

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 590)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2005

The Board of Directors (the "Board") of Luk Fook Holdings (International) Limited (the "Company" or "Luk "Fock") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th September 2005 together with comparative figures for the corresponding period in 2004 as follows:

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2005

Note HKS'000 FKS'000 FKS'00	200NoteHK\$'00Turnover3816,33Cost of sales(630,72Gross profit185,59Other revenues311,44Selling and distribution costs(149,12Administrative expenses(15,44Other operating expenses(16,67Gain on disposal of land and building0Operating profit6Operating profit6Taxation7Profit before taxation30,76Taxation7Profit of the period29,66Profit attributable to: Equity holders of the Company Minority interests29,66Earnings per share for profit attributable to the equity holders of the Company during the period Dividends8- Basic - Diluted6.02 cenDividends14,66CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005200 NoteASSETSNoncurrent assets Property, plant and equipment Property, plant and equipment Property, plant and equipment Property, plant and equipment Property in the reliable center Property, plant and equipment Property in the reliable center States87,33Property, plant and equipment Property, plant	$\begin{array}{cccccccccccccccccccccccccccccccccccc$
Turnover3816,355869,054Cost of sales(630,757)(687,94Gross profit185,598181,11Other revenues311,460Selling and distribution costs(14,91,44)Administrative expenses(16,77)Other operating profit630,09775,331Finance costs(30)Operating profit630,09775,331Finance costs(30)Profit before taxation7Tratasion7Profit attributable to:29,441Equity holders of the Company8Equity holders of the Company during the period8- Basic6.06 cents- Datact6.02 centsDrividends14,638Drividends14,638Drividends19,947Observer, plant and equipment7Prepaid premisting8Properting for spatial eases10,093Nore current assets6,644Obber investments10,093Integrable asset6,644Obber investments10,093Integrable asset6,644Obber investments10,093Integrable asset6,644Other investments10,033Integrable asset6,644Other investments10,033Integrable asset6,644Other investments10,033Integrable asset6,644Other investments10,035Integrable asset6,644O	Cost of sales (630,77) Gross profit 185,55 Other revenues 3 11,44 Selling and distribution costs (149,14 Administrative expenses (15,44) Other operating expenses (15,44) Other operating expenses (16,67) Gain on disposal of land and building 0 Operating profit 6 30,77 Finance costs (17,10) Profit before taxation 30,77 Taxation 7 (1,10) Profit for the period 29,66 Profit attributable to: 29,66 Equity holders of the Company 29,44 Minority interests 21 Dividends 6.00 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET 30th Septembh 200 Note HK\$*00 Note HK\$*00 Note Stat 30TH SEPTEMBER 2005	is 869,058 is 869,058 is 181,112 is 181,112 is 181,112 is 181,112 is 181,112 is 181,112 is 12,534 is 12,0291 is 16,537 is 0 (132 is 0 (132 is (9,498 (9,498 is 13,48 cents 841 is 13,24 cents 13,24 cents is 19,418 19,418 is 19,418 19,418
Cost of sales (630,757) (687,94) Gross profit 185,598 181,131 Selling and distribution costs (149,144) (12,22) Administrative sepanses (149,144) (12,22) Other operating expenses (1477) (138) Gauno no disposal of land and building - (163) Operating profit 6 30,797 (138) Finance costs (30) (137) (138) Profit before taxation 30,767 75,183 (149,144) (12,92) Profit for the period 29,441 (64,84) (149,94) (149,94) Profit for the period 29,441 (64,84) (13,24) (13,24) Minority interests 29,459 (55,68) (13,24) (13,24) - Dilued 6.02 cents 13,24,24 cent (13,43) (14,43) Dividends 6.04 cents 13,24,24 cent (14,63) (14,43) Other prevented assts 13,43 (14,13) (14,13) (14,13) Nore current assets <	Cost of sales (630,77) Gross profit 185,55 Other revenues 3 11,44 Selling and distribution costs (149,14 Administrative expenses (15,44) Other operating expenses (15,44) Other operating expenses (16,67) Gain on disposal of land and building 0 Operating profit 6 30,77 Finance costs (17,10) Profit before taxation 30,77 Taxation 7 (1,10) Profit for the period 29,66 Profit attributable to: 29,66 Equity holders of the Company 29,44 Minority interests 21 Dividends 6.00 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET 30th Septembh 200 Note HK\$*00 Note HK\$*00 Note Stat 30TH SEPTEMBER 2005	37) (687,946 8 181,112 10 12,534 10 (120,291 10 (12,726 77 (1,851 $-$ 16,537 77 75,315 10 (132 77 75,183 89 (9,498 99 65,685 11 64,844 8 841 19 65,685 13.48 cents 13.24 cents 13.24 cents 19,418 0 Audited 31 st March 2005 0 HX *'000
Gross profit 185,598 181,11 Other revenues 3 11,469 12,33 Administrative expenses (15,440) (12,22) Administrative expenses (15,440) (12,22) Other operating profit 6 30,797 75,31 Finance costs (30) (13) (14) Profit for the period 20,659 65,682 Profit for the period 20,659 65,682 Earnings per share for profit attributable to the equity holders of the Company 21,441 64,84 Mority interests 218 34 13,48 cent Dividends 6.06 cents 13,48 cent 13,48 cent Dividends 14,638 19,411 4,438 More uternet assets 14,638 19,411 4,508 Nore 11,55000 11,53000 11,53000 12,812 ASETS 14,638 19,411 14,500 14,638 14,519 Other investments 57,750,500 13,420 14,639 14,519 Property plant	Gross profit 185,55 Other revenues 3 11,44 Selling and distribution costs (149,14 Administrative expenses (15,44 Other operating expenses (1,67 Gain on disposal of land and building 0 Operating profit 6 30,77 Finance costs (17,100 Profit before taxation 30,77 Taxation 7 (1,100 Profit for the period 29,66 Profit attributable to: 29,66 Equity holders of the Company 29,44 Minority interests 21 Dividends 6.06 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Nore HK\$*00 Note HK\$*00 Note HK\$*00 Note 87,37 Property, plant and equipment 87,37 Property plant and equipment 87,37 Property plant and equipment 87,37 Property plant and equipment 87,37 <	8 181,112 10 12,534 14) (120,291 10) (12,726 77 (1,851 - 16,537 77 75,315 10) (132 17 75,183 18) (9,498 19 65,685 13.48 cents 13.24 cents 18 19,418 19 65,685 13.48 cents 13.24 cents 13.14 march 2005 10 HK\$'000
Other revenues 3 11.400 12.35 Solling and distribution costs (14)144) (120.29 Administrative expenses (14)144) (120.29 Other operating sprenses (14)144) (120.29 Operating profit 6 30,797 (7.5.31) Finance costs (30) (13) Profit before taxation 30,767 75,181 Taxation 7 (1,108) (9.49) Profit for the period 29,659 65,683 Profit for the period 21,869 64,484 Minority interests 21,89 84 Profit for the period 8 13,249 cent - Ditted 14,638 13,249 cent Dividends 14,618 13,249 cent Dividends 14,618 13,249 cent CONPENSED CONSOLIDATED BALANCE SHEET 300th Septemaber 2005 21,859 Nor- current assets 1,907 2,441 4,401 Property, platta 10,907 2,441 4,415 Property, platta <td< td=""><td>Other revenues 3 11,40 Selling and distribution costs (149,14 Administrative expenses (15,44 Other operating expenses (1,67 Gain on disposal of land and building 0 Operating profit 6 Finance costs (16 Profit before taxation 30,76 Taxation 7 Profit for the period 29,64 Profit attributable to: 29,64 Equity holders of the Company 29,44 Minority interests 21 Earnings per share for profit attributable to the 6.06 cen equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,66 AS AT 30TH SEPTEMBER 2005 Unaudite 30th September 200 Note HK\$'00 Note HK\$'00 Note 87,37 Property, plant and equipment 87,37 Property plant and equipment 87,37 Property premium for land leases 14,12</td><td>$\begin{array}{cccccccccccccccccccccccccccccccccccc$</td></td<>	Other revenues 3 11,40 Selling and distribution costs (149,14 Administrative expenses (15,44 Other operating expenses (1,67 Gain on disposal of land and building 0 Operating profit 6 Finance costs (16 Profit before taxation 30,76 Taxation 7 Profit for the period 29,64 Profit attributable to: 29,64 Equity holders of the Company 29,44 Minority interests 21 Earnings per share for profit attributable to the 6.06 cen equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,66 AS AT 30TH SEPTEMBER 2005 Unaudite 30th September 200 Note HK\$'00 Note HK\$'00 Note 87,37 Property, plant and equipment 87,37 Property plant and equipment 87,37 Property premium for land leases 14,12	$\begin{array}{cccccccccccccccccccccccccccccccccccc$
Administrative expenses (15,440) (12,27) Gain on disposal of land and building - - 16,53 Operating profit 6 30,797 75,31 Finance costs (30) (13) Profit before taxation 30,767 75,81 Taxation 7 (1,08) (9,49) Profit for the period 29,659 65,68 Profit of the company 29,441 64,48 Minority interests 20,659 65,68 Enrings per share for profit attributable to the couplany during the period 8 - - Basic 6.06 cents 13,24 cent Dividends 14,638 19,411 ONDENEED CONSOLIDATED BALANCE SHEET 30th September 31,84 Set Additional classes 14,458 14,458 12,40 Nore-current assets 6,604 6,38 200 200 Property plant and equipment 7 2,144 7,549 20,695 14,459 14,459 14,459 14,459 14,459 14,459 14,459	Administrative expenses (15,4) Other operating expenses (1,6) Gain on disposal of land and building 6 Operating profit 6 Finance costs (1,6) Profit before taxation 30,7! Taxation 7 (1,1) Profit before taxation 7 (1,1) Profit for the period 29,6! 29,6! Profit attributable to: 29,6! 29,6! Equity holders of the Company 29,4! 29,6! Minority interests 21 29,6! Earnings per share for profit attributable to the 6.06 cen 6.02 cen oplited 6.02 cen 14,6! 30th Septemb Dividends 14,6! 30th Septemb 200 Note HK\$'0! 30th Septemb 200	$\begin{array}{c} (12,726\\ (7) & (1,851\\ - & 16,537\\ 7 & 75,315\\ (9) & (132\\ 7 & 75,183\\ (132\\ 7 & 75,183\\ (132\\ $
Other operating expenses (1,67) (1,18) Gain on disposal of land and building - 16,53 Operating profit 6 30,797 75,31 Finance costs (30) (13) (14) Finance costs (30) (13) (14) Profit before taxitoin 30,767 75,18 (16,87) Taxation 7 (1,108) (9,49) Profit for the period 29,659 65,68 (13,48) (13,48) Equity holders of the Company 218 84 (13,48) (13,48) (13,48) (13,42) (13,43) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (13,14) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,15) (14,16) (14,15) <td>Other operating expenses (1,6) Gain on disposal of land and building 6 30,79 Operating profit 6 30,79 Finance costs (1,6) 30,70 Profit before taxation 7 (1,10) Taxation 7 (1,10) Profit attributable to: 29,60 29,60 Equity holders of the Company 29,44 Minority interests 21 Earnings per share for profit attributable to the 29,60 equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,60 CONDENSED CONSOLIDATED BALANCE SHEET 200 ASSETS 2005 Non-current assets 2005 Property, plant and equipment 87,37 Property, plant and equipment 87,37 Property premium for land leases 14,12</td> <td>$\begin{array}{c} 77 \\ (1,851 \\ - 16,537 \\ 77 \\ 75,315 \\ 77 \\ 75,316 \\ 77 \\ 75,316 \\ 77 \\ 75,183 \\ 77 \\ 75,183 \\ 89 \\ (9,498 \\ 99 \\ 65,685 \\ 11 \\ 64,844 \\ 8 \\ 841 \\ 19 \\ 65,685 \\ 13.48 \\ cents \\ 13.24 \\ cents \\ 10 \\ cont$</td>	Other operating expenses (1,6) Gain on disposal of land and building 6 30,79 Operating profit 6 30,79 Finance costs (1,6) 30,70 Profit before taxation 7 (1,10) Taxation 7 (1,10) Profit attributable to: 29,60 29,60 Equity holders of the Company 29,44 Minority interests 21 Earnings per share for profit attributable to the 29,60 equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,60 CONDENSED CONSOLIDATED BALANCE SHEET 200 ASSETS 2005 Non-current assets 2005 Property, plant and equipment 87,37 Property, plant and equipment 87,37 Property premium for land leases 14,12	$\begin{array}{c} 77 \\ (1,851 \\ - 16,537 \\ 77 \\ 75,315 \\ 77 \\ 75,316 \\ 77 \\ 75,316 \\ 77 \\ 75,183 \\ 77 \\ 75,183 \\ 89 \\ (9,498 \\ 99 \\ 65,685 \\ 11 \\ 64,844 \\ 8 \\ 841 \\ 19 \\ 65,685 \\ 13.48 \\ cents \\ 13.24 \\ cents \\ 10 \\ cont $
