



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 265)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2004

GROUP RESULTS

The Directors (the “Directors”) of South China Holdings Limited (the “Company”) announce that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2004 are as follows:–

CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	2004 <i>Audited</i> HK\$'000	2003 <i>Audited</i> HK\$'000
Turnover	2	3,785,632	3,407,870
Cost of sales		(3,326,867)	(2,943,584)
Gross profit		458,765	464,286
Interest income		2,571	3,564
Other operating income		22,639	20,673
Distribution costs		(90,033)	(85,726)
Administrative expenses		(336,013)	(346,350)
Interest expense for margin financing and money lending operations		(4,118)	(7,588)
Allowance for bad and doubtful debts (made) written back		(792)	950
Restructuring costs		–	(2,382)
(Loss) gain on disposal of non-trading securities		(87)	13,022
Unrealised holding gain of trading securities		11,445	33,875
Impairment loss recognised on non-trading securities written back (made)		3,220	(181)
Gain from changes in fair value of investment properties		77,528	588
Impairment loss on land and buildings written back		–	4,446
Impairment loss on land pending development		(5,000)	–

Gain arising from changes in fair value of fruit trees		123	3,884
Loss on write-off of fruit trees		–	(7,380)
Discount on acquisition of an additional interest in a subsidiary		15,665	–
Profit from operations	2 & 3	155,913	95,681
Finance costs		(10,408)	(11,523)
Share of results of associates		(10,608)	(5,923)
Allowance for advances to associates written back		57,918	41,110
Net gain on disposal of subsidiaries	4	–	28,672
Profit before taxation		192,815	148,017
Income tax expense	5	(6,880)	(4,165)
Profit before minority interests		185,935	143,852
Minority interests		(61,734)	(50,469)
Net profit for the year		124,201	93,383
Dividend	6	–	10,029
Basic earnings per share	8	HK6.8 cents	HK5.1 cents

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Adoption of new HKFRSs

The Hong Kong Institute of Certified Public Accountants (the “HKICPA”) issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKAS”) (hereinafter collectively referred to as “new HKFRSs”) which are 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 December 2004, except for the following new HKFRSs as further explained below:

HKFRS 3	Business combinations
HKAS 36	Impairment of assets
HKAS 38	Intangible assets
HKAS 17	Leases
HKAS 40	Investment property

HKFRS 3 “Business combinations”, HKAS 36 “Impairment of assets” and HKAS 38 “Intangible assets”

HKFRS 3 applies to accounting for business combination for which the agreement date is on or after 1 January 2005. The early adoption of HKFRS 3 and HKAS 36 from 1 January 2004 has resulted in the Group ceasing annual amortisation of goodwill and to test for impairment annually at the cash generating unit level (unless an event occurs during the year which requires the goodwill to be tested more frequently). Discount on acquisition is credited to the income statement in the period of acquisition. The transitional provisions of HKFRS 3 have required the Group to eliminate the carrying amount of the accumulated amortisation by approximately HK\$3,036,000 with a corresponding entry to the cost of goodwill. In addition, the Group’s negative goodwill at 1 January 2004 with a carrying amount of HK\$1,114,000 has been derecognised at 1 January 2004, with corresponding adjustment to the Group’s accumulated profits at 1 January 2004 of HK\$833,000 and the minority interests of HK\$281,000. As a result of this change in accounting policy, the profit of the Group for the year has been increased by approximately HK\$10,470,000.

HKAS 38 requires the Group to reassess the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment resulted from this reassessment.

HKAS 17 “Leases” and HKAS 40 “Investment property”

HKAS 17 requires the finance lease methodology be used for investment properties held under leases. The standard requires the land and buildings elements be considered separately when classifying a lease of land and buildings. Separate measurement of the land and buildings elements is not required if the interest in both the land and buildings is classified as an investment property in accordance with HKAS 40 and the fair value model is adopted.

