

Tsit Wing International Holdings Limited

Half-Year Financial Statement And Dividend Announcement for the Period Ended 30/06/2004

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<u>Group</u>		<u>Inc /</u>	<u>Group</u>		<u>Inc /</u>
	<u>6 months</u>	<u>6 months</u>		<u>3 months</u>	<u>3 months</u>	
	<u>ended</u>	<u>ended</u>	<u>(dec)</u>	<u>ended</u>	<u>ended</u>	<u>(dec)</u>
	<u>30/06/2004</u>	<u>30/06/2003</u>	<u>(dec)</u>	<u>30/06/2004</u>	<u>30/06/2003</u>	<u>(dec)</u>
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Revenue	145,035	128,350	13.0	75,786	63,179	20.0
Cost of sales	<u>(76,211)</u>	<u>(65,643)</u>	16.1	<u>(40,234)</u>	<u>(32,827)</u>	22.6
Gross profit	68,824	62,707	9.8	35,552	30,352	17.1
Other operating income	1,600	642	149.2	877	330	165.8
Operating expenses						
Sales & marketing	(25,206)	(21,686)	16.2	(14,340)	(10,111)	41.8
General & administration	(23,003)	(20,007)	15.0	(10,776)	(9,719)	10.9
Other operating expenses (Note)	<u>(618)</u>	<u>-</u>	NA	<u>(618)</u>	<u>-</u>	NA
Profit from operations	21,597	21,656	(0.3)	10,695	10,852	(1.4)
Finance cost	<u>(135)</u>	<u>(118)</u>	14.4	<u>(83)</u>	<u>(69)</u>	20.3
Profit before income tax	21,462	21,538	(0.4)	10,612	10,783	(1.6)
Income tax	<u>(4,356)</u>	<u>(4,711)</u>	(7.5)	<u>(2,374)</u>	<u>(2,895)</u>	(18.0)
Profit after income tax	17,106	16,827	1.7	8,238	7,888	4.4
Minority interests	<u>328</u>	<u>536</u>	(38.8)	<u>55</u>	<u>436</u>	(87.4)
Profit attributable to shareholders	<u>17,434</u>	<u>17,363</u>	0.4	<u>8,293</u>	<u>8,324</u>	(0.4)

Note:

Other operating expenses

	<u>HK\$'000</u>
Impairment loss recognized in respect of goodwill on acquisition of additional interest in a subsidiary	(367)
Impairment loss on property, plant and equipment	(1,542)
Provision on land deposit written back	1,291
	<u>(618)</u>

Profit before income tax has been arrived at after (crediting) / charging:

	<u>Group</u>		<u>Group</u>	
	<u>6 months ended</u>	<u>6 months ended</u>	<u>3 months ended</u>	<u>3 months ended</u>
	<u>30/06/2004</u>	<u>30/06/2003</u>	<u>30/06/2004</u>	<u>30/06/2003</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income from non-related companies	(1,600)	(639)	(877)	(327)
Interest expense to non-related companies	135	118	83	69
Foreign exchange loss (gain)	491	(848)	362	(789)
Loss (gain) on disposal of property, plant & equipment	18	(3)	7	(3)
Provision on land deposit written back	(1,291)	-	(1,291)	-
Impairment loss recognized in respect of goodwill on acquisition of additional interest in a subsidiary	367	-	367	-
Impairment loss on property, plant and equipment	1,542	-	1,542	-
Depreciation expense	3,707	3,076	1,912	1,514
Allowance (written-back) for doubtful trade receivables	128	1,305	(67)	908
Allowance for inventories	158	88	129	156