Gain on disposit of land and building - 16.33 Operating profit 6 30.797 75.31 Finance costs (30) (31 Profit before taxation 30.767 75.18 Taxation 7 (1.108) (9.49) Profit for the period 29.659 65.68 Profit for the period 29.659 65.68 Equity holders of the Company 29.441 64.84 Minority interests 29.659 65.68 Earnings per share for profit attributable to the equity holders of the Company during the period 8 29.659 - Diluted 6.06 cents 13.48 cent 13.24 cent Dividends 14.638 19.41 2005 Note 30th September 31st Mater 200 Property, plant and equipment 7.738 85.97 7.738 Property, plant and equipment 7.144 7.144 7.144 Rental deposits paid 19.947 15.60 7.144 Rental deposits paid 19.947 15.60 7.144	Gain on disposal of land and building Operating profit 6 Finance costs (3 Profit before taxation 30,74 Taxation 7 Taxation 7 Profit for the period 29,64 Profit attributable to: 229,64 Equity holders of the Company 29,44 Minority interests 21 Earnings per share for profit attributable to the 29,64 equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,65 CONDENSED CONSOLIDATED BALANCE SHEET 200 ASSETS 200 Non-current assets 200 Property, plant and equipment 87,37 Property, plant and equipment 87,37 Property of land leases 14,12	$\begin{array}{c cccc} - & 16,537\\ \hline & 16,537\\ \hline & 75,315\\ \hline & 00 & (132\\ \hline & 775,183\\ \hline & 00 & (132\\ \hline & 75,183\\ \hline & 00 & (9,498\\ \hline & 09 & 65,685\\ \hline & 00 & 65,685\\ \hline & 13,48 & cents\\ \hline & 13,24 & cents\\ \hline & 14,24 & cents\\ \hline & 15 & 2005\\ \hline & 16,24 & cents\\ \hline & 15 & 2005\\ \hline & 16,24 & cents\\ \hline & 14,24 & cents\\ \hline & 15 & 2005\\ \hline & 16,24 & cents\\ \hline & 14,24 & cents\\ \hline & $
Finance costs (30) (13) Profit before taxation 30,767 75,18 Taxation 7 (10,767 75,18 Transmit Taxation 7 29,659 65,68 Profit for the period 29,659 65,68 Epairty holders of the Company 218 84 20,659 65,68 218 84 20,659 65,68 214 64,48.4 Polit stores of the Company during the period 8 - - - Basic 6.06 cents 13.48 cent 13.24 cent - Dividends 14,638 19,411 -	Finance costs (3 From the period 30,70 Taxation 7 (1,10 Profit before taxation 7 (1,10 Profit for the period 29,60 29,60 Profit attributable to: 29,44 29,44 Minority interests 21 29,60 Earnings per share for profit attributable to the equity holders of the Company during the period 8 29,60 - Basic 6.06 cen 6.02 cen 6.02 cen Dividends 14,60 30th Septembb 200 ASSETS None HK\$'00 8 Non-current assets 2005 14,12 Property, plant and equipment 87,37 97,37 Property, plant and equipment 87,37 14,12	$\begin{array}{c} \textbf{3} \textbf{0} & (132) \\ \textbf{7} & 75,183 \\ \textbf{9} & (9,498) \\ \textbf{9} & 65,685 \\ \textbf{1} & 64,844 \\ \textbf{8} & 841 \\ \textbf{9} & 65,685 \\ \textbf{1} & 64,844 \\ \textbf{8} & 841 \\ \textbf{9} & 65,685 \\ \textbf{1} & 64,844 \\ \textbf{8} & 841 \\ \textbf{9} & 65,685 \\ \textbf{1} & 13,48 \text{ cents} \\ \textbf{1} & 13,24 \text{ cents} \\ \textbf{1} & 19,418 $
Profit before taxation 30,767 7.5,18 Taxation 7 (1,109) (9,499) Profit for the period 29,659 65.68 Profit attributable to: 29,659 65.68 Equity holders of the Company 29,441 64.484 Minority interests 29,659 65.68 entities 29,659 65.68 equity holders of the Company during the period 8 6.02 cents 13.24 cent - Diluted 6.02 cents 13.24 cent 13.24 cent Dividends 14,638 19,411 44.34 CONDENSED CONSOLIDATED BALANCE SHEET 30th September 0.2005 2005 2005 2005 2005 2181 Macci 2.14 43.01 13.24 cent 3.151 14.638 19.417 5.690 21.43 50.597 57.518 13.151 14.3.09 14.515 14.638 13.84 cent 3.151 14.3.09 14.515 14.649 14.638 36.597 77.518 57.77 77.518 57.77 77.518 57.77 77.518 57.77 77.518 <td< td=""><td>Profit before taxation 30,7 Taxation 7 (1,10 Profit for the period 29,66 Profit attributable to: Equity holders of the Company 29,44 Minority interests 22,66 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unauditti 30th Septemble 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Property, plant and equipment Property, plant and equipment Property for and leases 14,15</td><td>7 75,183 7 75,183 89 (9,498 99 65,685 11 64,844 89 65,685 13.48 cents 13.24 cents 13.24 cents 13.24 cents 13.14 march 2005 10 HX\$'000</td></td<>	Profit before taxation 30,7 Taxation 7 (1,10 Profit for the period 29,66 Profit attributable to: Equity holders of the Company 29,44 Minority interests 22,66 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unauditti 30th Septemble 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Property, plant and equipment Property, plant and equipment Property for and leases 14,15	7 75,183 7 75,183 89 (9,498 99 65,685 11 64,844 89 65,685 13.48 cents 13.24 cents 13.24 cents 13.24 cents 13.14 march 2005 10 HX\$'000
Faxation7(1,108)(9,49)Profit for the period29,65965,68Profit attributable to:29,65965,68Profit attributable to:29,65965,68equity holders of the Company during the period829,659- Basic6.06 cents13,48 cent- Diluted6.02 cents13,24 centDividends14,63819,412CONDENSED CONSOLIDATED BALANCE SHEET30th SeptemberSAT JOTH SEPTEMBER 2005Unandited31st MaccNote14,63819,412CONDENSED CONSOLIDATED BALANCE SHEET31st MaccSAT JOTH SEPTEMBER 2005Unandited31st MaccNote14,63819,412CONDENSED CONSOLIDATED BALANCE SHEET31st MaccSAT JOTH SEPTEMBER 2005Unandited31st MaccNore-current assets1,0672,14Propaid promitm for land leases14,15114,300Intargible asset1,0672,14Arental deposits paid19,94715,200Deferred tax assets58,65051,43,639Tride receivables413,639Total assets90,705131,400Poposits, prepayments and other receivables90,705Share capital48,2917332,088Current assets9,4679,246Call adverses attributable to the Company's equity holders513,320Share capital14,638338,33- Others64,799673,330Current assets9,4679,246 <td>Taxation 7 (1,10) Profit for the period 29,64 Profit attributable to: 29,64 Equity holders of the Company 29,44 Minority interests 21 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET 30th Septemb 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment 87,3' Property, plant and equipment 87,3' Property for land leases 14,15</td> <td>13.48 (9,498) 13.48 cents 13.24 cents 13.24 cents 13.24 cents 13.18 March 13.18 March 13.18 March 13.14 Constant 13.14 Cents 13.24 Cents 13.14 March 14.16 March 15 2005 16 March 17 March 18 March 19 March 10 <td< td=""></td<></td>	Taxation 7 (1,10) Profit for the period 29,64 Profit attributable to: 29,64 Equity holders of the Company 29,44 Minority interests 21 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET 30th Septemb 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment 87,3' Property, plant and equipment 87,3' Property for land leases 14,15	13.48 (9,498) 13.48 cents 13.24 cents 13.24 cents 13.24 cents 13.18 March 13.18 March 13.18 March 13.14 Constant 13.14 Cents 13.24 Cents 13.14 March 14.16 March 15 2005 16 March 17 March 18 March 19 March 10 <td< td=""></td<>
Profit for the period 29,659 65,68 Profit attributable to: 29,659 65,68 Equity holders of the Company Muring the period 8 - Basic 29,659 65,68 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6,06 cents 13,48 cent 13,24 cent 14,638 19,411 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Note HKS'000 (restated 2005 HKS'000) (restated 2005 HKS'000) (restated 14,638 19,411 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Note HKS'000 (restated 14,638 19,411 14,301 14	Profit for the period 29,64 Profit attributable to: Equity holders of the Company 29,44 Minority interests 22,44 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unauditte 30th Septemble 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Property, plant and equipment Property for and leases 14,15	99 65,685 11 64,844 8 841 99 65,685 ts 13.48 cents 13.24 cents 13.24 cents 13.24 cents 19,418 ed Audited 31st March 2005 00 HK\$'000
Profit attributable to: Equity holders of the Company Minority interests 29,659 65,68 Eminage per share for profit attributable to the equity holders of the Company during the period 8 - Basic - Diluted 6.02 cents 13.24 cent 6.02 cents 13.24 cent 14,638 19,411 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Note HKS'000 Kote HKS'000 (restated ANDERSE ST Non-current assets 87,478 Property, plant and equipment Property, plant and equipment Property plant and ether receivables Proposed dividends Proposed	Profit attributable to: Equity holders of the Company 29,44 Minority interests 22 Earnings per share for profit attributable to the equity holders of the Company during the period 8 – Basic – Diluted 6.06 cen 6.06 cen 6.02 cen Dividends 14,65 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unaudite 30th Septembber 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases 14,15	1 64,844 8 841 9 65,685 13.48 cents 13.24 cents 13.24 cents 19,418 9 31st March 15 2000 00 HK\$'000
Equity holders of the Company 29,441 64,84 Minority interests 21,85 84,84 Minority interests 29,659 65,68 Earnings per share for profit attributable to the equity holders of the Company during the period 8 84 - Basic 6.06 cents 13,48 cent - Diluted 6.02 cents 13,24 cent Dividends 14,638 19,41: CONDENSED CONSOLIDATED BALANCE SHEET 30th September 21,81 AS AT 30TH SEPTEMBER 2005 Unaudited Audited Non-current assets 87,378 85,97. Property, plant and equipment Property, plant and equipment 14,151 Property, plant and equipment 14,151 85,97. Property, plant and equipment 1,067 2,141 Mon-current assets 1,067 2,141 Non-current assets 1,067 2,141 Rental deposits paid 19,947 15,690 Deferred tax assets 6,604 6,389 Tarde receivables 4 16,459 Bank balances and cash </td <td>Equity holders of the Company Minority interests 29,44 Minority interests 21 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,63 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unauditi 30th Septemb 200 Note HK\$'00 ASSETS 20 Non-current assets Property, plant and equipment Prepaid premium for land leases 87,33'</td> <td>8 841 9 65,685 ts 13.48 cents 13.24 cents 13.24 cents 8 19,418 9 Audited 9 Audited</td>	Equity holders of the Company Minority interests 29,44 Minority interests 21 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,63 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unauditi 30th Septemb 200 Note HK\$'00 ASSETS 20 Non-current assets Property, plant and equipment Prepaid premium for land leases 87,33'	8 841 9 65,685 ts 13.48 cents 13.24 cents 13.24 cents 8 19,418 9 Audited
