



## **ADDCHANCE HOLDINGS LIMITED**

**互 益 集 團 有 限 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3344)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2008**

#### **HIGHLIGHTS OF INTERIM RESULTS**

- **Record sales and about 27.9% growth over the last corresponding period.**
- **Profits attributable to shareholders related to core business of the Group grew to about HK\$11.8 million, a growth of about 185.5% from that of the same period last year.**

#### **INTERIM RESULTS**

On behalf of the board of directors (the “Board”) of Addchance Holdings Limited, I am pleased to announce the unaudited condensed consolidated results for the six months ended 30th June, 2008 of the Company and its subsidiaries (the “Group”), together with unaudited comparative figures for the corresponding period in 2007. These interim financial statements have not been audited, but have been reviewed by the Company’s auditors, Deloitte Touche Tohmatsu, who conducted the review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants and the audit committee of the Company (the “Audit Committee”).

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30TH JUNE, 2008**

		<b>For the six months ended 30th June,</b>	
	<i>NOTES</i>	<b>2008</b>	<b>2007</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	3	556,664	435,197
Cost of sales		<u>(410,649)</u>	<u>(336,650)</u>
Gross profit		146,015	98,547
Other income		4,241	5,771
Discount on acquisition of business		—	49,306
Selling and distribution costs		(39,587)	(30,030)
Administrative expenses		(73,414)	(52,753)
Finance costs	4	<u>(19,554)</u>	<u>(12,790)</u>
Profit before taxation		17,701	58,051
Taxation	5	<u>(5,913)</u>	<u>(4,616)</u>
Profit for the period	6	<u>11,788</u>	<u>53,435</u>
Attributable to:			
Equity holders of the Company		12,198	53,451
Minority interests		<u>(410)</u>	<u>(16)</u>
		<u>11,788</u>	<u>53,435</u>
Earnings per share, in cents			
Basic	8	<u>3.05</u>	<u>13.36</u>

**CONDENSED CONSOLIDATED BALANCE SHEET  
AT 30TH JUNE, 2008**

	<i>NOTES</i>	<b>30.6.2008</b> <i>HK\$'000</i> <i>(unaudited)</i>	<b>31.12.2007</b> <i>HK\$'000</i> <i>(audited)</i>
<b>NON-CURRENT ASSETS</b>			
Investment properties		9,195	9,461
Property, plant and equipment		693,407	628,648
Prepaid lease payments		89,265	87,200
Available-for-sale investments		—	1,325
Deposit paid for acquisition of land use rights and property, plant and equipment		25,098	38,588
Club debentures		1,070	1,070
Deferred tax assets		<u>251</u>	<u>315</u>
		<u>818,286</u>	<u>766,607</u>
<b>CURRENT ASSETS</b>			
Prepaid lease payments		2,137	2,110
Inventories		627,097	417,863
Trade receivables, bills receivables and other receivables, deposits and prepayments	9	402,973	259,001
Amounts due from a related party/related companies		188	840
Taxation recoverable		4,401	4,392
Pledged bank deposits		—	6,692
Fixed bank deposits		—	4,680
Bank balances and cash		<u>55,233</u>	<u>25,644</u>
		<u>1,092,029</u>	<u>721,222</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	190,006	128,751
Bills payable	10	27,150	53,381
Amount due to a related party		—	305
Amount due to a director		—	170
Bank borrowings - due within one year		731,250	414,356
Obligations under finance leases - due within one year		8,669	9,027
Taxation payable		10,054	4,519
Dividend payable		20,000	—
Bank overdrafts		<u>29,661</u>	<u>26,492</u>
		<u>1,016,790</u>	<u>637,001</u>

	<b>30.6.2008</b> <i>HK\$'000</i> <i>(unaudited)</i>	<b>31.12.2007</b> <i>HK\$'000</i> <i>(audited)</i>
NET CURRENT ASSETS	<u>75,239</u>	<u>84,221</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>893,525</u>	<u>850,828</u>
CAPITAL AND RESERVES		
Share capital	4,000	4,000
Reserves	<u>636,602</u>	<u>628,041</u>
Equity attributable to equity holders of the Company	640,602	632,041
Minority interests	<u>454</u>	<u>864</u>
	<u>641,056</u>	<u>632,905</u>
NON-CURRENT LIABILITIES		
Bank borrowings - due after one year	226,998	187,349
Obligations under finance leases		
- due after one year	9,391	13,726
Deferred tax liabilities	<u>16,080</u>	<u>16,848</u>
	<u>252,469</u>	<u>217,923</u>
	<u>893,525</u>	<u>850,828</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30TH JUNE, 2008**

**1. BASIS OF PREPARATION**

The condensed consolidated financial statement have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by International Accounting Standards Board (“IASB”).