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2004</u>	<u>31/12/2003</u>	<u>30/06/2004</u>	<u>31/12/2003</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>ASSETS</u>				
Current assets:				
Cash	34,917	71,792	8,035	13,528
Other Investments (note a)	12,966	2,639	-	-
Trade receivables	35,736	37,364	-	-
Other receivables and prepayments	7,482	6,047	1,272	2,773
Inventories	37,899	33,469	-	-
Total current assets	<u>129,000</u>	<u>151,311</u>	<u>9,307</u>	<u>16,301</u>
Non-current assets:				
Subsidiaries	-	-	122,909	123,002
Property, plant and equipment	37,269	36,610	-	-
Deposits paid for acquisition of property, plant and equipment	671	835	-	-
Other Investments (note a)	70,340	37,563	5,000	-
Deferred tax assets	55	115	-	-
Total non-current assets	<u>108,335</u>	<u>75,123</u>	<u>127,909</u>	<u>123,002</u>
Total assets	<u>237,335</u>	<u>226,434</u>	<u>137,216</u>	<u>139,303</u>

Note (a): Other investments represent certificate of deposits, notes and other deposits placed with licensed banks and other financial institutions. These investments are principal-guaranteed and interest bearing and are intended to be held to maturity ranging from 1 to 5 years.

	Group		Company	
	30/06/2004	31/12/2003	30/06/2004	31/12/2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Trust receipt/short term loans	11,976	6,480	-	-
Trade payables	21,516	20,828	-	-
Other payables	8,265	10,030	1,640	2,888
Income tax payable	5,206	3,140	278	239
Total current liabilities	<u>46,963</u>	<u>40,478</u>	<u>1,918</u>	<u>3,127</u>
Non-current liabilities:				
Deferred income tax	<u>2,366</u>	<u>2,191</u>	<u>-</u>	<u>-</u>
Minority interests				
	<u>5,731</u>	<u>6,987</u>	<u>-</u>	<u>-</u>
Capital and reserves:				
Issued capital	48,000	40,000	48,000	40,000
Share premium	20,225	28,225	20,225	28,225
Contributed surplus	48,563	48,563	48,563	48,563
Translation reserve	(470)	(533)	-	-
Accumulated profits	65,957	60,523	18,510	19,388
Total equity	<u>182,275</u>	<u>176,778</u>	<u>135,298</u>	<u>136,176</u>
Total liabilities and equity	<u><u>237,335</u></u>	<u><u>226,434</u></u>	<u><u>137,216</u></u>	<u><u>139,303</u></u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2004		As at 31 December 2003	
Secured	Unsecured	Secured	Unsecured
HK\$	HK\$	HK\$	HK\$
-	11,976,397	-	6,480,444

Amount repayable after one year

As at 30 June 2004		As at 31 December 2003	
Secured	Unsecured	Secured	Unsecured
HK\$	HK\$	HK\$	HK\$
-	-	-	-