Minority interests 218 84 29,659 65.68 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cents 13.48 cent - Diluted 6.02 cents 13.24 cent Dividends 14.638 19.411 CONDENSED CONSOLIDATED BALANCE SHEET As AT 30TH SEPTEMBER 2005 Audite Non-current assets 10,005 2005 2005 Property, plant and equipment Property, plant and equipment 97,378 85.97.7 Prepaid Periods said 19.947 15.600 114.438 Available for-sale financial asset 1.080 - 2.14 Current assets 1.080 - - 2.14 Inventories 1.30.227 1.24.492 - 1.24.492 Current assets 1.000 - - 1.31.41 - Inventories 4 3.6.29 1.5.00 - - 1.44.492 - Current assets 1.00027 1.24.492 -	Minority interests 21 Z9,63 29,64 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,63 CONDENSED CONSOLIDATED BALANCE SHEET ASAT 30TH SEPTEMBER 2005 Vinaudite 30th Septemble 200 Note Minority interests 200 ASSETS Non-current assets Property, plant and equipment 87,37 Property, plant and leases 14,15	8 841 9 65,685 ts 13.48 cents 13.24 cents 13.24 cents 8 19,418 9 Audited
Zarnings per share for profit attributable to the equity holders of the Company during the period 8Z- Basic6.06 cents13.48 cent- Dituled6.02 cents13.24 centDividends14.63819.41:CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005Audited 30th September 2006Audited 31st Marc 2006ASSETSNore14.63814.151Nor-current assets14.15114.20: 14.20Property, plant and equipment Property, plant and equipment Aniangible asset 11.00014.30: 14.20Annal depositis paid Deferred tax assets19.947Current assets1.0072.14Rontal depositis paid Deferred tax assets19.947Trade receivables4136.39Total assets9.047EQUITY2.14Capital and reserves attributable to the Company's equity holders39.856Share capital - Proposed dividends48.794Assets9.467Equity - Deferred tax ibalities5Current habilities52Current habilities52Current habilities52Current habilities52Current habilities51.213Current habilities51.213Current habilities51.213Current habilities51.213Current habilities52Current habilities52Current habilities51.213Current habilities51.213Current habilities51.213 <t< td=""><td>29,63 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,6 CONDENSED CONSOLIDATED BALANCE SHEET ASAT 30TH SEPTEMBER 2005 Vnauditt 30th Septemb. 200 Note HK\$'00 ASSETS Non-current assets 9roperty, plant and equipment Property, plant and equipment 87,3' Prepaid premium for land leases 14,12</td><td>13.48 cents 13.48 cents 13.24 cents 19.418</td></t<>	29,63 Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,6 CONDENSED CONSOLIDATED BALANCE SHEET ASAT 30TH SEPTEMBER 2005 Vnauditt 30th Septemb. 200 Note HK\$'00 ASSETS Non-current assets 9roperty, plant and equipment Property, plant and equipment 87,3' Prepaid premium for land leases 14,12	13.48 cents 13.48 cents 13.24 cents 19.418
Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic - Diluted - Basic	Earnings per share for profit attributable to the equity holders of the Company during the period 8 - Basic 6.06 cen - Diluted 6.02 cen Dividends 14,65 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unaudite 30th Septemb 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases 14,15	ts 13.48 cents 13.24 cents 13.24 cents 19,418 d Auditec pr 31st March 5 2005 0 HK\$'000
equity holders of the Company during the period δ - Basic6.06 cents13.48 cent- Diluted6.02 cents13.24 centDividends14.63819.41CONDENSED CONSOLIDATED BALANCE SHEET30th SeptemberAS AT 30TH SEPTEMBER 2005Unaudited 30th September31st Marci 2005Note14.63819.41CONDENSED CONSOLIDATED BALANCE SHEET30th September 2005200ASSETS014.53200Non-current assets14.15114.30Properity plant and equipment Non-current assets10.67-Preprid pressing19.94715.60Deferred tax assets6.6046.38Current assets13.0.227124.49Current assets13.62914.14Inventories Trade receivables413.639Current assets30.29616.14Bank balances and cash90.705131.40Coll assets842.917832.08EQUITY645.792673.30Carlai and reserves attributable to the Company's equity holders308.850Share capital Total equity655.332664.064Minority interests9.4679.24Total equity664.799673.30Current liabilities5142.393Deferred tax Itabilities55142.393Deferred tax Itabilities55142.393Deferred tax Itabilities55142.393Deferred tax Itabilities55142.393	equity holders of the Company during the period 8 - Basic - Diluted Dividends CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unaudite 30th Septemb 200 Note HK\$*00 ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases 14,15 14,65 200 Note	ts 13.24 cents 13.24 cents 19,418 d Audited r 31st March 5 2005 0 HK\$'000
- Diluted Dividends 13.24 cent 13.24 cent 14.638 19.41: CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 4 Audited 30th September 2005 2000 HK\$'000 (restated 2005 2000 HK)) (restated 2005 2000 HK) (restated 2005 2000 HK)) (restated 2005 2000 HK) (restated 2005 2000 HK)) (restated 2005 2000 HK) (restated 2005 2000 HK)) (restated 2005 2000 HK)) (restated 2005 2000 HK)) (restated 2005 2000 HK)) (restated 2005 2000 PK)) (restated 2005 2000 PK)) (restated 2005 2000 HK)) (restated 2005 2000 HK)) (restated 2005 2000 HK)) (restated 2005 2000 PK)) (restated 2005 2	- Diluted 6.02 cen Dividends 6.02 cen Dividends 14,66 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unauditu 30th Septemb 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases 14,15	ts 13.24 cents 13.24 cents 19,418 d Auditec r 31st March 5 2005 <i>HK\$</i> '000
Dividends 14,638 19,411 CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unaudited 30th September 2005 Note Unaudited 30th September 2005 Note 4K\$'000 HK\$'000 HK\$'000 (restated 14,151 14,050 Frepaid premium for land leases 14,151 14,050 11,050 - 2,144 Rental deposits paid Deferred tax assets Inventories Irrade receivables Current assets EQUITY Cotal assets EQUITY Cotal assets EQUITY Cotal assets EQUITY Cotal assets EQUITY Cotal assets EQUITY Cotal assets Proposed dividends - Proposed dividen	Dividends Dividends CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unaudite 30th Septemb 200 Note HK\$*00 ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases 14,15	Image: Market
CONDENSEL CONSOLIDATED BALANCE SHEET As AT 30TH SEPTEMBER 2005 Unaudited 30th September 2005 Nore Nore Nore State	CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2005 Unaudite 30th Septembre 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases 14,15	d Auditec 31st March 5 2005 0 HK\$'000
AS AT 30TH SEPTEMBER 2005 Unaudited 30th September 2005 Note HKS'000 HKS'000 (restated 2007 2007 2007 2007 114,151 14,151 14,151 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 15,691 Deferred tax assets 130,227 124,492 131,400 2005 131,400 134,400 13	AS AT 30TH SEPTEMBER 2005 Unaudite 30th Septemb 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Property, plant and equipment Property, plant and leases 14,15	er 31st March 5 2005 00 HK\$'000
AS AT 30TH SEPTEMBER 2005 Unaudited 30th September 2005 Note HKS'000 HKS'000 (restated 2007 2007 2007 2007 114,151 14,151 14,151 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 14,151 14,301 15,691 Deferred tax assets 130,227 124,492 131,400 2005 131,400 134,400 13	AS AT 30TH SEPTEMBER 2005 Unaudite 30th Septemb 200 Note HK\$'00 ASSETS Non-current assets Property, plant and equipment Property, plant and equipment Property, plant and leases 14,15	er 31st March 5 2005 00 HK\$'000
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	30th September 200 Note HK\$*00 ASSETS Non-current assets Property, plant and equipment 87,37 Prepaid premium for land leases 14,12	er 31st March 5 2005 00 HK\$'000
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases Property, 14,12 Prepaid premium for land lease Proper	05 2005 00 HK\$'000
ASSETS ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases Intangible asset International	ASSETS Non-current assets Property, plant and equipment Prepaid premium for land leases 14,15	
ASSETS Non-current assets Property, plant and equipment Property, plant and equipment Available-for-sale financial asset Current assets Inventories Inventories Inventories Inventories Inventories Strade receivables 4 13,639 Deposits, prepayments and other receivables Bank balances and cash 90,705 131,40 712,690 707,58: Corrent assets Bank balances and cash 90,705 131,40 712,690 707,58: Corrent assets Bank balances and cash 90,705 131,40 712,690 707,58: Corrent assets Bank balances and cash 90,705 131,40 72,690	Non-current assets87,37Property, plant and equipment81,12Prepaid premium for land leases14,12	(Testateu)
Non-current assets $87,378$ $85,977$ Property, plant and equipment $87,378$ $85,977$ Prepaid premium for land leases $14,151$ $14,300$ Intangible asset $1,080$ $-$ Available-for-sale financial asset $1,067$ $-$ Other investments $ 2,147$ Rental deposits paid $19,947$ $15,690$ Deferred tax assets $ 2,144$ Inventories $578,050$ $544,822$ Irade receivables 4 $13,639$ Iz,200Deposits, prepayments and other receivables 4 Bank balances and cash $90,705$ $131,400$ POIDT12,690 $707,58$ Total assets $842,917$ $832,08$ EQUITYEQUITY $48,794$ Capital and reserves attributable to the Company's equity holders $398,850$ Share capital $48,794$ $48,544$ Reserves $193,050$ $192,633$ Proposed dividends $14,638$ $388,403$ - Proposed dividends $14,638$ $388,03$ - Others $398,850$ $384,047$ Minority interests $9,467$ $9,244$ Total equity $664,799$ $673,300$ LIABILITIES 552 $142,393$ Non-current liabilities 552 $142,393$ Tatation payables 5 $142,393$ Tatatom payables 5 $142,393$ Total equity and liabilities $535,124$ Short-term bank loan, unsecured $20,000$ 21,425 $535,51,24$	Non-current assets87,37Property, plant and equipment81,12Prepaid premium for land leases14,12	
Prepaid premium for land leases 14,151 14,300 Intangible asset 1,060 1,067 Available-for-sale financial asset 1,067 2,14 Rental deposits paid 19,947 15,699 Deferred tax assets 6,604 6,388 Inventories 130,227 124,499 Current assets 130,227 124,499 Inventories 578,050 544,822 Trade receivables 4 30,296 16,14 Bank balances and cash 90,705 131,400 Total assets 842,917 832,088 EQUITY 707,588 842,917 Capital and reserves attributable to the Company's equity holders 5 14,638 Share capital 48,794 48,544 Reserves 193,050 192,633 Retained earnings 14,638 38,830 - Proposed dividends 14,638 38,830 - Others 398,850 384,047 Total equity 664,799 673,300 LIABLITIES 552 1,944 Non-current liabilities 552	Prepaid premium for land leases 14,15	
Intagible asset 1,080 Available-for-sale financial asset 1,067 Other investments 2,14 Rental deposits paid 19,947 Deferred tax assets 6,604 Inventories 718,050 Trade receivables 4 Bank balances and cash 90,705 Total assets 90,705 EQUITY 842,917 Capital and reserves attributable to the Company's equity holders 5 Share capital 48,794 Reserves 193,050 Perposed dividends 146,38 Perposed dividends 9,467 9,467 9,2467 Total equity 664,799 Minority interests 9,467 Porposed dividends 552 L1ABILITIES 552 Non-current liabilitites 552 Deferred tax liabilities 552 Tatad and other payables 5 Tatal end other payables 5 14,638 138,831 Ourernt liabilities 552 Total equity 664,799 Current liabilities		
