SINO GOLF HOLDINGS LIMITED
順龍控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 361)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2005

ANNUAL RESULTS

The Board of Directors (the "Board") of Sino Golf Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2005 with the comparative figures for the year ended 31 December 2004 as follows:

AUDITED CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2005

	Notes	2005 HK$'000	2004 HK$'000 (Restated)
REVENUE	4	**371,989**	399,640
Cost of sales		**(264,935)**	(271,723)
Gross profit		**107,054**	127,917
Other income and gain	4	**7,010**	2,815
Selling and distribution costs		**(12,273)**	(11,495)
Administrative expenses		**(50,243)**	(57,512)
Other expenses, net		**(7,511)**	(22,277)
Finance costs	5	**(12,058)**	(9,790)
PROFIT BEFORE TAX	6	**31,979**	29,658
Tax	7	**(1,130)**	(1,706)
PROFIT FOR THE YEAR		**30,849**	27,952
Attributable to:			
Equity holders of the parent		**31,560**	28,160
Minority interests		**(711)**	(208)
		30,849	27,952
DIVIDENDS	9		
Interim		**9,066**	19,039
Proposed final		**12,088**	–
		21,154	19,039
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic	8	**10.4 cents**	9.3 cents

AUDITED CONSOLIDATED BALANCE SHEET
31 December 2005

	Notes	2005 HK$'000	2004 HK$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**140,379**	133,422
Prepaid land lease payments		**20,736**	17,444
Goodwill		**25,723**	24,920
Total non-current assets		**186,838**	175,786
CURRENT ASSETS			
Inventories		**123,970**	101,684
Prepaid land lease payments		**459**	389
Trade and bills receivables	*10*	**27,099**	45,033
Prepayments, deposits and other receivables		**35,052**	21,006
Derivative financial instruments		**172**	–
Tax recoverable		**559**	1,599
Cash and cash equivalents		**79,141**	84,050
Total current assets		**266,452**	253,761
CURRENT LIABILITIES			
Trade and bills payables	*11*	**45,644**	55,613
Other payables and accruals		**42,387**	28,650
Interest-bearing bank and other borrowings		**138,860**	75,231
Total current liabilities		**226,891**	159,494
NET CURRENT ASSETS		**39,561**	94,267
TOTAL ASSETS LESS CURRENT LIABILITIES		**226,399**	270,053
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**36,950**	94,233
Deferred tax liabilities		**3,459**	4,624
Total non-current liabilities		**40,409**	98,857
Net assets		**185,990**	171,196
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	*12*	**30,220**	30,220
Reserves	*13*	**141,010**	130,279
Proposed final dividend		**12,088**	–
		183,318	160,499
Minority interests		**2,672**	10,697
Total equity		**185,990**	171,196

1. Basis of Preparation and Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of certain buildings as further explained below and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (HK$) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2005. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Impact of new and revised Hong Kong Financial Reporting Standards

The following new and revised HKFRSs affect the Group and are adopted for the first time for the current year's financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

The adoption of HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 23, 27, 33, 37, 38 and HK-Int 4 has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

HKAS 1 has affected the presentation of minority interests on the face of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and other disclosures.

HKAS 21 has had no material impact on the Group. As permitted by the transitional provisions of HKAS 21, goodwill arising in a business combination prior to 1 January 2005 and fair value adjustments arising on that acquisition are deemed to be in the currency of the Company. In respect of acquisitions subsequent to 1 January 2005, any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of the assets and liabilities are treated as assets and liabilities of the foreign operation and are translated at the closing rate in accordance with HKAS 21.

HKAS 24 has expanded the definition of related parties and affected the Group's related party disclosures.

The impact of adopting the other HKFRSs is summarised as follows:

(a) HKAS 17 – Leases

In prior years, leasehold land and buildings held for own use were stated at cost or valuation less accumulated depreciation and any impairment losses.

Upon the adoption of HKAS 17, the Group's leasehold interest in land and buildings is separated into leasehold land and buildings. The Group's leasehold land is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from property, plant and equipment to prepaid land lease payments, while buildings continue to be classified as part of property, plant and equipment. Prepaid land premiums for land lease payments under operating leases are initially stated at cost and subsequently amortised on the straight-line basis over the lease term. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

The effects of the above change are summarised below under "Impact of Changes in Accounting Policies". The comparative amounts for the year ended 31 December 2004 in the consolidated balance sheet have been restated to reflect the reclassification of the leasehold land.

(b) *HKAS 32 and HKAS 39 – Financial Instruments*
Derivative financial instruments – Interest rate swaps

The adoption of HKAS 32 and HKAS 39 has resulted in a change of accounting policy for recognition, measurement and disclosure of the interest rate swap contracts entered into by the Group. In prior periods, these contracts were recognised on a cash basis.

Upon the adoption of HKAS 39, such kind of derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Gains or losses arising from the changes in fair value are recognised in the income statement. Such derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The effects of the above changes are summarised below under "Impact of Changes in Accounting Policies". In accordance with the transitional provisions of HKAS 39, comparative amounts have not been restated.

(c) *HKFRS 2 – Share-based Payment*
In prior years, no recognition and measurement of share-based payment transactions in which employees (including directors) were granted share options over shares in the Company were required until such options were exercised by employees, at which time the share capital and share premium were credited with the proceeds received.

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments ("equity-settled transactions"), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted.