Details of any collateral

Not Applicable

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>Group</u>		<u>Group</u>	
	<u>6 months ended 30/06/2004</u> HK\$'000	<u>6 months ended 30/06/2003</u> HK\$'000	<u>3 months ended 30/06/2004</u> HK\$'000	<u>3 months ended 30/06/2003</u> HK\$'000
Cash flows from operating activities:				
Profit before income tax	21,462	21,538	10,612	10,783
Adjustments for:				
Depreciation	3,707	3,076	1,912	1,514
Impairment loss on property, plant and equipment	1,542	-	1,542	-
Interest expense	135	118	83	69
Allowance for inventories	158	88	129	156
Allowance for doubtful trade receivables	128	1,305	(67)	908
Loss (gain) on disposal of plant and equipment	18	(3)	7	(3)
Provision on land deposit written back	(1,291)	-	(1,291)	-
Impairment loss recognized in respect of goodwill on acquisition of additional interest in a subsidiary	367	-	367	-
Interest income	(1,600)	(639)	(877)	(327)
Operating profit before working capital changes	24,626	25,483	12,417	13,100
Decrease (Increase) in				
- trade receivables	1,500	181	(23)	(732)
- other receivables & prepayments	(144)	721	43	1,421
- inventories	(3,525)	2,476	(3,116)	725
(Decrease) Increase in				
- trade payables	688	(6,835)	6,061	(447)
- other payables	(1,765)	(4,115)	5	(4,604)
Cash generated from operations	21,380	17,911	15,387	9,463
Dividend paid	(12,000)	(8,800)	(12,000)	(8,800)
Interest paid	(135)	(118)	(83)	(69)
Interest received	1,600	639	877	327
Income tax paid	(2,055)	(1,988)	(73)	(65)
Net cash from operating activities	8,790	7,644	4,108	856
Cash flows from investing activities:				
Purchase of property, plant and equipment	(7,056)	(3,902)	(3,555)	(2,319)
Additional investment in a subsidiary	(1,295)	-	(1,294)	-
Deposits paid for acquisition of property, plant & equipment	164	(21)	617	27
Proceeds from disposal of property, plant & equipment	42	27	19	21
Other investments	(43,104)	-	(3,090)	-
Net cash used in investing activities	(51,249)	(3,896)	(7,303)	(2,271)
Cash flows from financing activities:				
Short term loans - Proceeds	4,545	-	4,545	-
Trust receipt loans - Proceeds	23,623	23,034	10,192	10,530
Trust receipt loans - Repayment	(22,672)	(20,732)	(12,937)	(11,076)
Net cash from financing activities	5,496	2,302	1,800	(546)
Net effect of exchange rate changes in consolidating subsidiaries	88	(434)	122	(621)
Net increase in cash	(36,875)	5,616	(1,273)	(2,582)
Cash at beginning of the period	71,792	88,965	36,190	97,163
Cash at end of the period	34,917	94,581	34,917	94,581

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Issued Capital HK\$'000	Share Premium HK\$'000	Contributed Surplus HK\$'000	Translation Reserve HK\$'000	Accumulated Profits HK\$'000	Total HK\$'000
Balance at 1 Apr 2003	40,000	28,225	48,563	284	45,367	162,439
Currency translation differences	-	-	-	(541)	-	(541)
Net profit for the period	-	-	-	-	8,324	8,324
Dividend paid	-	-	-	-	(8,800)	(8,800)
Balance at 30 Jun 2003	<u>40,000</u>	<u>28,225</u>	<u>48,563</u>	<u>(257)</u>	<u>44,891</u>	<u>161,422</u>
Balance at 1 Apr 2004	40,000	28,225	48,563	(564)	69,664	185,888
Currency translation differences	-	-	-	94	-	94
Bonus issue	8,000	(8,000)	-	-	-	-
Net profit for the period	-	-	-	-	8,293	8,293
Dividend paid	-	-	-	-	(12,000)	(12,000)
Balance at 30 Jun 2004	<u>48,000</u>	<u>20,225</u>	<u>48,563</u>	<u>(470)</u>	<u>65,957</u>	<u>182,275</u>

	Issued Capital HK\$'000	Share Premium HK\$'000	Contributed Surplus HK\$'000	Accumulated Profits HK\$'000	Total HK\$'000
Company					
Balance at 1 Apr 2003	40,000	28,225	48,563	14,657	131,445
Net profit for the period	-	-	-	4,117	4,117
Dividend paid	-	-	-	(8,800)	(8,800)
Balance at 30 Jun 2003	<u>40,000</u>	<u>28,225</u>	<u>48,563</u>	<u>9,974</u>	<u>126,762</u>
Balance at 1 Apr 2004	40,000	28,225	48,563	23,220	140,008
Bonus issue	8,000	(8,000)	-	-	-
Net profit for the period	-	-	-	7,290	7,290
Dividend paid	-	-	-	(12,000)	(12,000)
Balance at 30 Jun 2004	<u>48,000</u>	<u>20,225</u>	<u>48,563</u>	<u>18,510</u>	<u>135,298</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Except the bonus issue of 31,999,999 ordinary shares in May 2004 on a basis of one bonus share for every five existing shares (the "Bonus Issue"), there was no change in the Company's share capital throughout the first half and the second quarter of years 2003 and 2004.

