Water Oasis Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1161)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31ST MARCH 2006

HIGHLIGHTS

- Turnover increased by 22% to HK$243.6 million
- Operating profit achieved a growth of 234%
- Establishment of wholly foreign owned trading Company in China to facilitate retail network growth
- Revenues from both retail and service business achieved double-digit growth
- Recognition from Johnson & Johnson by grant of sole distributing rights of Neutrogena products in China department stores
- Expansion in both retail and services sectors creates a multi-layered enterprises for investor gains

The Board of Directors (the "Board") of Water Oasis Group Limited (the "Company") herein announces the unaudited consolidated results of the Company and its subsidiaries (collectively known as the "Group") for the six months ended 31st March 2006.

The unaudited consolidated results has been reviewed by the Company's audit committee and the Company's auditors, PricewaterhouseCoopers, in accordance with Statement of Auditing Standard 700 "Engagements to review interim financial reports" ("SAS 700") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The auditors, on the basis of their review, concluded that they are not aware of any material modifications that should be made to the interim report. The auditors' independent review report will be included in the interim report to shareholders.

The Group recorded turnover of approximately HK$243.6 million for the period under review. Profit after taxation was approximately HK$6.6 million. An interim dividend of 2.0 HK cents per share and a special dividend of 1.0 HK cent per share have been declared and payable to the shareholders.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Six months ended 31st March	
		2006	2005
	Notes	***HK$'000***	*HK$'000*
Turnover	2	**243,583**	199,585
Cost of inventories sold		**(54,966)**	(49,611)
Gross profit		**188,617**	149,974
Other revenues	2	**1,647**	1,287
Operating expenses		**(181,549)**	(148,654)
Operating profit	2, 3	**8,715**	2,607
Gain arising from change in fair value of investment properties		**–**	15,563
Profit before taxation		**8,715**	18,170
Taxation	4	**(2,115)**	(5,050)
Profit after taxation		**6,600**	13,120
Attributable to:			
Shareholders of the Company		**6,179**	12,601
Minority interests		**421**	519
		6,600	13,120
Dividends	5	**10,263**	11,974

	Notes	Unaudited Six months ended 31st March **2006** ***HK$'000***	 2005 *HK$'000*
Earnings per share for profit attributable to the shareholders of the Company during the period			
– Basic	6	**1.8 HK cents**	3.7 HK cents
– Diluted	6	**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**Unaudited** **As at** **31st March** **2006** ***HK$'000***	Audited As at 30th September 2005 *HK$'000*
Non-current assets			
Intangible assets		**666**	1,264
Investment properties		**89,000**	89,000
Property, plant and equipment		**27,932**	29,863
Rental deposits and prepayments		**12,945**	13,063
Deferred tax assets		**1,853**	2,753
		132,396	135,943
Current assets			
Inventories		**39,330**	35,150
Trading investments		**65**	65
Accounts receivable	7	**35,324**	31,751
Prepayments		**18,420**	15,676
Other deposits and receivables		**6,097**	4,950
Tax recoverable		**181**	182
Bank balances and cash		**84,756**	85,680
		184,173	173,454
Current liabilities			
Accounts payable	8	**6,656**	11,330
Accruals and other payables		**52,896**	46,741
Receipts in advance		**89,484**	72,345
Long-term bank loan – current portion		**1,950**	1,950
Taxation payable		**1,759**	1,496
		152,745	133,862
Net current assets		**31,428**	39,592
Total assets less current liabilities		**163,824**	175,535
Financed by:			
Share capital		**34,212**	34,212
Reserves		**118,544**	123,190
Shareholders' funds		**152,756**	157,402
Minority interests		**536**	209
Total equity		**153,292**	157,611
Non-current liabilities			
Pension obligations		**620**	620
Long-term bank loan – non-current portion		**7,948**	14,787
Deferred tax liabilities		**1,964**	2,517
		163,824	175,535

Notes:

1. **Basis of preparation and principal accounting policies**

These unaudited condensed consolidated interim financial statements ("Interim Financial Statements") have been prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA.

The Group had not appointed the auditors to carry out any review of the comparative interim financial statements for the six months ended 31st March 2005 in accordance with SAS 700 in respect of the comparative figures.

The Interim Financial Statements should be read in conjunction with the annual financial statements of the Group for the year ended 30th September 2005.