HKAS 40 introduces both cost model and fair value model for the measurement of investment property. For fair value model, HKAS 40 requires fair value changes be recognised to the income statement in the period in which they arise. The Group has elected to apply the fair value model in measuring its investment property and recognises the fair value changes to the income statement in the period in which they arise. HKAS 40 allows a property interest that is held under an operating lease and that the property meets the definition of an investment property and the lessee recognises the asset by using the fair value model set out in the standard be classified and accounted for as investment property. The adoption of HKAS 40 has no material effect on the Group’s results for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

For those new HKFRSs that the Group has not early adopted in the financial statements for the year ended 31 December 2004, the Group has commenced considering the potential impact of those new HKFRSs but is not yet in a position to determine whether those HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. Those HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

2. Turnover and segmental information

An analysis of the Group's consolidated turnover and contribution to profit (loss) from operations by principal activity and geographical location for the two years ended 31 December 2004 and 2003 is as follows:

By principal activity

	Trading and manufacturing HK\$'000	Securities and financial services HK\$'000	Travel and related Services HK\$'000	Property investment and development HK\$'000	Media and publications HK\$'000	Information and technology HK\$'000	Agriculture HK\$'000	Investment holding HK\$'000	Total HK\$'000
2004									
REVENUE									
External sales	<u>1,939,636</u>	<u>128,110</u>	<u>1,461,904</u>	<u>14,014</u>	<u>176,646</u>	<u>64,195</u>	<u>1,127</u>	<u>-</u>	<u>3,785,632</u>
SEGMENT RESULTS									
Results before									
unrealised gain (loss)	30,665	21,949	17,697	9,352	(16,732)	(284)	(4,758)	10,708	68,597
Unrealised gain (loss) in respect of holding									
- trading securities	-	11,445	-	-	-	-	-	-	11,445
- non-trading securities	-	-	-	-	-	-	-	3,220	3,220
- land pending development	-	-	-	(5,000)	-	-	-	-	(5,000)
- investment properties	-	-	-	77,528	-	-	-	-	77,528
- fruit trees	-	-	-	-	-	-	123	-	123
	<u>30,665</u>	<u>33,394</u>	<u>17,697</u>	<u>81,880</u>	<u>(16,732)</u>	<u>(284)</u>	<u>(4,635)</u>	<u>13,928</u>	<u>155,913</u>
2003									
REVENUE									
External sales	<u>1,999,604</u>	<u>115,046</u>	<u>1,078,401</u>	<u>10,518</u>	<u>166,419</u>	<u>37,378</u>	<u>504</u>	<u>-</u>	<u>3,407,870</u>
SEGMENT RESULTS									
Results before									
unrealised gain (loss)	73,999	(3,083)	9,039	7,228	(8,309)	(4,546)	(8,191)	(13,068)	53,069
Unrealised gain (loss) in respect of holding									
- trading securities	-	33,875	-	-	-	-	-	-	33,875
- non-trading securities	-	-	-	-	-	-	-	(181)	(181)
- land and buildings	-	-	-	-	-	-	-	4,446	4,446
- investment properties	-	-	-	588	-	-	-	-	588
- fruit trees	-	-	-	-	-	-	3,884	-	3,884
	<u>73,999</u>	<u>30,792</u>	<u>9,039</u>	<u>7,816</u>	<u>(8,309)</u>	<u>(4,546)</u>	<u>(4,307)</u>	<u>(8,803)</u>	<u>95,681</u>

By geographical location*	Turnover		Contribution to profit from operations	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The People's Republic of China (the "PRC") and Hong Kong	2,009,088	1,588,291	125,621	45,511
United States of America	1,162,240	1,214,145	24,433	37,949
Europe	463,511	463,910	3,950	9,159
Japan	20,027	47,405	163	891
Others	130,766	94,119	1,746	2,171
	<u>3,785,632</u>	<u>3,407,870</u>	<u>155,913</u>	<u>95,681</u>

* Turnover and contribution to profit from operations by geographical location is determined on the basis of the location where merchandise or services are delivered.

3. Depreciation

Profit from operations for the year is arrived at after charging depreciation of approximately HK\$50,283,000 (2003: HK\$62,289,000) in respect of the Group's property, plant and equipment.