No option was granted under the Tsit Wing Employees' Share Option Scheme 2001 during the first half and the second quarter of year 2004. However, in view of the Bonus Issue, adjustments to all outstanding options were approved by the Share Option Committee to ensure the participants' entitlement remained the same as that prior to the Bonus Issue. As at 30 June 2004, the adjusted number of outstanding options was 1,464,000 (30 June 2003: 1,160,000).

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period compared with those of the audited financial statements as at December 31, 2003.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	6 months ended 30/06/2004	6 months ended 30/06/2003	3 months ended 30/06/2004	3 months ended 30/06/2003
Based on the weighted average number of ordinary shares in issue, and	9.08 HK cents	9.04 HK cents	4.32 HK cents	4.33 HK cents
On a fully diluted basis	9.07 HK cents	9.04 HK cents	4.31 HK cents	4.33 HK cents

Notes:

The basic earnings per share for the first half and second quarter of financial years 2004 and 2003 are based on the group's profit attributable to shareholders divided by the adjusted number of ordinary shares of 191,999,999 in issue during those periods.

The fully diluted earnings per share for the first half and second quarter of financial year 2004 is based on the profit attributable to shareholders divided by the adjusted number of ordinary shares of 192,172,000 and 192,089,000 respectively in issue during those periods.

The fully diluted earnings per share for the first half and second quarter of financial year 2003 is based on the profit attributable to shareholders divided by the adjusted number of ordinary shares of 192,017,000 and 192,006,000 respectively in issue during those periods.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -

- (a) current financial period reported on; and
(b) immediately preceding financial year

	Group		Company	
	30/06/2004	31/12/2003	30/06/2004	31/12/2003
Net asset backing per ordinary share based on issued share capital at the end of the period reported on	94.93 HK cents	92.07 HK cents	70.47 HK cents	70.93 HK cents

Notes:

The net asset backing per ordinary share as at 30 June 2004 is based on the issued share capital of 191,999,999 shares in issue as at that date.

The net asset backing per ordinary share as at 31 December 2003 is based on the adjusted number of share capital of 191,999,999 shares as at that date.

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Riding on the economic recovery and as a result of our business strategies, we accomplished total revenue of HK\$145.04 million over the past six months and compared with the HK\$128.35 million of same period last year, there was a growth of 13.0%. The increase was mainly attributable to the continuous improvement in our sales in the catering segment, in which total coffee and tea sales increased by 9.6% whilst our grocery products rose by 36%.

In the second quarter of the year, revenue reached HK\$75.79 million representing an increase of 20% from the last year's figure of HK\$63.18 million. The remarkable increment was partly due to the revenue for FY2003-2Q being affected by SARS, which resulted in a decrease of 7.5% over the similar period in FY2002.

Despite a double-digit growth in revenue, our profit attributable to shareholders for FY2004-1H remained at HK\$17.4 million and our profit before tax dropped slightly by 0.4% from HK\$21.54 million to HK\$21.46 million. Our Hong Kong and Canadian markets continued to contribute an aggregate profit before tax of HK\$25.95 million representing improvements of 11.1% and 53.9% respectively; however, these profit increments were totally negated by the losses incurred by our Zhuhai and Shanghai operations in the PRC. Consequently, our profit before tax and profit attributable to shareholders for FY2004-2Q decreased by 1.6% and 0.4% respectively.

Zhuhai Operation

Although our Zhuhai operation improved its revenue by 15.6% from HK\$9.40 million to HK\$10.87 million, it still suffered loss of HK\$0.70 million notwithstanding the loss was already 40.6% less than the half-yearly loss of HK\$1.18 million incurred last year. The operating loss of HK\$0.70 million incorporated these significant adjustments: -

(a) **Provision for impairment loss on coffee machines**

A nationwide physical count of all coffee machines located at our PRC customers' premises was carried out in April 2004. The preliminary result revealed some missing or malfunction machines. On the ground of prudence, a provision of RMB 1 million (being converted into HK\$0.91 million) was made for these machine losses.