Available-for-sale financial asset $1,067$ $2,147$ Other investments $1,067$ $2,147$ Rental deposits paid $19,947$ $15,699$ Deferred tax assets $6,604$ $6,388$ Inventories $130,227$ $124,499$ Current assets $130,227$ $124,499$ Inventories $578,050$ $544,822$ Trade receivables 4 $13,639$ $15,200$ Deposits, prepayments and other receivables $30,296$ $16,14$ Bank balances and cash $90,705$ $131,400$ Total assets $842,917$ $832,084$ EQUITY $832,085$ $842,917$ $832,085$ Capital and reserves attributable to the Company's equity holders $848,794$ $48,544$ Reserves $193,050$ $192,633$ $664,079$ Proposed dividends $14,638$ $38,833$ -0 thers $398,850$ $384,047$ Others $9,467$ $9,2467$ $9,2467$ $9,2467$ $9,2467$ $9,2467$ $9,2497$ $13,917$ $13,917$ $13,917$ $13,917$ $13,917$		
Rental deposits paid $19,947$ $15,690$ Deferred tax assets $6,604$ $6,338$ Inventories $130,227$ $124,493$ Inventories $578,050$ $544,822$ Trade receivables 4 $13,639$ $15,200$ Deposits, prepayments and other receivables $30,296$ $16,114$ Bank balances and cash $90,705$ $131,400$ Total assets $842,917$ $832,08$ EQUITY Capital and reserves attributable to the Company's equity holders $842,917$ $832,08$ Share capital $48,794$ $48,54$ $842,917$ $832,08$ Retained earnings $193,050$ $192,653$ $398,850$ $384,04^{\circ}$ Minority interests $9,467$ $9,24^{\circ}$ $9,467$ $9,24^{\circ}$ Total equity $664,799$ $673,300$ $121,490$ $13,97$ LIABILITIES $51,733$ $121,491$ $13,97$ $13,971$ Non-current liabilities 552 $1,944$ $12,491$ $13,971$ $13,911$ Short-term bank loan, unsecured $551,732$ $50,756$	Available-for-sale financial asset 1,00	
Deferred tax assets $6,604$ $6,384$ Current assets $130,227$ $124,492$ Inventorices $712,690$ $544,823$ Trade receivables 4 $13,639$ $15,200$ Deposits, prepayments and other receivables $90,705$ $131,400$ Bank balances and cash $90,705$ $131,400$ Total assets $842,917$ $832,08$ EQUITY Share capital $48,794$ $48,54$ Reserves $193,050$ $192,633$ Retained earnings $ 14,638$ $38,833$ - Others $398,850$ $664,799$ $673,300$ LIABILITIES $9,467$ $9,244$ $9,467$ $9,244$ Trade and other payables 5 $142,393$ $121,49$ Taxation payable 5 $142,393$ $121,49$ Taxation payable 5 $142,393$ $121,49$ Total equity and liabilities 552 $1,94$ $13,613$ Nort-term bank loan, unsecured $50,0756$ $156,833$ $121,492$ Total equity and liabilities $842,9$		
Current assets		
Inventories 578,050 $544,822$ Trade receivables 4 $13,639$ $15,200$ Deposits, prepayments and other receivables $30,296$ $16,14$ Bank balances and cash 90,705 $131,400$ 712,690 707,588 Total assets 842,917 $832,08$ EQUITY 844,794 $48,54$ Capital and reserves attributable to the Company's equity holders $513,050$ $192,633$ Share capital $48,794$ $48,54$ Reserves 193,050 $192,633$ Retained earnings 14,638 $388,850$ - Proposed dividends 14,638 $388,850$ - Proposed dividends 14,638 $388,850$ - Others 9,467 9,244 Total equity 664,799 $673,300$ LIABILITIES 112,199 $15,173$ $13,917$ Short-term bank loan, unsecured 5 $142,393$ $121,499$ Taxation payable 5 $142,393$ $121,499$ Short-term bank loan, unsecured 20,000 $21,427$ Total equity and liabilities<	130,22	124,498
Trade receivables 4 $13,639$ $15,200$ Deposits, prepayments and other receivables $30,296$ $16,14$ Bank balances and cash 90,705 $131,400$ Potencial $712,690$ $707,58$ Total assets $842,917$ $832,08$ EQUITY 832,04 $842,917$ $832,08$ Capital and reserves attributable to the Company's equity holders Share capital $48,794$ $48,54$ Reserves 193,050 192,633 Retained earnings $-$ - Proposed dividends 14,638 $38,830$ $384,04'$ 655,332 $664,060$ $398,850$ $384,04'$ Minority interests $9,467$ $9,24'$ $9,24'$ Total equity $664,799$ $673,30'$ $12,49'$ LIABLITIES 552 $1,94'$ $12,49'$ Taxation payable 5 $142,393$ $121,49'$ Taxation payable 5 $142,393$ $121,49'$ Short-term bank loan, unsecured $20,000$ $21,42'$ $177,566$ $156,83'$ Total equity and liabilities 83	Current assets	
Deposits, prepayments and other receivables $30,296$ $16,144$ Bank balances and cash $90,705$ $131,400$ Total assets $842,917$ $832,08$ EQUITY 832,08 $842,917$ $832,08$ EQUITY Capital and reserves attributable to the Company's equity holders $842,917$ $832,08$ Share capital $48,794$ $48,54$ Reserves $193,050$ $192,633$ Proposed dividends $14,638$ $388,850$ - Proposed dividends $14,638$ $388,850$ - Others $398,850$ $364,044$ Minority interests $9,467$ $9,244$ Total equity $664,799$ $673,300$ LIABLITIES Non-current liabilities 552 194 Current liabilities 552 194 $15,173$ $13,917$ Tade and other payables 5 $142,393$ $121,491$ $121,492$ Tade and other payables 5 $142,393$ $121,491$ $15,173$ $13,917$ Short-term bank loan, unsecured $20,000$ $21,422$ $177,566$ 15	,	
Total assets $712,690$ $707,58$ EQUITY 832,08 Capital and reserves attributable to the Company's equity holders $842,917$ $832,08$ Share capital $48,794$ $48,54$ Reserves 193,050 192,633 Proposed dividends $14,638$ $38,834$ - Others $398,850$ $384,04'$ 655,332 $664,066$ $664,799$ $673,300$ Minority interests $9,467$ $9,24'$ Total equity $664,799$ $673,300$ LIABILITIES $512,173$ $121,491$ Non-current liabilities $552,194$ $121,491$ Tade and other payables 5 $142,393$ $121,491$ Short-term bank loan, unsecured $20,000$ $21,422$ $177,566$ $156,831$ Total equity and liabilities $842,917$ $832,08$ $832,08$ Net current assets $535,124$ $550,75$	Deposits, prepayments and other receivables 30,22	6 16,146
Total assets $842,917$ $832,08$ EQUITYCapital and reserves attributable to the Company's equity holders $842,917$ $832,08$ Share capital $48,794$ $48,544$ Reserves $193,050$ $192,633$ Retained earnings $14,638$ $38,850$ - Proposed dividends $14,638$ $384,044$ - Others $398,850$ $384,044$ 655,332 $664,064$ Minority interests $9,467$ $9,244$ Total equity $664,799$ $673,309$ LIABILITIES 552 $1,944$ Current liabilities 552 $1,944$ Taxation payable 5 $142,393$ $121,499$ Taxation payable 5 $142,393$ $121,492$ Short-term bank loan, unsecured $20,000$ $21,420$ Total equity and liabilities $842,917$ $832,084$ Net current assets $535,124$ $550,755$		
EQUITYCapital and reserves attributable to the Company's equity holdersShare capital48,794Reserves193,050Retained earnings193,050- Proposed dividends14,638- Others398,850384,04'655,332664,060Minority interests9,4679,4679,244Total equity664,799Current liabilities514BILITIESNon-current liabilities5142,393121,493Taxation payable5Short-term bank loan, unsecured20,00021,420177,566Total equity and liabilities842,917832,084Net current assets535,124550,755	712,69	707,586
Capital and reserves attributable to the Company's equity holdersShare capital $48,794$ Reserves $193,050$ 192,050 $192,633$ Retained earnings $14,638$ - Proposed dividends $14,638$ - Others $398,850$ 384,04'655,332 $664,066$ Minority interests $9,467$ 9,467 $9,244$ Total equity $664,799$ LABILITIESNon-current liabilities 552 Deferred tax liabilitiesDeferred tax liabilitiesTrade and other payables 5 142,393 $121,492$ Taxation payable $15,173$ Short-term bank loan, unsecured $20,000$ 21,420Total equity and liabilities $842,917$ 832,084Net current assets $535,124$ $550,755$	Total assets 842,9	.7 832,084
Share capital $48,794$ $48,544$ Reserves $193,050$ $192,633$ Retained earnings $14,638$ $38,830$ - Others $398,850$ $384,04'$ 655,332 $664,060$ Minority interests $9,467$ $9,24'$ Total equity $664,799$ $673,30'$ LIABILITIES Non-current liabilities 552 $1,94'$ Current liabilities 552 $1,94'$ Trade and other payables 5 $142,393$ $121,49'$ Short-term bank loan, unsecured $20,000$ $21,42'$ Total equity and liabilities $535,124$ $550,75'$	EQUITY	
Reserves 193,050 192,633 Retained earnings - - Proposed dividends 38,831 - Others 398,850 384,04' 655,332 664,060 Minority interests 9,467 9,24' 664,799 673,300 LIABILITIES 664,799 673,300 114,638 38,850 384,04' Non-current liabilities 5 142,393 121,490 100 114,618 114,638 114,638 114,638 114,638 384,04' 114,638 114,638 384,04' 114,638 114,638 384,04' 114,638 114,638 384,04' 114,638 384,04' 114,638 384,04' 114,638 384,04' 114,638 384,04' 114,638 114,638 384,04' 114,638 114,638 384,04' 114,638 114,539 114,539 114,539	Capital and reserves attributable to the Company's equity holders	
Retained earnings 14,638 $38,834$ - Proposed dividends $398,850$ $384,04^{\prime}$ - Others $398,850$ $384,04^{\prime}$ Minority interests $9,467$ $9,24^{\prime}$ Total equity $664,799$ $673,30^{\prime}$ LIABILITIES Non-current liabilities 552 $1,94^{\prime}$ Current liabilities 552 $1,94^{\prime}$ Taxation payable 5 $142,393$ $121,491$ Short-term bank loan, unsecured $20,000$ $21,420$ Total equity and liabilities $842,917$ $832,084$ Net current assets $535,124$ $550,755$	•	
$\begin{array}{c cccc} - & Proposed dividends & 14,638 & 38,830 \\ - & Others & 398,850 & 384,04' \\ \hline & & & & & & & & & & & & & & & & & &$	· · · · · · · · · · · · · · · · · · ·	192,633
- Others 398,850 384,04' Minority interests 9,467 9,24' Total equity 664,799 673,30' LIABILITIES 664,799 673,30' Non-current liabilities 552 1,94' Current liabilities 552 1,94' Trade and other payables 5 142,393 121,49' Taxation payable 15,173 13,91' Short-term bank loan, unsecured 20,000 21,42' Total equity and liabilities 842,917 832,08' Net current assets 535,124 550,75'		8 38.836
Minority interests 9,467 9,244 Total equity 664,799 673,309 LIABILITIES 0664,799 673,309 Non-current liabilities 552 1,945 Current liabilities 552 1,945 Trade and other payables 5 142,393 121,495 Taxation payable 15,173 13,917 Short-term bank loan, unsecured 20,000 21,422 Total equity and liabilities 842,917 832,085 Net current assets 535,124 550,755		
Total equity664,799673,30LIABILITIESNon-current liabilities5521,94Deferred tax liabilities5521,94Current liabilities5142,393121,49Trade and other payables5142,393121,49Taxation payable15,17313,91Short-term bank loan, unsecured20,00021,420Total equity and liabilities842,917832,08Net current assets535,124550,75	655,33	664,060
LIABILITIESNon-current liabilitiesDeferred tax liabilitiesCurrent liabilitiesTrade and other payablesTaxation payableShort-term bank loan, unsecuredTotal equity and liabilitiesNet current assetsStort current assets	Minority interests 9,40	9,249
Non-current liabilities552Deferred tax liabilities552Current liabilities5Trade and other payables5Taxation payable15,173Short-term bank loan, unsecured20,00021,420Total equity and liabilities842,917Ret current assets535,124	Total equity 664,79	9 673,309
Deferred tax liabilities 552 1,94: Current liabilities 5 142,393 121,49: Taxation payable 5 142,393 121,49: Short-term bank loan, unsecured 20,000 21,42: Total equity and liabilities 842,917 832,08: Net current assets 535,124 550,75:	LIABILITIES	
Trade and other payables 5 142,393 121,492 Taxation payable 15,173 13,917 Short-term bank loan, unsecured 20,000 21,420 Total equity and liabilities 842,917 832,088 Net current assets 535,124 550,750	Non-current liabilities 55	2 1,945
Taxation payable 15,173 13,91' Short-term bank loan, unsecured 20,000 21,420 177,566 156,830 Total equity and liabilities 842,917 832,080 Net current assets 535,124 550,750	Current liabilities	101.00
Short-term bank loan, unsecured 20,000 21,420 177,566 156,830 Total equity and liabilities 842,917 832,080 Net current assets 535,124 550,750		
842,917 832,08 Net current assets 535,124		
842,917 832,08 Net current assets 535,124	177,50	156,830
Net current assets 535,124 550,750		
	012,	
	Net current assets 535 1	4 550.756