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 30th September 2005 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRSs") and HKASs which are effective for accounting periods commencing on or after 1st January 2005.

The Interim Financial Statements have been prepared in accordance with those HKFRSs and HKASs and interpretations issued and effective as at the time of preparing this information.

The changes to the Group's accounting policies and the effect of adopting those new policies are set out below:

Effect of adopting new HKFRSs and HKASs
For the six months ended 31st March 2006, the Group adopted the new/revised HKFRSs and HKASs below, which are relevant to its operations. The 2005 comparatives have been restated as required, in accordance with the relevant requirements.

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 16	Property, Plant and Equipment
HKAS 17	Leases
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: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS-Int 15	Operating Leases – Incentives
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 17, 21, 23, 24, 27, 33, 36, 38, HKAS-Int 15 and HKFRS 3 did not result in substantial changes to the Group's accounting policies. In summary:

– HKAS 1 has affected the presentation of minority interest and other disclosures;

– HKASs 2, 7, 8, 10, 16, 17, 23, 27, 33, 36, HKAS-Int 15 and HKFRS 3 had no material effect on the Group's accounting policies;

– HKAS 21 had no material effect on the Group's accounting policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements;

– HKAS 24 has affected the identification of related parties and some other related-party disclosures; and

– The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment was resulted from this reassessment.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 30th September 2005, the provision of share options to employees did not result in an expense in the income statements. Effective 1st October 2005, the Group expenses the cost of share options in the income statement. The Group did not have any share options which were granted after 7th November 2002 and had not yet vested on 1st October 2005. Therefore, no adjustment was made to the Group's financial statements on the costs, if any, of these share options.

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All standards adopted by the Group require retrospective application except:

– HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;

– HKAS 39 – the standard does not permit to recognize, derecognize and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for investments in securities" to trading investments. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and considered immaterial;

– HKAS-Int 15 – the standard does not require the recognition of incentives for leases beginning before 1st October 2005; and

– HKFRS 2 – restrospective application only applies to all equity instruments granted after 7th November 2002 and not vested at 1st October 2005.

2. Turnover and segment information

The Group is principally engaged in the retail sales of skin-care products, provision of beauty-salon, spa and other related services. An analysis of the Group's turnover and contribution to operating profit for the period by business segments is as follows:

(a) Primary reporting format – business segments

	Retailing		Services		Elimination		Group	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Sales to external customers	**167,930**	144,936	**75,653**	54,649	**–**	–	**243,583**	199,585
Inter-segment sales	**10,445**	6,794	**–**	–	**(10,445)**	(6,794)	**–**	–
Total	**178,375**	151,730	**75,653**	54,649	**(10,445)**	(6,794)	**243,583**	199,585
Segment results	**16,116**	14,297	**11,461**	5,313	**–**	–	**27,577**	19,610
Other revenues							**1,647**	1,287
Unallocated corporate expenses							**(20,509)**	(18,290)
Operating profit							**8,715**	2,607

(b) Secondary reporting format – geographical segments

The geographical analysis of the Group's turnover for the period is as follows:

	Turnover Six months ended 31st March	
	2006	2005
	HK$'000	*HK$'000*
Hong Kong and Macau	**133,285**	104,228
China	**71,466**	52,139
Taiwan	**34,232**	39,753
Singapore	**4,600**	3,465
	243,583	199,585

3. Operating profit

Operating profit is stated after crediting and charging the following:

	Six months ended 31st March	
	2006	2005
	HK$'000	*HK$'000*
Crediting		
Gain on disposals of property, plant and equipment	**–**	16
Gain on disposals of trading investments	**–**	580
Gain on redemption of other investment	**–**	34
Gross rental income from investment properties	**1,035**	860
Charging		
Amortization of intangible assets	**700**	637
Depreciation	**9,342**	7,958
Loss on disposals of property, plant and equipment	**71**	–
Staff costs	**74,899**	61,967
Interest expenses on bank loan	**421**	203

4. Taxation

	Six months ended 31st March	
	2006	2005
	HK$'000	*HK$'000*
Hong Kong profits tax	**1,106**	129
Overseas taxation	**1,162**	1,560
Overprovision in prior years	**(500)**	–
Deferred taxation	**347**	3,361
	2,115	5,050

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the period, after setting off available tax losses brought forward from prior year. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the territories in which the Group operates.