4. Net gain on disposal of subsidiaries

	2004	2003
	HK\$'000	HK\$'000
Gain on disposal of SC Pharm (<i>Note</i>)	<u>-</u>	<u>28,672</u>

Note: During 2003, Tianjin South China Pharmaceutical Company Limited ("SC Pharm") which engaged in manufacturing of pharmaceutical products in the PRC ceased to be a subsidiary of the Group on the basis that its intermediate holding company was deregistered. The cessation gave rise to a gain of approximately HK\$29 million.

5. Income tax expense

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year. Taxes on profits assessable elsewhere have been calculated at rates of taxation prevailing in the countries and the regions in which the Group operates.

6. Dividend

	2004	2003
	HK\$'000	HK\$'000
Final dividend proposed – Nil (2003: HK0.55 cent per share)	<u>-</u>	<u>10,029</u>

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2004 (2003: HK 0.55 cent).

7. Transfer to reserves

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Transfer to statutory reserve	<u>189</u>	<u>346</u>

8. Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of approximately HK\$124,201,000 (2003: HK\$93,383,000) and on approximately 1,823,401,000 shares (2003: approximately 1,823,401,000 shares) in issue during the year.

In 2004, no diluted earnings per share is presented because there is no outstanding dilutive instrument.

In 2003, no diluted earnings per share is presented because the exercise price of the Company's warrants was higher than the average market price for shares.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Building on the recovery of local and global economies, the Group was able to achieve another good year of result in 2004. The Group recorded turnover HK\$3.8 billion and profit attributable to shareholders of HK\$124.2 million for the year ended 31 December 2004, representing increases of 11% and 33% in turnover and profit respectively over the last year.

South China Brokerage Company Limited ("SCB") benefited from the high daily trading volume and high market capitalisation in the local stock market in 2004 and recorded double-digit growth in both turnover and net profit. The toy manufacturing business under South China Industries Limited ("SCI") was however affected by the substantial rise in raw material costs, in particular plastic, driven up by the surging oil prices. This directly reduced the Group's overall gross profit margin and indirectly raised our distribution costs. Administrative expenses were further reduced by our continuing efforts in bringing down costs at the operating level which helped to offset some of the adverse impacts from rising direct costs. Our travel business attained impressive growth with a profit increase to almost double the previous year. The rebound of prices of investment properties and gain on securities trading also contributed to the overall improvement in result.

As at 31 December 2004, the Group reported an unrealized gain of HK\$11.4 million on holdings of trading securities and a surplus on revaluation of our investment property portfolio of HK\$77.5 million. In addition, there was a write-back of allowance for advances to a principal associate of HK\$57.9 million due to the significant appreciation in the underlying property value of our 30% owned Grade-A commercial building, "The Centrium" in Central, as compared to a write-back of HK\$41.1 million in 2003.

During the year, the Group acquired additional equity interest in a subsidiary, Wah Shing International Holdings Limited (“Wah Shing”), and recognized a discount on acquisition of HK\$15.7 million.

Trading and Manufacturing

The Group’s toy OEM business carried out through Wah Shing Toys Company Limited (“WST”) and Wah Shing Electronics Company Limited (“WSE”) under Wah Shing performed differently in the last year. WST’s result was far below expectation and reported a drop of 78% from HK\$58 million to HK\$13 million due to a substantial decrease in sales and significant increase in write-down of inventories. WST also faced the surging raw material prices and labour costs in the Mainland. The continuing fierce market competition made it difficult for WST to pass on the increased material costs to customers.

WSE was able to turn around its result from a loss of HK\$7.9 million in 2003 to a profit of HK\$9.3 million principally attributable to the significant increase in demand for electronic toys resulting in a sharp jump in turnover by 1.2 times over 2003.

The performance of the footwear operation under Wah Shing was satisfactory. In March 2004, it won Wal-Mart’s “International Supplier of the Year 2003” award in recognition of its outstanding quality and logistics. Sales orders from Wal-Mart surged in 2004. Its turnover in 2004 increased by 32% over 2003 and it reported a profit of HK\$6.3 million.