The main impact of HKFRS 2 on the Group is the recognition of the cost of these transactions and a corresponding entry to equity for employee share options.

The Group has adopted the transitional provisions of HKFRS 2 under which the new measurement policies have not been applied to (i) options granted to employees on or before 7 November 2002; and (ii) options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

As the Group did not have any employee share options which were granted during the period from 7 November 2002 to 31 December 2004 but had not yet vested as at 1 January 2005, the adoption of HKFRS 2 has had no impact on the retained profits as at 31 December 2003 and at 31 December 2004. The Group has recognised the cost of options which were granted during the year in the current year's income statement in accordance with the revised accounting policy.

The effects of adopting HKFRS 2 are summarised below under "Impact of Changes in Accounting Policies".

(d) *HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets*
In prior years, goodwill arising on acquisitions was capitalised and amortised on the straight-line basis over its estimated useful life and was subject to impairment testing when there was any indication of impairment.

The adoption of HKFRS 3 and HKAS 36 has resulted in the Group ceasing annual goodwill amortisation and commencing testing for impairment at the cash-generating unit level annually (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired).

The transitional provisions of HKFRS 3 have required the Group to eliminate at 1 January 2005 the carrying amounts of accumulated amortisation with a corresponding adjustment to the cost of goodwill.

The effects of the above changes are summarised below under "Impact of Changes in Accounting Policies". In accordance with the transitional provisions of HKFRS 3, comparative amounts have not been restated.

2. **Impact of Changes in Accounting Policies**

(a) *Effect on the consolidated balance sheet*

At 1 January 2005 Effect of new policies (Increase/(decrease))	Effect of adopting HKAS 17# Prepaid land lease payments *HK$'000*	 HKAS 39* Interest rate swaps *HK$'000*	Total *HK$'000*
Assets			
Property, plant and equipment	(20,806)	–	(20,806)
Prepaid land lease payments	17,833	–	17,833
			(2,973)
Liabilities/equity			
Derivative financial instruments	–	1,888	1,888
Deferred tax liabilities	(287)	–	(287)
Asset revaluation reserve	(2,993)	–	(2,993)
Retained profits	307	(1,888)	(1,581)
			(2,973)

At 31 December 2005 Effect of new policies (Increase/(decrease))	Effect of adopting HKAS 17 Prepaid land lease payments *HK$'000*	 HKAS 39 Interest rate swaps *HK$'000*	 HKFRS 2 Equity-settled share option arrangements *HK$'000*	 HKFRS 3 Discontinuation of amortisation of goodwill *HK$'000*	Total *HK$'000*
Assets					
Property, plant and equipment	(24,098)	–	–	–	(24,098)
Prepaid land lease payments	21,195	–	–	–	21,195
Goodwill	–	–	–	3,680	3,680
Derivative financial instruments	–	172	–	–	172
					949
Liabilities/equity					
Deferred tax liabilities	(287)	–	–	–	(287)
Asset revaluation reserve	(2,993)	–	–	–	(2,993)
Other reserves	–	–	83	–	83
Retained profits	377	172	(83)	3,680	4,146
					949

* *Adjustments taken effect prospectively from 1 January 2005*

\# *Adjustments/presentation taken effect retrospectively*

(b) *Effect on the balances of equity at 1 January 2004 and at 1 January 2005*

Effect of new policies (Increase/(decrease))	**Effect of adopting** HKAS 17 Prepaid land lease payments	HKAS 39 Interest rate swaps	**Total**
	HK$'000	*HK$'000*	*HK$'000*
1 January 2004			
Asset revaluation reserve	(2,993)	–	(2,993)
Retained profits	239	–	239
			(2,754)
1 January 2005			
Asset revaluation reserve	(2,993)	–	(2,993)
Retained profits	307	(1,888)	(1,581)
			(4,574)

(c) *Effect on the consolidated income statement for the years ended 31 December 2005 and 2004*

	Effect of adopting				
Effect of new policies	**HKAS 17 Prepaid land lease payments**	**HKAS 39 Interest rate swaps**	**HKFRS 2 Equity-settled share option arrangements**	**HKFRS 3 Discontinuation of amortisation of goodwill**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2005					
Decrease in finance costs	–	2,060	–	–	2,060
Decrease in administrative expenses	70	–	–	–	70
Decrease/(increase) in other expenses	–	–	(83)	3,680	3,597
Total increase/(decrease) in profit	70	2,060	(83)	3,680	5,727
Increase/(decrease) in basic earnings per share	0.02 cents	0.68 cents	(0.03 cents)	1.22 cents	1.89 cents

Effect of new policies	**Effect of adopting HKAS 17 Prepaid land lease payments**
	HK$'000
Year ended 31 December 2004	
Decrease in administrative expenses	68
Total increase in profit	68
Increase in basic earnings per share	0.02 cents

3. **Segment Information**

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses can be divided into golf equipment segment and golf bag segment which are structured and managed separately according to the nature of their operations and the products they provide. Each of the group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segment. Summary details of the two business segments are as follows:

(a) the golf equipment segment comprises the manufacturing and trading of golf equipment and related components and parts; and

(b) the golf bag segment comprises the manufacturing and trading of golf bags, other accessories and related components and parts.

In determining the Group's geographical segments, revenues are attributed to the segments based on the shipment destination, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) *Business segments*

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2005 and 2004.