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared under the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31st December, 2007.

In the current interim period, the Group has applied, for the first time, a number new interpretations (“new Interpretations”) issued by the IASB, which are effective for the Group’s financial year beginning 1st January, 2008.

The adoption of the new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied all the new and revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

**3. SEGMENT INFORMATION**

**Business segments**

For management purposes, the Group is currently organised into the following five operating divisions. These divisions are the bases on which the Group reports its primary segment information. An analysis of the Group’s revenue and contribution to operating results by business segments is as follows:

### Six months ended 30th June, 2008

	Production and sale of cotton yarn <i>HK\$'000</i>	Production and sale of knitted sweaters <i>HK\$'000</i>	Production and sale of dyed yarns <i>HK\$'000</i>	Provision of dyeing services <i>HK\$'000</i>	Trading of cotton and yarns <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE							
External	35,002	201,288	279,579	14,534	26,261	—	556,664
Inter-segment sales	<u>122,127</u>	<u>189,270</u>	<u>242,653</u>	<u>8,014</u>	<u>84,488</u>	<u>(646,552)</u>	<u>—</u>
	<u>157,129</u>	<u>390,558</u>	<u>522,232</u>	<u>22,548</u>	<u>110,749</u>	<u>(646,552)</u>	<u>556,664</u>

Inter-segment sales were charged at cost plus margin basis.

SEGMENT RESULTS	<u>818</u>	<u>15,206</u>	<u>26,158</u>	<u>1,470</u>	<u>(846)</u>	<u>—</u>	<u>42,806</u>
Unallocated corporate income							561
Unallocated corporate expenses							(6,112)
Finance costs							<u>(19,554)</u>
Profit before taxation							17,701
Taxation							<u>(5,913)</u>
PROFIT FOR THE PERIOD							<u>11,788</u>

### Six months ended 30th June, 2007

	Production and sale of cotton yarn <i>HK\$'000</i>	Production and sale of knitted sweaters <i>HK\$'000</i>	Production and sale of dyed yarns <i>HK\$'000</i>	Provision of dyeing services <i>HK\$'000</i>	Trading of cotton and yarns <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE							
External	20,369	138,014	231,776	17,411	27,627	—	435,197
Inter-segment sales	<u>56,051</u>	<u>120,802</u>	<u>234,159</u>	<u>3,457</u>	<u>120,860</u>	<u>(535,329)</u>	<u>—</u>
	<u>76,420</u>	<u>258,816</u>	<u>465,935</u>	<u>20,868</u>	<u>148,487</u>	<u>(535,329)</u>	<u>435,197</u>

Inter-segment sales were charged at cost plus margin basis.

SEGMENT RESULTS	<u>(126)</u>	<u>8,813</u>	<u>11,735</u>	<u>1,657</u>	<u>950</u>	<u>—</u>	<u>23,029</u>
Discount on acquisition of business							49,306
Unallocated corporate income							2,787
Unallocated corporate expenses							(4,281)
Finance costs							<u>(12,790)</u>
Profit before taxation							58,051
Taxation							<u>(4,616)</u>
PROFIT FOR THE PERIOD							<u>53,435</u>

#### 4. FINANCE COSTS

	<b>For the six months ended 30th June,</b>	
	<b>2008</b>	<b>2007</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:		
Bank borrowings wholly repayable within five years	18,730	12,321
Bank borrowings not wholly repayable within five years	484	350
Obligations under finance leases	<u>340</u>	<u>119</u>
	<u>19,554</u>	<u>12,790</u>

#### 5. TAXATION

	<b>For the six months ended 30th June,</b>	
	<b>2008</b>	<b>2007</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge (credit) comprises:		
Hong Kong Profits Tax	3,118	3,924
PRC Enterprise Income Tax	3,499	49
Deferred taxation:		
- Current year	(493)	643
- Attributable to change in tax rate	<u>(211)</u>	<u>—</u>
	<u>5,913</u>	<u>4,616</u>

Hong Kong Profits Tax is recognised based on managements' best estimate of the weighted average annual income tax rate expected for the full financial year. On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30th June, 2008. The estimated average annual tax rate used is 16.5% (2007: 17.5%) for the six months ended 30th June, 2008.