The other leather products and garment operations made a positive contribution, though insignificant, to the Group during the year. The aggregated operating profit from the trading and manufacturing segment was HK\$30.7 million for the year 2004.

The Group’s associate Nority International Group Limited (“Nority”) which engages in the manufacture and export of athletic-style leisure footwear, reported a net loss of HK\$29.5 million for the year 2004.

Securities and Financial Services

The average daily stock market turnover leaped from HK\$10.3 billion in 2003 to HK\$15.9 billion in 2004. Our income from securities and futures broking increased by 19% to HK\$74.0 million for the year 2004 as compared with 2003. In August 2004, the trading of Hang Seng Index Futures contracts was newly launched on the existing online trading platform. Both the trading volume and the number of clients for online securities trading continued to grow. The result from the broking operation turned from loss of HK\$11.9 million in 2003 to a profit of HK\$6.2 million in 2004.

The size of the loan and advances portfolio for margin financing and personal loans dropped slightly by 7% to HK\$179.7 million. In line with this decline, the overall income from this operation dropped moderately to HK\$30.3 million. However, the

provision for bad and doubtful debts was substantially reduced by 49% to HK\$7.4 million in 2004 due to our tight credit monitoring measures to control the quality of our loan portfolio.

Our corporate advisory division was not profitable amid the intense competition in obtaining corporate advisory business. However, it did well to reduce the operating loss from HK\$9.8 million in 2003 to HK\$1.6 million in 2004.

For the year under review, SCB's turnover and profit attributable to shareholders increased by 12% to HK\$132.0 million and by 1.1 times to HK\$68.6 million respectively. The gains on holdings of trading and non-trading securities helped to contribute to the satisfactory results in addition to its improvement in operating activities.

Travel and Related Services

Hong Kong Four Seas Tours Limited ("Fourseas"), our travel business division sustained its impressive growth for another year in 2004. It achieved a 36% increase in turnover to HK\$1.5 billion and a 96% increase in operating profit to HK\$17.7 million. During the year, Fourseas established consolidated agent status for more major airlines in Hong Kong so as to increase its competitive advantage in the wholesale ticketing business. During the year, student travel packages and corporate sales business with higher profit margin grew steadily. At the same time, more marketing and services product developments were made to strengthen and broaden the client base.

Property Investment and Development

The property market improved considerably throughout the year. Our property arm recorded a 33% increase in gross rental income and a net operating profit of HK\$9.4 million and an unrealised gain on revaluation of HK\$77.5 million, as a result of increased rental revenues from higher property occupancy rates, a reviving commercial sector and better renewal terms during the year. The most significant appreciation in property value was recorded as a write-back of allowance for advances to an associate in respect of the 30% owned Grade-A commercial building, "The Centrium" in Central. Over 97% of the gross floor area was leased out at the end of 2004, generating very satisfactory revenue.

Media and Publications

The media group overall made progress in terms of the market position and market penetration of our magazines, and considerable investment was made into the launch and nurturing of young and new titles. During the second half of last year, the media business launched two new magazines, namely "*Friday Weekly*", a weekly trends and style magazine targeted at the youth market and "*Capital Femme*", a women's lifestyle and finance monthly magazine. Individual mature magazines experienced significant

growth in advertising revenues, with extensions of titles launched, to further strengthen the brand names of these titles, and to provide a wider base for growth in advertising and circulation revenues in the future. By the end of 2004, the media group had launched pilot testing titles in Beijing to prepare for the establishment of our publishing titles in the PRC market.

Information and Technology

The Group revitalised its IT business in 2004. The turnover of the IT business soared by 72% to HK\$64.2 million with a reduced loss of HK\$0.3 million when compared to a loss of HK\$4.5 million incurred in the previous year. In 2004, the Group consolidated its business platform and increased its interest in certain profitable PRC IT joint ventures with perceived good potential for growth in the foreseeable future.