	Golf equipment		**Golf bag**		**Eliminations**		**Consolidated**	
	2005	2004	**2005**	2004	**2005**	2004	**2005**	2004
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)						(Restated)
Segment revenue:								
Sales to external customers	**301,046**	327,425	**66,211**	66,520	**–**	–	**367,257**	393,945
Intersegment revenue	**4,217**	520	**6,242**	17,259	**(10,459)**	(17,779)	**–**	–
Other revenue	**9,124**	5,789	**1,870**	2,614	**–**	–	**10,994**	8,403
Total	**314,387**	333,734	**74,323**	86,393	**(10,459)**	(17,779)	**378,251**	402,348
Segment results	**41,514**	39,643	**1,775**	(302)			**43,289**	39,341
Interest income							**748**	107
Finance costs							**(12,058)**	(9,790)
Profit before tax							**31,979**	29,658
Tax							**(1,130)**	(1,706)
Profit for the year							**30,849**	27,952
Assets and liabilities:								
Segment assets	**339,533**	324,450	**53,558**	41,111	**(19,501)**	(21,663)	**373,590**	343,898
Unallocated assets							**79,700**	85,649
Total assets							**453,290**	429,547
Segment liabilities	**80,360**	62,522	**27,172**	43,404	**(19,501)**	(21,663)	**88,031**	84,263
Unallocated liabilities							**179,269**	174,088
Total liabilities							**267,300**	258,351
Other segment information:								
Depreciation	**13,617**	17,183	**1,478**	1,329	**–**	–	**15,095**	18,512
Amortisation of goodwill	**–**	1,372	**–**	1,625	**–**	–	**–**	2,997
Provision for bad and doubtful debts	**352**	9,495	**–**	–	**–**	–	**352**	9,495
Capital expenditure	**33,516**	33,173	**2,969**	7,471	**–**	–	**36,485**	40,644

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2005 and 2004.

	North America		Europe		Asia (excluding Japan)		Japan		Others		Consolidated	
	2005	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:												
Sales to external customers	**248,108**	274,713	**25,018**	30,281	**43,344**	25,158	**41,215**	50,365	**9,572**	13,428	**367,257**	393,945

	Hong Kong		PRC		Unallocated		Eliminations		Consolidated	
	2005	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000* (Restated)	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000* (Restated)
Other segment information:										
Segment assets	**354,753**	327,982	**258,425**	229,295	**18,846**	13,777	**(258,434)**	(227,156)	**373,590**	343,898
Unallocated assets									**79,700**	85,649
Total assets									**453,290**	429,547
Capital expenditure	**3,501**	316	**32,984**	40,328	**–**	–	**–**	–	**36,485**	40,644

4. Revenue, Other Income and Gain

Revenue represents the invoiced value of goods sold net of trade discounts and goods returns (which is also the Group's turnover), gross rental income, testing income and tooling charges received and receivable during the year.

An analysis of revenue, other income and gain is as follows:

	2005	2004
	HK$'000	*HK$'000*
Revenue		
Turnover:		
Sales of goods	**367,257**	393,945
Gross rental income	**2,030**	1,897
Testing income	**1,771**	2,306
Tooling charges	**931**	1,492
	371,989	399,640
Other income		
Compensation income	**1,170**	–
Commission income	**112**	842
Bank interest income	**736**	85
Interest income for loans receivable	**12**	22
Patent income	**859**	783
Others	**1,540**	1,083
	4,429	2,815
Gain		
Gain on disposal of a subsidiary	**2,581**	–
	7,010	2,815

5. **Finance Costs**

	2005	2004
	HK$'000	*HK$'000*
Fair value gain on interest rate swaps	**(2,060)**	–
Interest on bank loans and overdrafts	**11,959**	7,981
Interest on finance leases	**5**	5
Bank charges	**2,154**	1,804
Total finance costs	**12,058**	9,790

6. **Profit Before Tax**

The Group's profit before tax is arrived at after charging/(crediting):

	2005	2004
	HK$'000	*HK$'000*
		(Restated)
Cost of inventories sold	**191,735**	202,014
Depreciation	**15,095**	18,512
Recognition of prepaid land lease payments	**161**	188
Minimum lease payments under operating leases:		
Land and buildings	**6,479**	6,232
Motor vehicles	**66**	132
Amortisation of goodwill*	**–**	2,997
Auditor's remuneration		
Current year	**1,150**	950
Underprovision in prior year	**9**	20
	1,159	970
Employee benefits expense (including directors' remuneration):		
Wages and salaries	**57,974**	67,301
Equity-settled share option expense	**83**	–
Retirement benefits scheme contributions**	**2,305**	2,246
	60,362	69,547
Provision for bad and doubtful debts	**352**	9,495
Foreign exchange differences, net	**47**	1,953
Loss on disposal of items of property, plant and equipment	**–**	1,260
Write-off of items of property, plant and equipment	**385**	–
Write-off of obsolete inventories, net	**5,379**	2,196
Gain on disposal of a subsidiary	**(2,581)**	–
Rental income	**(2,030)**	(1,897)
Bank interest income	**(736)**	(85)
Interest income for loans receivable	**(12)**	(22)
Bad debts recovery	**–**	(45)
Provision for bad debts written back	**–**	(1,692)
Fair value gain on interest rate swaps	**(2,060)**	–

* *The amortisation of goodwill is included in "Other expenses, net" on the face of the consolidated income statement.*

** *At 31 December 2005, the Group had no forfeited contributions available to reduce its contributions to the retirement benefits schemes in future years (2004: Nil).*

7. Tax

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

	2005	2004
	HK$'000	*HK$'000*
Current - Hong Kong		
Charge for the year	**1,814**	1,885
Overprovision in prior years	**–**	(42)
Current - Elsewhere	**481**	(137)
Deferred	**(1,165)**	–
Tax charge for the year	**1,130**	1,706

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amounts is based on the net profit for the year attributable to ordinary equity holders of the parent of HK$31,560,000 2004 (as restated: HK$28,160,000) and, the weighted average number of 302,200,000 (2004: 302,200,000) ordinary shares in issue during the year.