(b) **Goodwill on acquisition written off**

In June 2004, we completed all legal proceedings for the acquisition of the remaining 10% share in our subsidiary - TW Zhuhai, from the minority shareholder - Zhuhai Hua Sheng Enterprise (Group) Company Limited ("Hua Sheng") at a consideration of RMB 1,397,974.31. This transaction gave rise to a goodwill on acquisition amounting to HK\$366,923.17 and according to the company policy, the goodwill was written off to the profit and loss statement immediately.

(c) **Provision on land deposit written back**

TW Zhuhai has previously paid to Hua Sheng a land deposit of RMB 2.7 million. In view of a third party lawsuit and claims against Hua Sheng, a provision of HK\$2.5 million was set aside in the accounts of FY2002 in respect of such a deposit.

As an integral part of the agreement for the transfer of the 10% share, Hua Sheng has agreed to an amount of RMB 1,394,356.12, payable by Hua Sheng, to settle the land deposit. Hence, of the provision set aside in FY2002, HK\$ 1,291,070.48 (equivalent to RMB 1,394,356.12) was written back in FY2004-2Q.

Shanghai Operation

Subsequent to the opening of the first Sallsa Café in July 2003, two more café outlets commenced business in Shanghai during FY2004-1H. As the Sallsa Café business was still in its initial stage of development, it only generated revenue of HK\$0.34 million and incurred an operating loss of HK\$3.8 million. These figures were in line with our budget for FY2004.

As reported previously, our first Sallsa Café was located in the Super Brand Mall in Pudong, Shanghai. Since most tenants of the Mall had not opened their shops as we originally anticipated, the customer traffic was pretty low that our shop failed to generate reasonable revenue. After several months' negotiation with the landlord, our shop ceased operation on 15 July 2004 but the actual date of lease termination can only be confirmed when the termination agreement becomes finalized in the near future. However, in view of the shop closure, an impairment loss on the shop decorations and non-reusable equipment of approximately HK\$0.63 million was provided in the accounts for FY2004-2Q.

Major Business Segment

We saw our sales in the catering segment, which totaled HK\$135.09 million for FY2004-1H, grow by 15.1% for our three geographical markets, namely Hong Kong, PRC and Canada. The success in this key market segment was attributable to our provision of more variety of food and beverage items as well as more efficient service to our customers.

Our FMCG revenue dropped by 9.3% from HK\$8.99 million to HK\$8.15 million. Last year, we offered deep price-cut to stimulate sales so as to expand our market share in this extremely competitive market and the strategy was proved successful with the growth of our 3-in-1 products outperformed the coffee and tea mix market. This year, we conducted more non-price driven promotions such as offering premium packs and lowered the rate of discount. Thus, revenue declined but resulted in higher gross profit margins and better product positioning. Due to the increased spending on advertising and promotion, the FMCG business resulted in a loss of HK\$1.14 million compared to a small profit of HK\$0.14 million of same period last year.

There was a reduction of 7.9% in our cafe revenue for FY2004-1H as compared with the same period last year mainly due to the closure of a restaurant as previously disclosed. Our three Sallsa Cafes in Shanghai and one in Hong Kong were newly opened and generated relatively low revenue.

Financial Position

The financial position of the Group remained strong because our continuous profitability has brought in cash flow progressively. At present, we are not aware of any material factors that will significantly affect our Group's cash flow and working capital.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable

A Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In the first half of 2004, our Group achieved good business results with strong revenue growth of 13% over the same period of 2003. Our good business performance was due to our focused management efforts and the overall much improved economic climate in Hong Kong. The increase in Hong Kong's GDP of 6.8% in 2004-1Q and the influx of mainland tourists to Hong Kong triggered strong consumer spending. Hong Kong's 2004-1H retail sales increased by 13.4% in value and 11.2% in volume as compared to the same period of last year. China also recorded continuous economic growth with GDP of 2004-1H being provisionally estimated at RMB 5,877.3 billion, up 9.7% over the same period of the previous year.