On 16th March, 2007, the People's Republic of China (the "PRC") promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulation of the New Law. The New Law and the Implementation Regulation have changed the tax rate from 33% to 25% for the Group's PRC subsidiaries from 1st January, 2008.

## 6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following items:

	<b>For the six months ended 30th June,</b>	
	<b>2008</b>	<b>2007</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of investment properties	266	54
Depreciation of property, plant and equipment	35,147	25,784
Impairment loss on available-for-sale investments	1,325	—
Amortisation of prepaid lease payments	1,067	644
Interest income	<u>(461)</u>	<u>(2,095)</u>

## 7. DIVIDENDS

On 11th April, 2008, a dividend of HK5.0 cents per share amounting to HK\$20,000,000 were declared to be paid to the shareholders whose names appear on the register of members of the Company as at 27th May, 2008 as the final dividend for 2007.

On 3rd April, 2007, a dividend of HK3.3 cents per share amounting to HK\$13,200,000 were declared to be paid to the shareholders whose names appear on the register of members of the Company as at 8th May, 2007 as the final dividend for 2006.

The directors do not recommend the payment of an interim dividend for the six months ended 30th June, 2008.

## 8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit for the period attributable to equity holders of the Company of HK\$12,198,000 (2007: profit of HK\$53,451,000) and on the number of 400,000,000 (2007: 400,000,000) shares outstanding throughout the period.

No diluted earnings per share is presented as the Company had no potential dilutive ordinary shares outstanding during both periods.

**9. TRADE RECEIVABLES, BILLS RECEIVABLES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

The Group generally allows an average credit periods of 30 days to 120 days to its trade customers.

At 30th June,2008, included in trade receivables, bills receivable and other receivables, deposits and prepayments are trade receivables of HK\$290,280,000 and bills receivables of HK\$53,605,000 (31.12.2007: trade receivables of HK\$132,444,000 and bills receivables of HK\$82,841,000) and their aged analysis is follows:

	<b>30.6.2008</b> <i>HK\$'000</i>	<b>31.12.2007</b> <i>HK\$'000</i>
Aged:		
0 - 30 days	165,989	77,524
31 - 60 days	95,960	67,696
61 - 90 days	31,964	30,204
91 - 120 days	9,558	18,467
Over 120 days	<u>40,414</u>	<u>21,394</u>
	343,885	215,285
Other receivables, deposits and prepayments	<u>59,088</u>	<u>43,716</u>
	<u>402,973</u>	<u>259,001</u>

**10. TRADE AND OTHER PAYABLES/BILLS PAYABLE**

At 30th June, 2008, included in trade and other payables are trade payables of HK\$102,073,000 (31.12.2007:HK\$53,178,000) and their aged analysis is as follows:

	<b>30.6.2008</b> <i>HK\$'000</i>	<b>31.12.2007</b> <i>HK\$'000</i>
Aged:		
0 - 60 days	74,155	31,452
61 - 90 days	12,922	5,906
Over 90 days	<u>14,996</u>	<u>15,820</u>
	102,073	53,178
Other payables and accruals	<u>87,933</u>	<u>75,573</u>
	<u>190,006</u>	<u>128,751</u>

Bills payable are aged within 0 - 90 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review & Outlook

Addchance achieved record sales in the first half of 2008, driven by growth among all major business segments. We overcame challenging macroeconomic conditions in key markets and posted solid growth, notably in the sweater and spinning business following the completion of the acquisition of properties and business in Xinjiang, the People's Republic of China (the "PRC") and the commencement of the operation in Su Song, the PRC last year.

Revenue from each of our major business segments grew satisfactorily during the period under review despite the unfavourable market condition in the PRC. The continuous increase in operating costs and further stringent environmental regulations exerted pressure on all players and expedited the consolidation of the textile industry in the PRC. With our well-established environmental-conscious measures and facilities, quality products and services, we were able to increase our market share. Allied with this, we successfully managed to increase our average selling price for both knitted sweaters and dyed yarns to counter the effect of the rising costs. Through the dedicated efforts of our management, we were able to preserve and attain satisfactory results in this tough and volatile operating environment.