The diluted earnings per share amounts for the years ended 31 December 2005 and 31 December 2004 have not been shown as there was no dilutive effect on the basic earnings per share amounts for these years. The outstanding share options of the Company would not result in the issue of ordinary shares for less than the fair values as their exercise prices were above the average market price of the Company's shares during these years.

9. DIVIDENDS

	2005	2004
	HK$'000	*HK$'000*
Interim – HK3.0 cents (2004: HK6.3 cents) per ordinary share	**9,066**	19,039
Proposed final – HK4.0 cents (2004: Nil) per ordinary share	**12,088**	–
	21,154	19,039

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. Trade and Bills Receivables

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranges from 30 to 120 days from the date of recognition of sale. In view of the fact that the Group's trade receivables relate to a number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

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

	2005	2004
	HK$'000	*HK$'000*
Within 3 months	**18,407**	13,650
4 to 6 months	**2,169**	9,593
7 to 12 months	**3,187**	20,400
Over 1 year	**3,336**	1,390
	27,099	45,033

Included in the Group's trade and bills receivables as at the balance sheet date was an amount of HK$528,000 (2004: HK$1,751,000) due from Nikko Bussan Co., Ltd. ("Nikko Bussan (Japan)") arising from transactions carried out in the ordinary course of business of the Group. Takanori Matsuura, a director of the Company, has a beneficial interest in Nikko Bussan (Japan). The balance with Nikko Bussan (Japan) is unsecured, interest-free and is repayable within a credit period similar to those offered by the Group to its major customers.

11. Trade and Bills Payables

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

	2005	2004
	HK$'000	*HK$'000*
Within 3 months	**40,419**	47,875
4 to 6 months	**3,379**	5,921
7 to 12 months	**1,307**	990
Over 1 year	**539**	827
	45,644	55,613

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days.

12. Share Capital

	2005	2004
	HK$'000	*HK$'000*
Authorised:		
1,000,000,000 ordinary shares of HK$0.1 each	**100,000**	100,000
Issued and fully paid:		
302,200,000 ordinary shares of HK$0.1 each	**30,220**	30,220

13. Reserves

	Share premium account	**Contributed surplus**	**Asset revaluation reserve**	**Exchange fluctuation reserve**	**Other reserves**	**Retained profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2004							
As previously reported	57,270	10,564	28,035	1,796	50	26,197	123,912
Prior year adjustments	–	–	(2,993)	–	–	239	(2,754)
As restated	57,270	10,564	25,042	1,796	50	26,436	121,158
Profit for the year and total income and expense for the year (restated)	–	–	–	–	–	28,160	28,160
Interim 2004 dividend	–	–	–	–	–	(19,039)	(19,039)
At 31 December 2004	57,270	10,564	25,042	1,796	50	35,557	130,279
At 1 January 2005							
As previously reported	57,270	10,564	28,035	1,796	50	35,250	132,965
Prior year adjustments	–	–	(2,993)	–	–	307	(2,686)
Opening adjustments	–	–	–	–	–	(1,888)	(1,888)
As restated	57,270	10,564	25,042	1,796	50	33,669	128,391
Exchange realignment	–	–	–	2,329	–	–	2,329
Profit for the year	–	–	–	–	–	31,560	31,560
Total income and expense for the year	–	–	–	2,329	–	31,560	33,889
Disposal of a subsidiary	–	–	(199)	–	–	–	(199)
Acquisition of minority interests	–	–	–	–	–	–	–
Equity-settled share option expense	–	–	–	–	83	–	83
Interim 2005 dividend	–	–	–	–	–	(9,066)	(9,066)
Proposed final 2005 dividend	–	–	–	–	–	(12,088)	(12,088)
At 31 December 2005	57,270	10,564	24,843	4,125	133	44,075	141,010

The contributed surplus represents the difference between the nominal value of the shares and share premium account of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 17 May 2006 to Wednesday, 24 May 2006 both days inclusive, during which period no transfer of shares will be effected. All share transfer, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 16 May 2006 in order to qualify for the final dividend proposed which will be payable on or about 26 May 2006.

BUSINESS REVIEW AND PROSPECT

Overview

Consolidated turnover and net profit attributable to equity holders for the year amounted to HK$367,257,000 (2004: HK$393,945,000) and HK$31,560,000 (2004: HK$28,160,000 as restated) respectively.

Golf equipment sales for the year amounted to HK$301,046,000 representing 82% of the annual turnover, while golf bags and accessories sales accounted for the remaining 18% or HK$66,211,000. The golf equipment and golf bag segments achieved segmental profits of approximately HK$41,514,000 and HK$1,775,000 respectively. Both business segments have demonstrated improvement over the preceding year.