				Unaud	lited			
		Attributat	le to equity l	olders of the Co	ompany			
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Revaluation reserve HK\$'000	Exchange difference HK\$'000	Retained earnings HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1st April 2005, as previously reported as equity At 1st April 2005, as previously reported	48,544	57,189	135,713	8,752	(269)	424,099	-	674,028
as minority interests			-				9,249	9,249
	48,544	57,189	135,713	8,752	(269)	424,099	9,249	683,277
Reversal of revaluation reserve for leasehold land (<i>Note 2a(i)</i>) Opening adjustment for the adoption of HKAS 17	-	-	-	(8,752)	-	- (1,216)	-	(8,752) (1,216)
At 1st April 2005, as restated	48,544	57,189	135,713		(269)	422,883	9,249	673,309
2004/2005 final dividend paid	-	-	-	-	-	(38,836)	-	(38,836)
Profit for the period	-	-	-	-	-	29,441	218	29,659
Exchange differences Issue of shares	250	600	_	_	(183)	_	-	(183) 850
At 30th September 2005	48,794	57,789	135,713		(452)	413,488	9,467	664,799
ni son september 2005	10,771	51,107	155,715	Unaudi		115,100	2,107	001,777
		Attributable	a to aquity hol	ders of the Com				
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Revaluation reserve HK\$'000	Exchange difference HK\$'000	Retained earnings HK\$'000	Minority interests HK\$'000	Total <i>HK</i> \$'000
At 1st April 2004, as previously reported as equity At 1st April 2004, as previously reported	48,097	56,116	135,713	1,796	(143)	341,578	-	583,157
as minority interests		-	-			-	7,836	7,836
	48,097	56,116	135,713	1,796	(143)	341,578	7,836	590,993
Reversal of revaluation reserve for leasehold land (<i>Note 2a (i)</i>) Opening adjustment for the adoption of HKAS 17	-	-	-	(1,796)	-	- (1,023)	-	(1,796) (1,023)
At 1st April 2004, as restated	48,097	56,116	135,713		(143)	340.555	7,836	588,174
2003/2004 final dividend paid	-	-	-	-	-	(24,049)	-	(24,049)
Profit for the period Loan from a minority	-	-	-	-	-	64,844	841	65,685
shareholder Exchange differences	-	-	-	-	82	-	490	490 82
At 30th September 2004	48,097	56,116	135,713		(61)	381,350	9,167	630,382
NOTES.	40,077	50,110	155,/15		(01)	301,330	9,107	030,382