5. Dividends

At the Board meeting held on 20th June 2006, the directors declared an interim dividend of 2.0 HK cents per share (2005: 1.0 HK cent per share) and a special dividend of 1.0 HK cent per share (2005: 2.5 HK cents per share) (collectively the "Interim Dividend"). This proposed Interim Dividend is not reflected as a dividend payable in the Interim Financial Statements, but will be reflected as an appropriation of retained profits for the year ending 30th September 2006.

6. **Earnings per share**

The calculation of basic earnings per share is based on the profit attributable to shareholders of approximately HK$6,179,000 (2005: HK$12,601,000) and the weighted average number of 342,116,000 (2005: 342,116,000) ordinary shares in issue during the six months ended 31st March 2006.

No diluted earnings per share is calculated for the period ended 31st March 2006 (2005: Nil) since the exercise prices of the Company's outstanding options were higher than the average fair value per share of the Company during the period and the potential ordinary shares would have no dilutive effect.

7. **Accounts receivable**

Details of the ageing analysis are as follows:

	As at 31st March 2006 *HK$'000*	As at 30th September 2005 *HK$'000*
0 to 30 days	**31,849**	27,349
31 days to 60 days	**2,029**	2,564
61 days to 90 days	**618**	527
Over 90 days	**828**	1,311
	35,324	31,751

Credit terms generally range from 30 days to 90 days.

The fair value of accounts receivable approximate their carrying amount.

8. **Accounts payable**

Details of the ageing analysis are as follows:

	As at 31st March 2006 *HK$'000*	As at 30th September 2005 *HK$'000*
0 to 30 days	**6,656**	11,330

The fair value of accounts payable approximate their carrying amount.

BUSINESS REVIEW

During the period under review the Group has begun to reap the fruits of its heavy recent expansion and investment in China. For example, excluding gain arising from change in fair value of investment properties, the figures for both profit after taxation and EBITDA for the six-month period ended 31st March 2006 represented improved performances over those of recent years. These figures have been achieved on the back of significantly improved results in the market, with retail sales contributing double-digit growth and the Group's service businesses performing even better than its retail sales. The Group expects this positive trend in sales and earnings to continue in the foreseeable future.

~H_2O+ retail business

China

By the end of May 2006, the Group had 115 ~H_2O+ outlets in operation in China and expects to open between 20 and 30 more by the end of the year. Its China retail network is now extensive and its ~H_2O+ brand well-established, giving rise to higher volumes of sales and greater profits. This was reflected in solid growth in the Group's China retail business, which reported encouraging double digit growth for the period under review.

In March 2006, the Group set up a wholly foreign-owned trading company in China, thus enabling it to legally operate a China retail business without the necessity of forming a partnership with a local enterprise. The new retail capability will thus greatly boost the Group's flexibility when it comes to expanding in China. For example, it is planning shortly to launch its first self-owned Beauty Centre in the Mainland.

Hong Kong

The Group's Hong Kong retail business was not able to match the levels of growth of its China counterpart in the period under review, although it made the most of renewed confidence in the Hong Kong economy to achieve a satisfactory performance overall. By the end of May 2006, the Group had a total of 15 ~H_2O+ retail outlets in Hong Kong. Some rationalization of the Group's retail network continues to be carried out to maximize sales effectiveness.

Taiwan, Singapore

In Taiwan sales have shown a slight downturn, and hoped to maintain a steady position for the rest of the year. The number of ~H_2O+ counters operating in Taiwan department stores in the period was the same as last year at 15, and this number will remain stable, although one or two counters may be relocated to maximize sales. As for Singapore, it currently has 4 outlets. The Group's experience in the Singapore market has shown that department store sales are the most successful retail option for its products there. With this in mind, the Group may adjust its mode of operations in Singapore at some future point.

New Neutrogena Business

One of the Group's recent highlights was its signing of an agreement with Johnson & Johnson whereby the Group has obtained the exclusive rights to distribute Johnson & Johnson's Neutrogena brand products in China department store outlets. The agreement, finalized in March 2006, gives the Group an exclusive three-year right to China department store distribution, with an option for a further three-year renewal. Under the agreement, Johnson & Johnson will be responsible for all marketing and promotion in China, an arrangement of high media value from the Group's perspective. In addition, the arrangement also helps to take away a major distributing cost from the Group which will enhance the Group's profitability in this venture.