Golf Equipment Business

Sales of golf equipment decreased by about 8.1% to approximately HK$301,046,000 on an annual basis. Notwithstanding that a more prominent drop in segment sales of about 22.7% was recorded during the first six months of 2005, an obvious rebound had been achieved during the second half of the year, thus narrowing the overall decline in segment sales to about 8.1%.

Of the total golf equipment sales, golf clubs sales accounted for about 75.2% or HK$226,518,000, while component sales including club heads, shafts and accessories took up the remaining 24.8% or HK$74,528,000. There has been no material fluctuation in the proportion of product mix throughout the years.

At the end of 2004, the Group adopted measures to enhance its customer profile with a view to better manage the long-term exposure and risk. Such measures, which included the tightening of credit controls and adoption of more stringent trade terms, have resulted in a short term slow down in sales activities of the golf equipment segment due to rescheduling and/or reduction of shipments to certain customers. This has to some extent affected the level of sales achieved during the first half of 2005. Segment sales and results therefore dropped by about 22.7% and 18.6% respectively during the first six months of 2005 compared to the corresponding preceding period. To secure recoverability of trade debts, the Group has also arranged factoring and insurance coverage for shipments to major customers. With the contribution from orders of the new customers and the restoration of sales to existing clients, a rebound had been achieved during the second half of 2005, which successfully reduced the decrease in annual segment sales to approximately 8.1%. Overall, the segment result for the year has instead improved by about 4.7% to approximately HK$41,514,000 compared to that of the preceding year.

During the year, both the major raw materials prices and production costs have escalated. The prices of titanium and graphite sheets have soared by considerable double-digit percentages and the energy and fuel costs also increased due to supply shortages. The Group effectively managed and combated the impact of price hikes through improvement of productivity and selectively stocking up key raw materials to optimise product costs. To the extent possible, the sales prices of new product models have been adjusted to reflect the increase in materials costs. Notwithstanding that, the availability of graphite sheets has become more volatile in 2006 when the market supply is further restricted.

In October 2005, the U.S. Bankruptcy Court confirmed the reorganisation plan of Huffy Corporation, which was voted and approved by its creditors in September 2005. Based on the information contained in the reorganisation plan of Huffy Corporation and given the amount of provision already made by the Group against the debts owed by Huffy Corporation, we consider that no further provision of any material amount would be necessary in respect of the debts owed to the Group by Huffy Corporation prior to its filing of bankruptcy protection.

Golf Bag Business

Sales of the golf bag segment amounted to approximately 66,211,000, taking up approximately 18.0% of the Group's turnover versus 16.9% in 2004. Of the total segment sales, golf bag sales amounted to approximately HK$55,119,000 or 83.2%, while accessory sales including boston bag sales accounted for the remaining 16.8% or HK$11,092,000. The product mix was stable over the years.

Adversely affected by the late commencement of operations of the new golf bag facility in 2004, the golf bag segment has recorded a drop of about 32.2% in sales during the first six months of 2005 compared to the corresponding preceding period. However, with the resumption of sales from the business foregone in 2004 and active business development, a strong rebound was accomplished during the second half of 2005 which rebutted the declining trend and lifted the annual segment sales to nearly the same level as that of 2004. Segment sales dropped only marginally by less than 0.5% in 2005 and the Group has successfully turned around the segment from a loss of HK$302,000 in 2004 to a segment profit of HK$1,775,000 for 2005.

The golf bag segment can broadly be classified into the Japan and Non-Japan lines, accounting for approximately 53.7% and 46.3% respectively of total segment sales. As a result of dedicated efforts to develop the high-end golf bags business sector, contribution of the higher-margin Japan line products increased over the sales of the Non-Japan line, which represents mostly golf bags of American and European styles. With the continued support of the Japanese partner, sales of the Japan line increased and accounted for the majority of the rebound in golf bags in the second half of 2005. The new golf bag facility, which is compliant with the Standard of Engagement ("SOE") requirement, has gained strong recognition in the Japanese market. It is anticipated that the Japan line of golf bags will continue to expand with growing momentum in the ensuing year.

During the year, major materials prices for golf bags production like PVC, PU and nylon fluctuated within moderate ranges while the energy and fuel costs were pushed up due to supply shortages. To mitigate the impact of such price hikes, the Group has embarked on programs to enhance productivity and reduce wastages.

Geographical Segments

The Group's geographical spread continued to be stable, North America remains the largest geographical segment generating approximately 67.6% of the Group's annual turnover. Other geographical segments including Europe, Japan and other countries in turn accounted for about 6.8%, 11.2% and 14.4% of the Group's annual turnover respectively.

Sales to the North American market aggregated to approximately HK$248,108,000 comprising primarily of golf clubs sales with a minor portion of golf bags. Possessing the largest golf market in the world, the North America provides opportunities for both mass merchandise and branded golf products. As the majority of the Group's customers are American based, the North American segment will continue to dominate and contribute a substantial portion of the Group's revenue.

Sales to the Japan market amounted to approximately HK$41,215,000, of which golf bag sales accounted for the majority. Being the largest golf market in Asia, Japan represents a market that warrants the Group's continued efforts to persistently explore and penetrate into. Benefited by the continuing increase in sale of Japan line golf bags, the Japan market is expected to grow and contribute better margins for the Group.