NOTES:

Basis of preparation and accounting policies 1

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated financial information should be read in conjunction with the 2004/2005 annual financial statements.

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those used in the 2004/2005 annual financial statements 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 (collectively referred to as the "new HKFRSs") which have become effective for accounting periods commencing on or after 1st January 2005.

This interim financial information has been prepared in accordance with those HKFRS standards and interpretations issued and effective as at the time of preparing this interim financial information. The HKFRS standards and interpretations that will be applicable at 31st March 2006, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing this interim financial information.

The changes to the Group's accounting policies and the effect of adopting these new policies are set out in note 2 below

2 Changes in accounting policies

(a) Effect of adopting new HKFRSs

In 2005/2006, the Group adopted the new/revised standards of HKFRS below, which are relevant to its operations. The 2004/2005 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 39	Financial Instruments: Recognition and Measurement
HKAS Int 15	Operating Leases – Incentives
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 33, 36, 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 interests and other disclosures.
- HKASs 2, 7, 8, 10, 16, 23, 27, 33, 36, HKAS-Int 15 and HKFRS 3 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. In prior years, the leaded bold land was accounted for at fair value or cost less accumulated amortisation and accumulated impairment.

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 and available-for-sale financial assets. 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 HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st December 2004, the provision of share options to employees did not result in an expense in the income statement. Effective on 1st January 2005, the Group charged the cost of share options, if any, to the income statement. As a transitional provision, the cost of share options granted after 7th November 2002 and had not yet vested on 1st January 2005 was expensed retrospectively in the income statement of the respective periods.