Catering

Our catering sales continued to grow satisfactorily in the 1st half year with an increase of 15% over last year. Riding on our success in the introduction of our freshly roasted and ground coffee to a major fast food chain last year, we continued to secure new businesses in this area which confirmed our expertise and leading role in the local fast food chain's beverage business.

We also had a strong double-digit sales growth in grocery products versus last year. Although the profit margin of grocery products was comparatively lower than our core business of coffee & tea, the supply of such grocery products have solidified our leading position in the catering segment. The Group will therefore continue to build its grocery business by taking up internationally renowned brands. The introduction of these agency brands are expected to boost our grocery sales and reinforce our position as a one-stop catering service provider.

Fast Moving Consumer Goods (FMCG)

Our 3-in-1 products maintained its popularity in Hong Kong. In particular, our 3-in-1 milk tea mix achieved healthy growth in sales and market share. To sustain our growth in the 3-in-1 mix market, we have launched the Light Series for both coffee and milk tea mixes and have been met with favourable sales and consumer acceptance. In light of this, we shall test launch other flavoured series in the coming months to enhance our brand's visibility in the market. We also ventured into bottled drinks with the launch of flavoured barley tea in Hong Kong and received good consumer awareness.

Café

The café operation in Hong Kong scored a turn-around and made a positive contribution in the first 6 months. With improved performance of the café business in Hong Kong, the future planning will be more focused on brand development and expansion in small shops and kiosks in both Shanghai and Hong Kong to enhance the overall Sallsa image and popularity..

Zhuhai Operation

For our manufacturing and wholesale business in China, we attained double-digit sales growth with loss narrowed down. After acquiring the remaining interest in a manufacturing subsidiary in Zhuhai, PRC, the Zhuhai plant is now a wholly foreign owned enterprise operated by our Group. This arrangement will give us greater control and flexibility in managing our China business, with focused direction and strategies.

Outlook

Although we have encouraging business results in the first 6 months and we have secured the cost of our coffee/tea supply for the rest of 2004, we will continue to take a prudent and yet optimistic business approach in 2004.

11 Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount	3.5 HK cents per ordinary share
Per Share (in cents)	(tax not applicable)
Optional: - Dividend Rate (in %)	14% per ordinary share
Par value of shares	HK\$0.25
Tax Rate	N/A

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount	3.5 HK cents per ordinary share
Per Share (in cents)	(tax not applicable)
Optional: - Dividend Rate (in %)	14% per ordinary share
Par value of shares	HK\$0.25
Tax Rate	N/A

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount	7.5 HK cents per ordinary share
Per Share (in cents)	(tax not applicable)
Optional: - Dividend Rate (in %)	30% per ordinary share
Par value of shares	HK\$0.25
Tax Rate	N/A

(c) Date payable

10 September 2004

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 26 August 2004 on which day no share transfer will be effected. Duly completed transfers received by the Company's Share Transfer Agent, Lim Associates (Private) Limited of 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315 up to the close of business at 5.00 p.m. on 25 August 2004 will be registered to determine shareholders' entitlements to the proposed dividend.

12 If no dividend has been declared / recommended, a statement to that effect

Not Applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not Applicable

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not Applicable

- 15 A breakdown of sales**

Not Applicable

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend (Refer to Para 16 of appendix 7.2 for the required details)

	Latest Full Year (HK\$'000)	Previous Full Year (HK\$'000)
Ordinary (interim)		
Ordinary (final)		
Preference		
Total		

BY ORDER OF THE BOARD

Mr. Wong Tat Tong
Chairman and Managing Director
10 August 2004