Other geographical segments comprise Europe and other countries, of which sales to Europe decreased slightly from 7.7% of the annual turnover in 2004 to approximately 6.8% in 2005, while sales to other countries increased from 9.8% of the annual turnover in 2004 to approximately 14.4% in 2005 mainly due to increase in Asian shipments by some customers. It is anticipated that both of these two geographical segments will maintain relatively stable.

Results of Operations

Consolidated turnover of the Group for the year ended 31 December 2005 decreased by 6.8% to approximately HK$367,257,000 (2004: HK$393,945,000). Net profit attributable to equity holders increased instead by 12.1% to HK$31,560,000 (2004: HK$28,160,000 as restated).

The gross profit for the year decreased to approximately HK$107,054,000 from HK$127,917,000 as restated of the preceding year. The effect of raw materials price surges coupled with an increase in components purchase by the Group, which was partly offset by the sales price adjustments and the savings derived from enhanced productivity, has brought the gross profit margin for 2005 down to 29.2% from 32.5% as restated for 2004.

Other income for the year increased to approximately HK$7,010,000 from HK$2,815,000 as restated in 2004. It was mainly attributable to the gain on disposal of a subsidiary of approximately HK$2,581,000 and the increase in interest income and other reimbursements received.

Administrative expenses for the year decreased to approximately HK$50,243,000 from HK$57,512,000 as restated in 2004 primarily due to the drop in depreciation charge as certain fixed assets have been fully depreciated. Selling and distribution costs, consisting mainly of commissions and freight charges, increased to approximately HK$12,273,000 for the year from HK$11,495,000 in 2004 mainly due to the increase in commissions which was partially offset by a decrease in freights incurred. Other operating expenses for the year decreased to approximately HK$7,511,000 from HK$22,277,000 in 2004 as a result of the cessation of goodwill amortisation and the decrease in directors remuneration and bad debt provisions.

Finance costs, net of a gain of approximately HK$2,060,000 derived from interest rate swap transactions, increased to approximately HK$12,058,000 for the year from HK$9,790,000 in 2004 primarily due to the successive increase in interest rates during the year.

Prospects

The golf industry is becoming more competitive nowadays than past years. It is the Group's mission to provide high quality one-stop services to its customers with value added options. With a successful transformation and enhancement of the customer profile, the Group is well equipped for continuing growth and development. The establishment of businesses with big names provides huge opportunities for expansion and help enhance the Group's industry recognition. The Group is also devoted to persistently invest in research and development to strengthen its competitive advantage in product innovations and materials exploitation.

Despite mounting cost pressures caused by materials prices hikes, the golf industry still benefits from a general recovery of the global economy. Entering 2006, orders for golf equipment and golf bags placed with the Group have shown significant increase in monetary terms. Total shipments during the first quarter of 2006 have exceeded HK$113 million, comprising golf equipment and golf bag sales of approximately HK$87 million and HK$26 million respectively. Based on the orders on hand, sales in the second quarter of 2006 will remain strong and it is anticipated that sales of the Group in the first half of 2006 are likely to considerably exceed that of the corresponding period in 2005. The expected increase in sales amounts has been attributable to the combined effect of price adjustments, mainly of golf equipment, that compensate the surge in materials costs, and the increase in order quantities. Given the volatility of the sales growth in the first half of 2006, it would be premature to make any forecast of sales for the second half of 2006 at current stage.

To sustain long-term growth, the Group will enhance its competitiveness through continued improvements in product quality, materials innovation and design capabilities to ensure that customer needs are best served and prioritised. We shall be well equipped to establish closer links with the leading golf companies of substantial business potential. While attaching emphasis on the continued development of the North America market, the Group is devoted to further exploring and developing the Japanese market especially in the golf equipment segment where the historical sales were relatively low. With expected synergies to be derived from its golf club sales network, the Group also plans to actively develop golf bag business in the North America.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

The Group follows prudent principle to formulate treasury policies and continually relies on internally generated funds and banking facilities to finance its operations. To mitigate the exposure to various financial risks, the Group has established appropriate policies and guidelines to ensure that such risks are properly monitored and confined within acceptable limits. The Group has entered into interest rate swap contracts in 2003 (expiring in March 2006) to hedge the HIBOR interest payments of certain bank loans at fixed rates. The changes in the fair value of the interest rate swap contracts, which represent a gain of approximately HK$2 million, have been net off to the finance costs for the year.

Cash and cash equivalents as at 31 December 2005 amounted to approximately HK$79.1 million (2004: HK$84.1 million) and were denominated mostly in United States dollars and Hong Kong dollars. The decrease in cash and cash equivalents has primarily been the result of appropriating funds to procure raw materials mainly titanium plates and graphite sheets to meet the increased production needs as well as to optimise product cost amidst materials price surges. The inventory level thus increased to HK$124.0 million (2004: HK$101.7 million).

Borrowings of the Group are mostly denominated in the currencies of Hong Kong dollars and United States dollars and carry interest on HIBOR or LIBOR plus basis. As at 31 December 2005, borrowings (excluding finance lease payable) aggregated to approximately HK$175.8 million (2004: HK$169.4 million), of which approximately HK$138.8 million comprising import and export loans of about HK$26.6 million (2004: HK$6.2 million) and term loans of about HK$112.2 million (2004: HK$68.9 million) is repayable within one year. The level of bank borrowings increased mainly due to higher utilisation of import and export facilities. Gearing ratio, defined as total bank borrowings and finance lease payable less cash and cash equivalents of approximately HK$96.6 million divided by the shareholders' equity of approximately HK$186.0 million, was 51.9% as at 31 December 2005 (2004: 49.9% as restated). The gearing ratio did not show material fluctuation under the Group's effective treasury practices.