The Group has opened 10 Neutrogena counters to date, and expects to open a total of around 40 by the end of the year. The brand has very high profit potential once adequate sales volumes have been generated. Johnson & Johnson selected the Group on the basis of its strong and experienced management team, and its proven ability of operating successfully in China within the highly competitive skin care industry.

Spa and Beauty Businesses

The Group's Spa and Beauty businesses did very well during the year. The Group benefited in particular from a major turnaround in its Oasis Spa business, which moved from a loss-making to a profit-making position as compared to the prior period. As Oasis Spa targets a specific high-income group, its performance can be a good indicator of wider economic trends in Hong Kong. Oasis Spa has a very strong VIP customer group which offers a good basis for future growth.

During the period under review, the Group's existing Causeway Bay Oasis Spa outlet was expanded to cope with increasing demand. In April 2006, the Group also opened a new Aqua Beauty outlet in Causeway Bay. Its Oasis Homme outlet performed quietly, but the Group sees this as an important component in its efforts to offer health and beauty service options to every segment of the population.

Oasis Beauty School

The Oasis Beauty School has continued to operate successfully. It has been awarded as recognized examination centre of various international professional beauty organizations like ITEC, CIBTAC and City & Guilds. The Group regards the School primarily as a nurturing ground for new talents, and a pool for potential staff. At the end of 2005, students taking the School's courses achieved an average pass rate of over 95% in the international recognized examinations. With the government tightening up on the provision of beauty services, it is possible that international beauty qualifications such as those offered at the School may become mandatory for practitioners of beauty services. If this occurs, the Group will be in a strong position thanks to its established Beauty School operations.

Other

The Group sold its Causeway Bay investment properties in March 2006. It benefited from the recent recovery of the Hong Kong property market, recording an investment gain of approximately HK$30 million over the two years that it had held the property. The entire transaction will be completed before the end of the current fiscal year.

PROSPECTS

Sure Slim

In May 2006, the Group launched a new initiative in the Hong Kong market with the opening of three new mass-market slimming outlets. The new slimming chain, branded as "Sure Slim", is targeting the mass market by offering extremely competitive package prices for its slimming services. Costs of establishing the centres were kept tight and the Group expects to achieve cash flow break-even on this enterprise within just six months of operations.

Neutrogena

The Group sees its new Neutrogena distribution arrangement as having extremely good prospects for the future once a strong sales network has been established in China. Because Neutrogena products are relatively low-priced, a high volume of sales is important. Currently the Group has 10 outlets in China department stores, but it expects to expand this number rapidly to around 40 by year end. This means that profits from the Neutrogena line are expected to rise quickly in the second and third years where they will contribute a great deal to the Group's bottom line.

The fact that the Group now has two independent brands to distribute, ~H_2O+ and Neutrogena, means that its bargaining and negotiating power with China department stores has been considerably enhanced. It expects to achieve better sales terms, and be able to move more quickly in expanding its distribution base.

China Beauty Centre

The Group is utilizing its new China retail capability in the first instance by building its first Beauty Centre in China. The Centre, which will open in Shanghai in the last quarter of 2006, is currently at the planning stage, and is expected to be from 2,000 to 3,000 sq ft in size. It is being based on the successful Hong Kong beauty business model, with adjustments for China conditions.

The new Beauty Centre is designed to test market response to the concept in urban China, with a view to the opening of further Beauty Centres if it is favourably received. The Group is very optimistic about its prospects. In particular, the Beauty Centre will benefit from the fact that the Group has a strong existing brand along with a large pre-established retail outlet network that can be used to attract potential customers.

Other developments

Other developments planned include the launch of a secondary line of ~H_2O+ skincare products to further diversify its product range, and the continued expansion of the ~H_2O+ retail network in China, with from 20 to 30 new outlets planned for opening. The China environment is now becoming a major source of profitability for the Group, and much of its focus in the coming months will be on maximizing its exposure there, expanding its market presence and the number of its retail outlets. In Hong Kong, the launch of Sure Slim has added another string to the Group's bow, and is a further move believed to have great future potential. These new initiatives are working in tandem with the Group's established retail and service operations in Hong Kong and creating many opportunities for investor gains.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The directors have declared an Interim Dividend of 3.0 HK cents per share for the six months ended 31st March 2006 payable to the shareholders whose names appear on the Register of Members of the Company at the close of business on 12th July 2006. The Register of Members will be closed from 10th July 2006 to 12th July 2006, both days inclusive, during which period no transfer of shares will be registered. To qualify for the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Standard Registrars Limited whose share registration public offices are located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 7th July 2006. The relevant dividend warrants will be dispatched to shareholders on 21st July 2006.