As a leading textile manufacturer and a niche player in the sweater manufacturing business in the PRC, Addchance has minimal exposure to the North American export market which minimizes our risk to the slow-down in the US retail sector. We believe the increasing domestic contribution and investment from the PRC bodes well for Addchance. The Company is sizable enough to maintain its strengths amid the consolidation of the textile industry and can actually play a positive role in the process. Addchance excels in processing advanced dyeing facilities and enjoys a good reputation in the market. It is equipped with production know-how associated with its strategically located production bases and has made persistent efforts in promoting vertical integration. Addchance has actively developed itself into a one-stop service provider for garment customers, engaging in different stages of production of yarn products — from the simple supply of cotton yarn to the manufacture of well-knitted sweaters, and from the spinning of cotton into yarn to the provision of yarn dyeing service.

We are pleased to report to the shareholders the results of the Group for the six months ended 30th June, 2008. The Group experienced another double-digit growth in turnover for the first half of 2008 following the acquisition of the properties and business in Xinjiang and the expansion of the 50,000-spindle of the spinning mill in Anqing, the PRC. Profit derived from core business of the Group attributable to equity holders also increased by more than twofold, from approximately HK\$4.1 million for the last period to approximately HK\$11.8 million for the period under review.

The Group has proven ability to grow sales and expand profitably during challenging economic conditions. The sales momentum generated in the first half of 2008 is expected to continue throughout the second half year. Looking ahead, challenges as well as opportunities will arise from the expedited consolidation in the textile industry. We believe that the Group can enhance its competitiveness and meet the new challenges in the market with our solid foundation, well-planned environmental measures and facilities and devoted management team.

### **Financial Review**

The Group is principally engaged in the production and sale of dyed yarn, knitted sweaters and cotton yarn, the provision of dyeing services and knitting services, and the trading of cotton and yarns. Its major products include dyed yarns made of over 200 different types of cotton, cashmere, ramie, rayon, acrylic, polyester, silk, wool, nylon, linen, and knitted sweaters including cardigans and pullovers.

Addchance recorded another double-digit growth in turnover in the first half of 2008. Production and sales of knitted sweaters and dyed yarn remained the core business of the Group. For the period under review, total turnover of the Group increased by approximately 27.9% over the corresponding period in 2007, from approximately HK\$435.2 million to about HK\$556.7 million.

Turnover of the sweater business grew by about 45.9%, from approximately HK\$138.0 million to about HK\$201.3 million, representing approximately 36.2% of the Group's total turnover. The knitted sweater segment continued to perform well during the period under review. In terms of the output quantity of knitted sweaters, revenue increased by approximately 27.2% whereas the revenue in terms of monetary value increased by about 45.9%. The growth in revenue was mainly driven by the higher average selling prices, sustainable economies of scale and improved operational efficiency. Our sweater products were still mainly exported to Europe, with major customers being Zara and H&M. Sales made to international retail chain stores accounted for approximately HK\$186.5 million, which represented about 92.6% of the Group's sales proceeds from knitted sweaters for the period under review.

Our sweater business continuously showed encouraging improvement in terms of its contribution to the Group following the acquisition of River Rich and Winner Knitting. In order to widen the product mix of our sweater business, the Group developed new products such as socks and hosiery products since last year. Revenue growth was mainly driven by the increase in sales volume associated with sustainable economies of scale and improved operational efficiency.

Dyed yarn is another core product of Addchance. Turnover from the production and sale of dyed yarns for the period under review was approximately HK\$279.6 million, which represented an increase of about 20.6% as compared with the corresponding period in 2007 and accounted for about 50.2% of the Group's total turnover. With our self-owned manufacturing facilities, the Group can provide comprehensive services to our customers with flexible and efficient production schedules as well as diversified product ranges. We continued to exercise tight cost controls and efficient order scheduling and production planning to maintain the net margin at a similar level as last year. Revenue generated from the provision of dyeing services decreased slightly from approximately HK\$17.4 million in first half of 2007 to about HK\$14.5 million during the period under review, a decrease of about 16.7% from the previous period. Most of the Group's dyed yarn was sold to the PRC and Hong Kong manufacturers with production sites based in Guangdong, Jiangsu and Zhejiang. Sales proceeds from dyed yarn from the PRC, Hong Kong and Macau accounted for approximately 92.4% of the Group's total sales proceeds from dyed yarn. The remainder of the sales proceeds was from exports to overseas countries including Thailand, Taiwan and Indonesia.