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 other than:

- HKAS 39 does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Hong Kong Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for investments in securities" to investments in securities for the 2004/2005 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1st April 2005;
- HKAS-Int 15 does not require the recognition of incentives for leases beginning before 1st January 2005;

HKFRS 2 - only retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st January 2005; and

HKFRS 3 - prospectively after the adoption date.

While adoption of HKFRS 2 has no impact on the Group's profit and loss and opening reserves, effect of adopting HKAS 17, HKAS 32 and HKAS 39 are as follows

The adoption of HKAS 17 resulted in a decrease in opening reserves at 1st April 2004 by (i) HK\$1,796,000.

	As at	As at
	30th September	31st March
	2005	2005
	HK\$'000	HK\$'000
Decrease in property, plant and equipment	(14,151)	(14,309)
Increase in prepaid premium for land leases	14,151	14,309
Decrease in revaluation reserve	-	(6,956)
Ι	For the	

	year ended	For the six months ended		
	31st March	30th September	30th September	
	2005	2005	2004	
	HK\$'000	HK\$'000	HK\$'000	
Decrease in selling and distribution costs	108	159	54	
Increase in basic earnings per share	HK 0.02 cents	HK 0.03 cents	HK 0.01 cents	
Increase in diluted earnings per share	HK 0.02 cents	HK 0.03 cents	HK 0.01 cents	

The adoption of HKAS 32 and HKAS 39 has no effect in opening reserves at 1st April 2005 and (ii) the details of the adjustments to the balance sheet at 30th September 2005 are as follows

	As at	As at
	30th September	31st March
	2005	2005
	HK\$'000	HK\$'000
Increase in available-for-sale financial asset	1,067	_
Decrease in other investment	(1.067)	_

No early adoption of the following new standards or interpretations that have been issued but are not yet effective. The adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HKFRS-Int 4	Determining whether an Arrangement contains a Lease
HKFRS-Int 5	Rights to Interests Arising from Decommissioning, Restoration and
	Environmental Rehabilitation Funds

Comparatives

3

As explained above, due to the adoption of the new HKFRSs during the current period, the accounting treatment and presentation of certain items in the interim financial information have been revised to comply with the new requirements. Accordingly, certain comparatives have been restated to conform with the current period presentation.

Revenue, turnover and segment information

The Group is principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items. The Group also provides technical support and consultancy services including quality control of jewellery products to licensees.

Revenues recognised during the period were as follows:

		Six months ended 30th September		
	2005 HK\$'000	2004 <i>HK\$'000</i>		
Turnover				
Sales of goods	816,355	869,058		
Other revenues				
Quality control service income	6,799	6,465		
Consultancy service income	3,335	2,795		
Interest income	167	41		
Web hosting service income	48	589		
Others	1,111	2,644		
	11,460	12,534		
Total revenues	827,815	881,592		

Primary reporting format – business segments

An analysis of the Group's revenue and results for the period by business segment is as follows:

				Six mon	ths ended 30	th Septemb	er			
	Retailing		Wholesaling Other operations			Elimina	ations	Group		
	2005 HK\$'000	2004 HK\$'000 (restated)	2005 HK\$'000	2004 HK\$'000 (restated)	2005 HK\$'000	2004 HK\$'000 (restated)	2005 HK\$'000	2004 HK\$'000 (restated)	2005 HK\$'000	2004 HK\$'000 (restated)
Sales to external customers Inter-segment sales Other revenues from	761,560 14,172	794,848 7,088	54,455 205,806	71,915 188,861	340	2,295	(219,978)	(195,949)	816,355	869,058
external customers Inter-segment other revenues	83	85 -	10,296	9,894 -	914 459	2,514 629	(459)	(629)	11,293	12,493
Total	775,815	802,021	270,557	270,670	1,713	5,438	(220,437)	(196,578)	827,648	881,551
Segment results Interest income Unallocated costs Gain on disposal of land and	31,334	47,986	16,007	23,836	(592)	169	(823)	(660)	45,926 167 (15,296)	71,331 41 (12,594)
building	-	16,537	-	-	-	-	-	-	-	16,537
Operating profit Finance costs									30,797 (30)	75,315 (132)
Profit before taxation Taxation									30,767 (1,108)	75,183 (9,498)
Profit for the period									29,659	65,685

Page 2

Other segment items included in the consolidated income statements are as follows:

Ū.				Six mon	ths ended 30	th Septemb	er			
	Retai	ling	Whole	saling	Other op	erations	Elimin	ations	Gro	up
	2005 HK\$'000	2004 HK\$'000 (restated)								
Depreciation										
 allocated unallocated 	3,743	3,839	1,724	822	332	279	-	-	5,799 2,414	4,940 500
Amortisation								:	8,213	5,440
 – allocated – unallocated 	11	11	68	68	63	63	-	-	142 16	142 16
									158	158

No geographical analysis is presented for revenue as over 90% of the Group's revenue is derived from activities

Secondary reporting format – geographical segments

in Hong Kong during the six months ended 30th September 2004 and 2005. Trade receivables

The majority of the Group's sales are on cash basis. Credit sales are mainly for the Group's wholesale customers with terms of 30 to 90 days. The ageing analysis of trade receivables is as follows:

	30th September 2005 <i>HK\$</i> '000	31st March 2005 <i>HK\$'000</i>
0 - 30 days 31 - 60 days 61 - 90 days	13,327 168	13,090 1,072 70
91 – 120 days Over 120 days	144	122 852
	13,639	15,206

The carrying amounts of trade receivables approximate their fair value. Trade and other payables

Included in trade and other payables are trade payables and their ageing analysis is as follows:

	30th September 2005 <i>HK\$'000</i>	31st March 2005 <i>HK\$'000</i>
0 - 30 days 31 - 60 days 61 - 90 days 91 - 120 days	62,600 22,529 3,947 179	44,530 19,220 8,873 2,070
Over 120 days	<u> </u>	217 74,910

Operating profit

	Six months ended 30th September	
	2005 HK\$'000	2004 <i>HK\$'000</i> (restated)
Operating profit is stated after crediting and charging the following:		
Crediting		
Write-back of provision for slow-moving inventories	3,941	
Charging		
Cost of inventories sold	634,698	687,127
Provision for slow-moving inventories	-	819
Depreciation of property, plant and equipment	8,213	5,440
Amortisation of prepaid premium for land leases	158	158
Operates lease rentals in respect of land leases and buildings	42,776	29,294

Taxation

Hong Kong profits tax has been provided for at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the period.

The amount of taxation charged/(credited) to the conso	lidated income statement represents:		
		Six months ended 30th September	
	2005	2004	
	HK\$'000	HK\$'000	
Hong Kong profits tax			
- current	6,450	9,881	
 over-provision in prior year 	(3,725)	_	
Deferred taxation	(1,617)	(383)	
	1,108	9,498	

Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$29,441,000 (2004: HK\$64,844,000) and the weighted average number of 485,539,478 (2004: 480,974,850) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$22,441,000 (2004: HK\$64,844,000) and the weighted average number of 489,438,082 (2004: 489,798,890) ordinary shares in issue during the period after adjusting for the effects of all potential dilutive ordinary shares deemed to be issued at no consideration if all outstanding share options granted under the share option scheme of the Company had been exercised.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of 3.0 HK cents (2004: 4.0 HK cents) per share for the year ending 31st March 2006. The interim dividend will be payable on 13th January 2006 to shareholders whose names appear on the Register of Members of the Company on 6th January 2006.

OPERATION REVIEW

For the six months ended 30th September 2005, the Group recorded a turnover of approximately HK\$816,355,000, representing a decrease of 6% from HK\$869,058,000 last year. Profit attributable to shareholders reached approximately HK\$29,441,000 (2004 (restated): HK\$64,844,000). Basic earnings per share were 6.06 HK cents (2004: 13.48 HK cents).

While about 50% of the Group's turnover comes from mainland tourists, the floods in China during the first half-year and the delayed visiting schedule of mainlanders as a result of the opening of Disneyland in September 2005 attributed to the decrease in turnover. In addition, severe weather has adverse impact on consumers shopping appetite in Hong Kong. Moreover, the increase in number of tourists visiting Hong Kong because of the opening of Disneyland in September and the Golden Week in early October was not as strong as expected. In addition, the rental expenses have greatly increased by 46% during the period under review. This sharp increase in rent mainly leads to the decrease of net profit compared to the same period of the previous year.

INDUSTRY REVIEW

According to figures from the Census and Statistics Department, the number of visitors to Hong Kong from January to September 2005 rose by 7.6% compared with the same period of 2004. However, most of the visitors rushed in during the Lunar New Year holidays in February. Also some visitors postponed their trips till September to catch the opening ceremony of Disneyland, or as a result of the influence of floodings in some areas in the Mainland. As for the local retail market, the retail turnover from April to September 2005 increased by 6%-8% compared with the same period of last year, whilst August had the lowest growth rate due to continuous heavy rains.