Through adoption of prudent treasury practices, the Group strives to maintain a financial position supportive of its growth and development needs. As at 31 December 2005, the net asset value of the Group amounted to approximately HK$186.0 million (2004: HK$171.2 million as restated). Current and quick ratios as at 31 December 2005 were approximately 1.17 (2004: 1.59) and 0.63 (2004: 0.95) respectively. Both ratios decreased significantly mainly due to the reclassification of long-term portion of the bank loans into short-term portion. The increase in inventory level also brought the quick ratio down to a lower level. The current and quick ratios have been restored to higher levels when certain bank facilities were refinanced in the first quarter of 2006 on long-term basis.

Disposal of a Subsidiary
Pursuant to an agreement dated 31 December 2004 and a supplemental agreement dated 9 April 2005 (the "Agreements"), Sino Golf Manufacturing Company Ltd.("SGMCL"), an indirect wholly-owned subsidiary of the Company, disposed all of its interest in a 62.5% owned subsidiary, 順德市順興隆高爾夫球製品有限公司 ("SHL"), to Global Sourcing and Distribution Limited (the "Purchaser") for a consideration of HK$14.9 million, resulting in a gain on disposal of approximately HK$2.6 million. The consideration was to be settled as to approximately HK$9.97 million upon completion and approximately HK$4.93 million one year after the completion. Sale proceeds from the disposal provided additional working capital for the Group.

SHL is engaged in producing golf equipment using forging technology and was managed, except for accounting and finance matters, by its minority shareholder. The disposal decision is consistent with the Group's policy to establish and run its own forging facility and to centralise the production management to avoid duplication of resources. As the Purchaser is beneficially owned by the associates of the beneficial owner of the minority shareholder in SHL, the disposal constitutes a connected and discloseable transaction under Chapter 14A and Chapter 14 of the Listing Rules. The Agreements and the transaction contemplated under the Agreements had been approved by the independent shareholders of the Company in a special general meeting held on 27 May 2005 and the transaction was completed in accordance with the terms of the Agreements. There was no material effect to the Group's consolidated income as a result of the disposal of interest in SHL.

Shortfall of Profit Guarantee on a Subsidiary
Pursuant to an agreement dated 22 December 2003 entered into between SGMCL and Mr. Chen Chien Hsiang (the "Agreement"), SGMCL acquired from Mr. Chen Chien Hsiang ("Mr. Chen") an additional 11.5% interest in the ordinary share capital of CTB Golf (HK) Limited ("CTB"), rendering CTB 62.5% then owned by the Group. The consideration of the acquisition is HK$9.8 million which is subject to refund by Mr. Chen if the audited consolidated profit of CTB is less than the guaranteed profit of HK$8,522,000 ("Guaranteed Profit") for each of the five profit guaranteed years commencing on 1 January 2004. As the audited consolidated profit of CTB for the year ended 31 December 2005 was less than the Guaranteed Profit, SGMCL is entitled to a receivable of approximately HK$905,000 from Mr. Chen calculated in accordance with the terms of the Agreement. The amount receivable from Mr. Chen has been accounted for in the balance sheet under other receivables and other payables.

Acquisition of additional interest in a subsidiary
On 19 July 2005, SGMCL entered into an agreement (the "2nd Agreement") with Mr. Chen (the "Vendor") to purchase from the Vendor the remaining 37.5% of the ordinary share capital of CTB not yet owned at that time by SGMCL for a consideration of HK$2,625,000. As the Vendor is a substantial shareholder of CTB, which is an indirect subsidiary of the Company, the acquisition constitutes a connected and discloseable transaction under Chapter 14A and Chapter 14 of the Listing Rules.

CTB is principally engaged in the manufacturing and trading of golf bags and has been owned as to 62.5% by SGMCL prior to entering into the 2nd Agreement. In consideration of the anticipated growth of golf bags business and the enhanced production capacity of the new facility, it is in the interests of the Group and its shareholders as a whole to gain a full control over the golf bag business of CTB. Upon completion of the transaction, CTB has become a wholly-owned subsidiary of SGMCL. The transaction has given rise to a goodwill of approximately HK$803,000 which is subject to annual review for impairment. The acquisition of additional interest in CTB has no material impact on earnings per share and the assets and liabilities of the Group.

Continuing Connected Transactions

On 18 April 2005, Sino Golf Comercial Offshore De Macau Limitada ("Sino Golf Macau"), an indirect wholly-owned subsidiary of the Company, entered into a supply agreement (the "Supply Agreement") with Nikko Bussan (Japan) for the supply of golf products to Nikko Bussan (Japan) subject to a cap of HK$30,000,000 per annum. The transactions contemplated under the Supply Agreement constitute continuing connected transactions ("Continuing Connected Transactions") under Chapter 14A of the Listing Rules. The Supply Agreement and the annual cap were approved by the independent shareholders of the Company in a special general meeting held on 27 May 2005.