LIQUIDITY AND FINANCIAL RESOURCES

At 31st March 2006, the Group had net current assets of approximately HK$31 million (30th September 2005: HK$40 million).

The Group generally finances its operation with internally generated resources. As at 31st March 2006, the Group had cash reserves of approximately HK$85 million (30th September 2005: HK$86 million).

As at 31st March 2006, the Group has a bank loan of approximately HK$10 million (30th September 2005: HK$17 million). This bank loan was used to finance the purchase of certain investment properties which in turn are pledged as security for such loan.

The Group's gearing ratio, expressed as a percentage of the bank loan over the shareholders' fund of approximately HK$153 million (30th September 2005: HK$157 million), is approximately 6% (30th September 2005: 11%).

The Group has little exposure to foreign currency fluctuations as most of its assets, receipts and payments are principally denominated in the functional currency of the relevant territory and US dollars. As at 31st March 2006, all of the Group's bank borrowings were in Hong Kong dollars. The Group's bank borrowings were on floating rate basis. The Group will continue to monitor its foreign exchange position and will hedge its foreign exchange exposure if necessary.

HUMAN RESOURCES

As at 31st March 2006, the Group employed 1,091 staff (30th September 2005: 1,030). The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options will also grant to eligible staff based on individual and Group performance. Other employee benefits include provident fund, insurance and medical cover, educational allowances and training programs. Options to subscribe for a maximum of approximately 26 million shares in the Company in aggregate had been granted to certain directors and employees pursuant to the Company's share option scheme. Exercise prices of which ranges from HK$0.42 to HK$1.67.

AUDIT COMMITTEE

The Company's audit committee comprises 3 members who are the independent non-executive directors of the Company.

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and the unaudited consolidated results of the Group for the six months period ended 31st March 2006 with management. Prior to the review work carried out by the independent auditors, the audit committee had discussed with the independent auditors the scope of their review and subsequently the results of their review including matters on statutory compliance, internal control and financial reporting in respect of the Interim Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

CORPORATE GOVERNANCE

In the opinion of the directors, save as disclosed below, the Company has complied with the code provisions (the "Code Provision") set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules during the period.

Code Provision A.2.1

The Board of the Company does not have any director with the title "Chairman". Presently the Company Secretary is responsible to ensure that all directors are properly briefed, either by his own or by members of the Company's senior management, on issues arising at board meetings. Whereas the Chief Executive Officer is responsible to ensure all directors have received adequate, complete and reliable information in a timely manner. The Board considers that the current structure facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

Code Provision A.4.1

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, the independent non-executive directors of the Company were not appointed for a specific term because they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

Code Provision B.1

Under the Code Provision B.1, a remuneration committee with specific written terms of reference which deal clearly with its authority and duties should be established. The Company did not have a remuneration committee during the period. However, the Company has an established policy for fixing remuneration packages for all directors and the senior management depending on the individuals' performance and responsibility, market trend and Company performance. To comply with the Code Provision, the Board is in the process of establishing a remuneration committee with specific terms of reference no less exacting terms than the Code Provision and expects to be formed by the end of year 2006.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the Model Code throughout the review period.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE'S WEBSITE
A detailed results announcement containing all the information in respect of the Company required by paragraphs 46(1) to 46(9) of Appendix 16 of the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited *(http://www.hkex.com.hk)* in due course.

By order of the Board
Yu Lai Si
Executive Director and Chief Executive Officer

Hong Kong, 20th June 2006

As at the date of this announcement, the executive directors of the Company are Yu Lai Si, Tam Chie Sang, Yu Lai Chu, Eileen, Yu Kam Shui, Erastus and Lai Yin Ping. The independent non-executive directors of the Company are Wong Lung Tak, Patrick JP, Wong Chun Nam and Wong Chi Keung.

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