Following the completion of the acquisition of the properties and business in Xinjiang and the expansion of the 50,000-spindle of the spinning mill in Anqing last year, our spinning production facilities and capabilities increased as expected, and the production efficiency and the product quality improved through a series of production modification process. Addchance experienced apparent sales growth in the spinning business by approximately 71.8%, from about HK\$20.4 million in the first half of 2007 to about HK\$35.0 million for the period under review. Both the internal and external utilization rate of the cotton yarn increased. Through the dedicated effort of our marketing teams in exploring new customers from domestic PRC markets, both the revenue and net profit of the spinning business increased steadily for the period under review. During the period under review, about 77.7% of Group's self-production yarn was used for dyeing. The Group continuously intensified vertical integration in order to enhance its competitiveness. The start-up of the operation of the second 50,000-spindle Su Song Spinning Mill last year proved the positive return to the Group and higher return will be expected for the full year in 2008.

The Group recorded approximately HK\$146.0 million in gross profit for the period under review, representing an increase of approximately 48.2% as compared with approximately HK\$98.5 million in the previous period. The increase in average selling price mitigated the rising costs impact of those operating costs including the purchased yarns, coal, dye stuff and labour costs while the cotton price remained relatively stable throughout the review period. The increase in the production and sales of knitted sweaters with higher gross profit margin led the Group's gross profit margin to increase slightly from approximately 22.6% last period to 26.2% in the current period. The strategic expansion and vertical integration enhanced the competitive advantage of Addchance. The development also provided the Group with stable supply of raw materials, optimized the factory utilization rate and lowered the production cost. As a result, the gross profit margin can be improved despite the unfavourable market conditions for the period under review.

The sweater business continued to be a segment that generated the most profit for the Group. With the continuous expansion of the customer base, the increase in sales volume and the rising economies of scale, the Group enjoyed a lower production cost, which drove the gross profit margin of sweater business further to about 35.7% for the period under review. The Company will further intensify its focus on operations and products that generate high gross profit margin. In general, the sweater operation brought in about 35.7% in gross profit margins and the average sales price for the period under review increased accordingly.

Excluding the effect of discount on acquisition of properties and business in Xinjiang in the first half of 2007, the net profit derived from core business substantially increased from approximately HK\$4.1 million to about HK\$11.8 million for the period under review, with over twofold increase compared with last period. The new investment made in Su Song and Xinjiang in 2007 began to generate positive return to the Group and, therefore, the competitive advantage of vertical expansion helped realize the net margin growth.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 30th June, 2008, the Group's cash and cash equivalents amounted to approximately HK\$25.6 million (30.6.2007: HK\$7.6 million). Total assets amounted to approximately HK\$1,910.3 million, representing an increase of approximately 28.4% compared with about HK\$1,487.8 million as at 31st December, 2007. The Group met its funding requirements for its usual course of operation by cash flows from operations, as well as long-term and short-term borrowings.

Net cash used in operating activities of approximately HK\$262.6 million was mainly used to purchase inventories and increase trade receivables, bills receivables and other receivables. For the period under review, the net cash spent on investing activities amounted to approximately HK\$36.0 million, a substantial decrease of approximately HK\$104.4 million from the first half of 2007. No material investment and acquisitions were made in the period under review.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

The Company has not redeemed any of its listed shares during the six months ended 30th June, 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the six months ended 30th June, 2008.

## **CORPORATE GOVERNANCE**

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the Code of Corporate Governance Practices, as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30th June, 2008 save that Code provision A.2.1 requires that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Sung Chung Kwun is the Chairman of the Board and there is no chief executive officer appointed by the Company and the day-to-day management of the Group is led by Dr. Sung. There is no time schedule to change this structure as the Directors consider that this structure provides the Group with strong and consistent leadership in the Company's decision making and operational efficiency.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all the Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th June, 2008.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, its internal control, financial reporting matters, interim results and the interim report for the six months ended 30th June, 2008.

## **PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement will be published on the website of the Stock Exchange and the Company's website (<http://www.irasia.com/listco/hk/addchance/index.htm>). An interim report for the six months ended 30th June, 2008 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

## **MEMBERS OF THE BOARD**

As at the date of this announcement, the Board comprises Dr. Sung Chung Kwun, Mr. Wong Chiu Hong, Mr. Ip Siu Lam, Ms. Mok Pui Mei, Mr. Sung Kim Ping and Mr. Cheung Yung Fat, Albert as executive Directors, Mr. Lau Gary Q. as non-executive Director and Mr. Chan Tsz Fu, Jacky, Mr. Ng Man Kin and Professor Cai Xiu Ling as independent non-executive Directors.

On behalf of the Board, I would like to express my heartfelt gratitude to our management team, staff and shareholders for their dedication, contribution and support to the Group.

By Order of the Board  
**Sung Chung Kwun**  
*Chairman*

Hong Kong, 19th September, 2008