288,108
Elsewhere in the PRC	**33,794**	45,146
Others	**1,898**	2,103
	316,010	335,357

5. OTHER INCOME

	For the six months ended 30th September,	
	2005	2004
	(Unaudited)	(Unaudited)
		(As restated)
	HK$'000	*HK$'000*
Interest income	**5,390**	3,300
Dividend income from listed available-for-sale investments/investments in securities	**899**	794
Sundry income	**478**	1,449
Gain on disposal of available-for-sale investments	**2,081**	–
Gain on disposal of property, plant and equipment	**64**	–
Gain on disposal of an investment property	**–**	890
	8,912	6,433

6. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations has been arrived at after charging:

	For the six months ended 30th September, 2005 (Unaudited) HK$'000	For the six months ended 30th September, 2004 (Unaudited) (As restated) HK$'000
Depreciation and amortisation of property, plant and equipment	**4,236**	4,589
Amortisation of prepaid lease payments	**247**	247

7. TAXATION

	For the six months ended 30th September, 2005 (Unaudited) HK$'000	For the six months ended 30th September, 2004 (Unaudited) (As restated) HK$'000
Current tax:		
Hong Kong	**8,775**	7,427
Other regions in the PRC	**19**	99
	8,794	7,526
Underprovision in prior years:		
Hong Kong	**427**	–
Other regions in the PRC	**39**	7
	466	7
Deferred tax	**(5)**	(93)
Taxation attributable to the Company and its subsidiaries	**9,255**	7,440

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the period. Taxation arising in other regions in the PRC is calculated in accordance with the relevant laws of the PRC.

Share of associates' taxation for the six months ended 30th September, 2005 of HK$353,000 (2004: HK$44,000) is included in the share of results of associates.

8. DIVIDEND

(a) Dividend attributable to the interim period:

	For the six months ended 30th September, 2005 (Unaudited) HK$'000	For the six months ended 30th September, 2004 (Unaudited) HK$'000
Interim dividend declared after the interim period end of 1.25 cents per share on 1,306,906,460 shares (2004: 1.25 cents per share on 1,305,026,460 shares)	**16,336**	16,313
Adjustment of final dividend for prior year resulting from exercise of share options	**–**	5
	16,336	16,318

The interim dividend declared after the interim period end has not been recognized as a liability at the interim period end date.

(b) Dividend attributable to the previous financial year, approved and paid during the interim period:

	For the six months ended 30th September, 2005 (Unaudited) HK$'000	For the six months ended 30th September, 2004 (Unaudited) HK$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 1.25 cents per share on 1,306,906,460 shares (2004: 1.25 cents per share on 1,302,301,460 shares)	**16,336**	16,279

9. EARNINGS/(LOSS) PER SHARE

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

	For the six months ended 30th September, 2005 (Unaudited) HK$'000	For the six months ended 30th September, 2004 (Unaudited) (As restated) HK$'000
Earnings/(loss) for the purposes of both basic and diluted earnings/(loss) per share	**48,750**	(43,272)

	For the six months ended 30th September, 2005 (Unaudited)	For the six months ended 30th September, 2004 (Unaudited)
Number of shares:		
Weighted average number of shares for the purpose of basic earnings/(loss) per share	**1,306,906,460**	1,301,914,575
Effect of dilutive potential shares – Options	**16,993,848**	
Weighted average number of shares for the purpose of diluted earnings per share	**1,323,900,308**	

Diluted loss per share for the six months ended 30th September, 2004 had not been presented as the conversion of potential ordinary shares to ordinary shares would have anti-dilutive effect to the basic loss per share.