Agricultural Business

The agricultural business reported a loss of HK\$4.8 million for the year 2004 as compared with a loss HK\$8.2 million for the year 2003. Operations continue to focus on product diversification and cost control methods at our Guangzhou fruit plantation and Nanjing fish rearing projects, while our Hebei province fruit plantation project continues to expand in acreage as we enter into our second year of investment.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2004, the Group had a current ratio of 1.17 and a gearing ratio of 8.6% (31 December 2003: 1.16 and 13.5% respectively). The gearing ratio is computed on comparing the Group's total long-term bank borrowings of HK\$75.2 million to the Group's shareholders' fund of HK\$872.4 million. The Group's operations and investments continue to be financed by internal resources and bank borrowings. The Directors believe that the Group has sufficient banking facilities and working capital for its operations.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

As at 31 December 2004, the Group had no significant exposure to fluctuations in foreign exchange rates and any related hedges.

INVESTMENTS

For the year ended 31 December 2004, the Group reduced and increased its non-trading and trading securities portfolios by HK\$25.2 million and HK\$3.5 million respectively, after accounting for the increase in fair values of HK\$3.2 million and HK\$11.4 million for non-trading and trading securities respectively by the end of the year.

CAPITAL STRUCTURE

Subsequent to the balance sheet date, on 22 February 2005, SCB, a subsidiary of the Company, placed 970,000,000 warrants of HK\$0.026 each (the “Warrants”) to independent investors. The Warrants entitle the holders to subscribe in cash for ordinary shares of HK\$0.025 each in SCB at a subscription price of HK\$0.1012 per share (subject to adjustment) and are exercisable on or before 2 March 2006. The net proceeds under the warrant placing of approximately HK\$25 million will be used as working capital of the Group.

Save as disclosed above, the Group had no other debt securities or capital instruments as at 31 December 2004 and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2004, the Group acquired a further approximately 9% equity interests of Wah Shing for successive considerations of HK\$22 million.

On 31 March 2004, the Group acquired the remaining 51% equity interest in information and technology business from Geely Automobile Holdings Limited (formerly known as Guorun Holdings Limited) (“Geely”) for an aggregate consideration of HK\$5.5 million of which HK\$0.5 million was satisfied in cash and the remaining HK\$5 million was satisfied by a set-off against an equivalent amount owed from Geely to the Group.

PLEDGES OF ASSETS, CONTINGENT LIABILITIES

As at 31 December 2004, a significant portion of the short-term borrowings was for normal trading purposes with the level of borrowings depending on the level of trading activities. The property, plant and equipment and the development and investment properties of the Group mostly secured the long term banking facilities.

There is no material change in the Group’s contingent liabilities as compared to the most recent published annual report.

Prospects

Trading and Manufacturing

Industry-wide challenges such as the uptrends in raw material prices and labour costs in the Mainland, the electricity and worker shortage in Southern China, the possible revaluation of Renminbi and the more stringent product and workplace safety requirements continue to affect our toy manufacturing business. The mounting price reduction pressure from overseas customers and competition from other toy makers in the Mainland and the market demand for more products with a wider variety of novel designs are all putting pressure on our gross profit margins. The outlook for WST and Nority remains dim.

Better than expected, our footwear operation was consecutively selected as a Wal-Mart “International Supplier of the Year 2004”. Leveraging on the award recognition received from Wal-Mart, our footwear operation is considering the expansion of production capacity to cope with the increase in sales.

Securities and Financial Services

The online trading platform is enabling us to expand our customer base especially outside the territory and there are significant benefits to be obtained in terms of cost, efficiency and effectiveness by more extensive reliance on the online trading platform. The new trading platform of Hang Seng Index Futures contracts was well accepted and we are positive about its future. Following Hang Seng Index Futures contracts, a wide array of global commodity futures contracts will soon go onto the online trading platform.

Travel and Related Services

Fourseas will continue to focus on the development of corporate and retail sales in 2005. A new office has been rented for the expansion of the working team for corporate customers. A new retail branch was opened in early February this year to capture more retail customers in a highly populated residential area. A more balanced customer mix will be achieved in the coming years.