During the year, sale of golf products to Nikko Bussan (Japan) under the Supply Agreement amounted to approximately HK$5,688,000 which had been reviewed by the independent non-executive directors of the Company who confirmed that (i) the Continuing Connected Transactions have been entered into in the ordinary and usual course of business of the Group; (ii) the Continuing Connected Transactions have been entered into on an arm's length basis, on normal commercial terms and on terms no less favourable than terms available to independent third parties or on terms that are fair and reasonable so far as the shareholders of the Company taken as a whole are concerned; (iii) the Continuing Connected Transactions have been carried out in accordance with the terms of the Supply Agreement; (iv) the Continuing Connected Transactions have received the approval of the Board; and (v) the Continuing Connected Transactions have not exceeded the annual cap of HK$30,000,000.

The auditors of the Company have reviewed the Continuing Connected Transactions and confirmed in writing to the Board that (i) the Continuing Connected Transactions have received the approval of the Board; (ii) the Continuing Connected Transactions have been entered into in the ordinary and usual course of business of the Group; (iii) the Continuing Connected Transactions have been carried out in accordance with the terms of the Supply Agreement and (iv) the Continuing Connected Transactions have not exceeded the annual cap of HK$30,000,000.

New Golf Club Facility Under Construction

As at 31 December 2005, the Group has invested in aggregate HK$30.1 million in respect of the new golf club facility project in Shandong Province, the P.R.C., which comprised land premium of approximately HK$14.8 million and progress payments on construction of approximately HK$15.3 million. It is estimated that further construction cost of approximately HK$25 million will be incurred in 2006 which will be financed by internal funding.

The construction of the new golf club facility will be completed by end of the third quarter of 2006. Trial production is anticipated to commence during the last quarter of 2006 and mass production is planned in the early part of 2007. The new golf club facility will provide additional capacity to cope with the growing needs of golf clubs from both existing and new customers. Taking advantage of cheaper labour and overheads in Shandong Province, it is expected that the Group will achieve further cost savings when the new golf club factory commences production in 2007.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group has limited exposure to exchange rates fluctuations as most of its business transactions were conducted in the currency of United States dollars, Hong Kong dollars and Renminbi, all of which remained relatively stable during the year except Renminbi.

The currency of Renminbi has appreciated by about 2.1% effective from 21 July 2005, and was unpegged with the United States dollars and changed to peg with a basket of currencies. This however has no material effect on the Group, as the Renminbi expenditures do not account for a significant portion of the Group's total costs and expenses.

EMPLOYEE AND REMUNERATION POLICIES

The Group employed a total of approximately 2,800 employees in Hong Kong, the P.R.C. and the United States as at 31 December 2005. It is the Group's policy to maintain harmonious relations with its employees through provision of competitive remuneration packages and training programs. The employees were remunerated based on their performance, experience and expertise as well as industry practices. The remuneration packages are reviewed annually to assure fairness and appropriateness and discretionary bonuses may be awarded based on the performance and contributions of individual employees.

POST BALANCE SHEET EVENT

On 6 March 2006, SGMCL entered into a two-year loan agreement for HK$40,000,000 with an existing bank to replace a short term revolving loan facility of the same amount with that bank.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company. It has reviewed with management the accounting policies and practice adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the financial statements and the auditors' report thereon for the year ended 31 December 2005.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Upon specific enquiry, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2005.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in Appendix 14 Code on Corporate Governance Practices (the "CG Code") of the Listing Rules throughout the year ended 31 December 2005, except for certain deviations, which are explained below:

a) The roles of the chairman and chief executive officer have not been separated. The deviation is deemed appropriate as the Board believes that vesting the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It also considers that the current structure does not impair the balance of power and authority between the Board and the management of the Company.

b) The independent non-executive directors have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Bye Laws.

c) Every director is subject to rotation at least once every three years with the exception of the chairman of the Board, who is not subject to retirement by rotation in accordance with the Company's Bye Law. According to the current corporate governance practices of the Company, all directors of the Company submit themselves for re-election once every three years.

The Company has also put in place certain Recommended Best Practices as set out in the CG Code

COMPLIANCE WITH CHAPTER 13 OF THE LISTING RULES

As at 31 December 2005, the Company had loan facilities, which were subject to, inter alias, a specific performance obligation on the controlling shareholders of the Company during the tenure of such loan facilities. The specific performance obligations are that the controlling shareholders shall maintain a holding of no less than 51% in one case and 40% in another case of the total issued share capital of the Company throughout the tenure of the loan facilities granted to the Company. A breach of the obligation will constitute an event of default. As a result of such breach, the loan facilities may become due and repayable on demand by the relevant tenders according to the respective terms and conditions thereof. The details of the loan facilities are as follows:

Amounts outstanding as at 31 December 2005	Final maturity of the loan facilities
HK$12 million	February 2007
HK$18.4 million	September 2007

ACKNOWLEDGEMENT

I would like to take this opportunity to extend my gratitude to everyone on the Board, the management and all employees for their devotion, hard work and loyalty, without which the Group could not have acheived its goals and mission with great success.

DETAILED RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE STOCK EXCHANGE

This results announcement containing all the information required by paragraphs 45(1) to 45(8) of the Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board
Chu Chun Man, Augustine
Chairman

Hong Kong, 21 April 2006

As at the date hereof, the board of directors of the Company comprises 7 directors, of which 4 are Executive Directors, namely Mr. CHU Chun Man, Augustine, Mr. MATSUURA, Takanori, Mr. CHU Yuk Man, Simon and Mr. CHANG Hua Jung, and the rest of 3 are Independent Non-Executive Directors, namely Mr. CHOY Tak Ho, Ms. CHIU Lai Kuen, Susanna and Mr. TSE Ying Man.

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