BUSINESS REVIEW

Hong Kong Market

To promote the brand and image of the Group, we will invest approximately HK\$20 million on new image and shops renovation. We have already engaged world-renowned designer to create a new design concept for our retail outlets. The new design is demonstrated in three of our new shops in Sheung Shui, Jordan and Tuen Mun. The new shops feature magnificent, luxury and modern design, delivering to our customers a sense of welcome back-home amicability and hospitability. Our first new image shop was opened at Landmark North in Sheung Shui in September 2005, followed by the Tuen Mun and Jordan shops in October. The new design will be applied in other shops over the next three years. The Group aims to provide a brand new shopping experience to our customers through shops of brand new faces and design and further improved customer services.

To strengthen the Group's corporate branding, Luk Fook has sponsored various beauty competitions during the period under review, including the sponsorship for the diamond crown and jewellery pieces for the winners of the "Miss Hong Kong Pageant 2005" for the 8th consecutive year as well as being the sole jewellery sponsor of "Miss Asia Pageant 2005".

PRC Market

The Group has in recent years been dynamically exploring the PRC market. Apart from sponsoring the "City Beauties Pageant 2005" in Guangzhou, we also increased the number of our licensee shops in the PRC from 145 to over 170. By providing technical support, product design and staff training to domestic jewellery retailers, we have built up our reputation in the PRC market.

The Group's jewellery manufacturing plant in Panyu, Guangdong has commenced operation in the fourth quarter 2004 and is in good operating condition. It is expected to reach its full capacity in two years time.

OVERSEAS DEVELOPMENT

The results of our first wholly-owned shop on the main street of Macau is satisfactory. To further secure huge business opportunities coming up with the boom of the tourism and gambling industries recently, our second shop on the main street of Macau was opened in August this year, which has made Luk Fook more familiar to the local people and laid the foundation for deeper penetration into the local market.

REWARDS AND HONORS

The key to the Group's growth is our established brand-name. We are well received by consumers for our finest product design and first-class customer service. This year again we stood out and was one of the 92 companies being titled as "Superbrands". This achievement proves again that we are widely recognized in terms of market share, qualification, goodwill and customer loyalty,

Luk Fook was named as Asia and the Pacific's "Best Under a Billion" by Forbes Magazine in November. Among the 22 Hong Kong enterprises on the list, Luk Fook is the only jewellery company being selected in recognition of Luk Fook's leading position in Asia and the Pacific region and its high standard of corporate governance.

Luk Fook's products are well-known for their ingenious and supernatural design. "Jiang" created by the Group's designer was dubbed as the masterpiece by the Platinum Guild International in 2005. This is the first time for a Chinese designer to receive this award. Our talented design team represents our unparalleled design capability. It also proves that we have reached international standard in respect of jewellery design.

In the Tahitian Pearl Trophy 2005 Asia, our designers also won 5 awards, including champions of the Necklace Category, Parure Category and Pearl Row category, first runner up of the Pearl Row and the second runner up of the Ring Category. The second runner up of the Ring Category is designed by the designers of Ice g. collection, a testimonial to the recognition by the industry of this younger product line design. Further, our "Dandelion", "Fire", and "Meet and Part" won 4 awards in the 7th Buyers' Favorite Jewelry Design Competition 2005, among which was the "Dandelion" which was granted the Best of the Best Award, a really brilliant acknowledgement.

The Fourth Tahitian Pearl Trophy Asia

Product	Prize	Category
The Fate	Champion	Parure Category
Banquet	Champion	Pearl Row Category
Jiffy	Champion	Necklace Category
Fire Dancer	First runner up	Pearl Row Category
Drops of Memories	Second runner up	Ring Category

PROSPECTS

Going onward, Luk Fook will strive its best to provide the best service for its customer with effective marketing strategies and promotions. With cocktail "Splendor of Creativity" launched in the end of November 2005, the Group aims at expanding its market segment, enhancing its brand image to attract consumers with higher disposal income.

From 1st November, citizens in another 4 PRC provinces will be allowed to visit Hong Kong in individual basis. As jewellery is one of the most popular commodities among visitors, the Group remains optimistic for the prospects of the jewellery industry of Hong Kong. We will leverage on the opportunity to explore business in Hong Kong, the PRC and overseas to further enhance the brand awareness of Luk Fook jewellery and to grab bigger market share.

We will continue to expand our licensee shops network in the PRC, and to open new wholly-owned shops in major cities. Meanwhile, we will look for suitable shop locations in South East Asia and the US as an implementation of our globalization strategy in preparation for entering international market.

EMPLOYEES

As at 30th September 2005, the Group had approximately 1,605 employees (including staff and workers) (31st March 2005: 1,550). Remuneration policies are reviewed and approved by management on a regular basis. Remuneration packages are structured taking into account factors of comparable markets. Bonus and others merit payments are linked to performance of the Group and individual employees.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's core business is gold and jewellery retailing. As at 30th September 2005, the Group's cash and bank balances reached approximately HK\$90,705,000 (31st March 2005: HK\$131,406,000). The Group's debt-to-equity ratio at the period-end, being the proportion of total debts of approximately HK\$178,118,000 (31st March 2005: HK\$158,775,000) against total equity of approximately HK\$664,799,000 (31st March 2005: HK\$673,309,000), was 26.8%% (31st March 2005: 23.6%). During the period, the capital investment of the Group was approximately HK\$9,985,000 (2004: HK\$18,323,000).

Page 3

As at 30th September 2005, the Group had banking facilities amounted to approximately HK\$111,000,000 (31st March 2005: HK\$105,000,000) out of which HK\$20,000,000 (31st March 2005: 21,420,000) was utilised.

The Group's income and expenditure streams are mainly denominated in Hong Kong dollars.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30th September 2005 and 31st March 2005.

CLOSURE OF REGISTER OF MEMBERS

The Register of members of the Company will be closed from 5th January 2006 to 6th January 2006, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Central Registration Hong Kong Limited, Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 4th January 2006.

AUDIT COMMITTEE

In compliance with the Code of Best Practice applicable before 1st January 2005, the Board has established an audit committee, comprising all independent non-executive directors, to monitor the accounting and financial reporting practices and internal control systems of the Company. Since 1st April 2005, the audit committee has held several meetings to consider matters including the 2005 annual report of the Company, internal controls and the implications of the new accounting standards to the Group's financial reporting, the unaudited interim condensed consolidated financial information for the six months ended 30th September 2005, and the Group's IT control environment.

The interim results have been reviewed by external auditors and the audit committee of the Group.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th September 2005, in compliance with Appendix 14 of the Listing Rules which contain the Code on Corporate Governance Practices (the "Code") except for the following deviations from certain Code Provisions:

1. Code Provision A.4.1

Code: Non-executive directors should be appointed for a specific term, subject to re-election.

Deviation: Non-executive directors are not appointed for a specific term but subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

Remedy: Appropriate actions will be taken to ensure the appointments of all non-executive directors are for a specific term.

2. Code Provision A.4.2

Code: All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Deviation: In accordance with the Company's Bye-laws, one-third of the directors shall retire from office by rotation save any director holding office as Chairman or Managing Director.

Remedy: A special resolution will be proposed at the next annual general meeting to amend the Company's Bye-laws in order to comply with this Code Provision.

3. Code Provisions B.1.4 & C.3.4

Code: The Remuneration Committee and the Audit Committee should make available their terms of reference, explaining their role and the authority delegated to them by the Board.

Deviation: At present, such terms of reference are not available to the public.

Remedy: Appropriate actions will be taken to make them available on request and include the information on the Company's website.

REMUNERATION COMMITTEE

In compliance with the Code, the Board on 7th April 2005 established a remuneration committee comprising three independent non-executive directors and two executive directors. The remuneration committee is to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management; to determine the specific remuneration packages; to review and approve performance-based remuneration; to review and approve the compensation payable in connection with any loss or termination of office or appointment of directors and senior management; to oversee any major changes in employee benefits structures throughout the Company or Group; and to review the ongoing appropriateness and relevance of the remuneration policy.

MODEL CODE ON SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, it is confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions in relation to the six months ended 30th September 2005.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's share during the period.

As at the date of this report, the Company's executive directors are Mr. WONG Wai Sheung (Chief Executive), Mr. TSE Moon Chuen, Mr. LAW Tim Fuk, Paul, Mr. POON Kam Chi and Mr. LAU Kwok Sum; the nonexecutive directors are Mr. WONG Koon Cheung, Mr. CHAN Wai, Mr. LEE Shu Kuan, Ms. YEUNG Po Ling, Pauline and Mr. HUI King Wai; the independent non-executive directors are Mr. HUI Chiu Chung, Mr. CHIU Wai Mo, and Mr. LO Mun Lam, Raymond (Chairman).

> By Order of the Board Wong Wai Sheung Chief Executive

16th December 2005