In February 2005, Fourseas was appointed as the General Sales Agent in Hong Kong & Macau for China Regal Cruises on the Yangtze New Three Gorges. We believe this will make a further positive contribution to the Group. Experienced business development staff are being recruited to cope with our different new markets and products.

Property Investment and Development

The recent result of government land auctions signifies an upward trend in the property market. Vacancy levels for all types of property continue to fall, which is favourable for our portfolio of office and commercial property. Property rentals inevitably move upward in line with increases in property value. We expect that our rental properties and in particular those in the central commercial districts will continue to contribute to the Group in the coming year.

Looking forward to a rising property market, we shall re-tune our property portfolio to divest non-core assets and seek opportunities in Hong Kong and China.

Media and Publications

We expect our media business to continue to grow, in terms of advertising and circulation incomes as advertising spending is expected to soar with a stronger economy and sentiment. Titles with strong bases as a result of the previous investments are

expected to see significant growth, and borderline titles to make positive contribution this year. The Group will focus on creating strong brands in its titles, and further enhancing the magazines' presence in the market through brand extensions and multi-dimensional promotional activities.

The Group will consider launching new titles in the market should the opportunity arise, as well as expanding further into the PRC publishing industry.

Information and Technology

The business development of individual IT joint ventures continues to improve.

Agricultural Business

We will continue to cut down on costs, while minimizing market and weather risks through size and diversification. Expanding our acreage remains our top priority.

Overview

We expect the Hong Kong economy will continue to improve in view of the closer relationship with the Mainland China, the opening of Disneyland in September 2005 and the relaxed travel and currency restriction for Mainland individuals.

EMPLOYEES

As at 31 December 2004, the total number of employees of the Group was approximately 27,600. Employees' cost (including directors' emoluments) amounted to approximately HK\$531.2 million for the year.

The Group considers its employees as its most valuable asset. In addition to salary, other fringe benefits such as medical subsidies, provident fund and subsidised training programmes are offered to all employees of the Group. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employees may also receive a discretionary bonus at the end of each year based on performance. The Company adopted an employee share option scheme which came into effect on 18 June 2002.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2004 (2003: HK 0.55 cent).

PURCHASE, REDEMPTION OR SALE THE COMPANY'S LISTED SECURITIES

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

AUDIT COMMITTEE

The audit committee has reviewed with the management the financial reporting matters, including the audited financial statements, relating to the preparation of the financial statements for the year ended 31 December 2004.

The audit committee comprises four members, Mr. David Michael Norman who is non-executive director of the Company, and Mr. David John Blackett, Mrs. Tse Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei who are independent non-executive directors of the Company.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the year ended 31 December 2004 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) which was in force prior to 1 January 2005 except that the non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company’s Articles of Association.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 25 May 2005. For details of the Annual General Meeting, please refer to the Notice of Annual General Meeting, which is expected to be published on or about 29 April 2005.

PUBLICATION OF FURTHER INFORMATION

All information required by paragraphs 45(1) to 45(3) inclusive of Appendix 16 of the Listing Rules in force prior to 31 March 2004, which remains applicable to results announcements in respect of accounting periods commencing before 1 July 2004 under the transitional arrangement, will be published on the website of the Stock Exchange in due course.

As at the date of this announcement, the board of directors of the Company comprises (1) Mr. Ng Hung Sang, Robert, Ms. Cheung Choi Ngor, Christina, Mr. Richard Howard Gorges, Ms. Ng, Jessica Yuk Mui and Mr. Ng Yuk Fung Peter as executive directors; (2) Mr. David Michael Norman as non-executive director; and (3) Mr. David John Blackett, Mrs. Tse Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei as independent non-executive directors.

On behalf of the Board
Ng Hung Sang, Robert
Chairman

Hong Kong Special Administrative Region of the People's Republic of China
21 April 2005

A copy of this announcement can be obtained
from our website www.sctrade.com



南 華 集 團 成 員
A Member of South China Group

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