10. TRADE DEBTORS

The Group allows an average credit period of 30-60 days to its trade customers. The following is an aged analysis of trade debtors at the balance sheet date:

	30th September, 2005 (Unaudited) *HK$'000*	31st March, 2005 (Audited) *HK$'000*
Within 30 days	**32,264**	28,696
31-60 days	**11,470**	15,253
61-90 days	**3,888**	4,933
Over 90 days	**7,728**	3,380
	55,350	52,262

11. TRADE CREDITORS

The following is an aged analysis of trade creditors at the balance sheet date:

	30th September, 2005 (Unaudited) *HK$'000*	31st March, 2005 (Audited) *HK$'000*
Within 30 days	**2,686**	2,435
31-60 days	**1,455**	1,477
61-90 days	**164**	202
Over 90 days	**3,516**	3,113
	7,821	7,227

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of HK$213 million and bank loans of HK$15 million as at 30th September, 2005. With cash and other current assets of HK$560 million as at 30th September, 2005 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

For the period under review, Hong Kong rice core business has been performing satisfactorily. To maintain a stable and steady growth of our profit, the Group continues to focus on improving operational efficiency, cost management and competitiveness. Since the third quarter of this financial year, price competition in the domestic rice market has become intensified. This has put competitive pressure on all domestic rice operators and posed a challenge for the Group. To protect and preserve our market share, we will continue to implement effective marketing initiatives and promotional campaigns so as to maintain our market presence. Additionally, having been awarded the international accreditation of "HACCP" and "ISO9001" on food safety and monitoring system, Golden Resources has strengthened our competitive advantage as a recognized and trust leading food producer among its industry peers for producing quality and healthy food.

Golden Resources is well positioned in China. We are encouraged by our progress in China and the performance of our rice business. We have established a strong foothold in this market of great potentials and strengthened its platform to expand its core rice business in the Pearl River Delta region.

The Group's financial position remains strong and healthy. We will continue to maintain the strong financial position that has served Golden Resources well throughout the years and will allow us to both grow our business and build our asset value.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1.25 cents per share for the year ending 31st March, 2006 (2004/2005: 1.25 cents per share) to shareholders on the Register of Members of the Company on Friday, 6th January, 2006.

It is expected that cheques for the interim dividend will be despatched to those entitled thereto on or about Friday, 13th January, 2006.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 3rd January, 2006 to Friday, 6th January, 2006, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 30th December, 2005.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 417.

Remuneration packages are reviewed by the Group from time to time. In addition to salary payments, other fringe benefits for the staff include retirement benefits schemes and medical insurance scheme, as well as quarters and housing allowances for certain staff. The Group has taken out personal accident insurance for senior staff and the staff who frequently travel overseas on business trips.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

On 1st January, 2005, the Code of Best Practice was replaced by the Code of Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules. The Company adopted all the code provisions in the CG Code as its own code on corporate governance practices. The Company has complied with the CG Code throughout the six months ended 30th September, 2005 with deviation from code provision A.4.1 of the CG Code.

Code A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the existing non-executive director and independent non-executive directors of the Company is appointed for a specific term. However, in accordance with the Company's Bye-Laws, at each annual general meeting, one-third of the directors shall retire from office by rotation and become eligible for re-election. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

Chairman and Chief Executive Officer

The positions of the Chairman of the Board and the Managing Director of the Company are held by separate individuals to ensure an appropriate balance of power and effective segregation of duties.

Audit Committee

The audit committee comprising three independent non-executive directors, Mr. Andrew LAM Ping Cheung, Mr. Leo CHAN Fai Yue and Mr. John WONG Yik Chung, had 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 financial statements of the Group for the six months ended 30th September, 2005.

Remuneration Committee

To comply with the CG Code, a remuneration committee was established on 12th April, 2005 with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises four members, of which three independent non-executive directors, Mr. Andrew LAM Ping Cheung, Mr. Leo CHAN Fai Yue, Mr. John WONG Yik Chung and one executive director, Mr. Alvin LAM Kwing Wai.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code throughout the review period.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the period.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The interim report of the Company for the six months ended 30th September, 2005 containing all the information required by the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company are Mr. David LAM Kwing Chan (Chairman), Mr. Alvin LAM Kwing Wai (Managing Director), Madam Rosita YUEN LAM Kit Woo, Mr. Laurent LAM Kwing Chee and Mr. TSANG Siu Hung. The non-executive director of the Company is Madam LAM TSANG Suk Yee. The independent non-executive directors of the Company are Mr. Andrew LAM Ping Cheung, Mr. Leo CHAN Fai Yue and Mr. John WONG Yik Chung.

On behalf of the Board
Alvin LAM Kwing Wai
Managing Director

Hong Kong, 8th December, 2005

"Please also refer to the published version of this announcement in The Standard."