ARMARDA GROUP LIMITED

Full Year Financial Statement And Dividend Announcement

Financial statements on combined results of the Group for the full year of FY2005 ended 31 December 2005. These figures have not been audited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

ARMARDA GROUP LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005
(Expressed in Hong Kong thousand dollars)

	FY2005	FY2004
Revenue	63,847	50,746
Other income	1,204	8,550
Staff costs	(17,957)	(18,383)
Depreciation	(3,678)	(2,463)
Cost of goods sold	(14,787)	-
Other expenses	(16,086)	(13,918)
Finance costs	(36)	(31)
Profit before taxation	12,507	24,501
Income tax	(1,640)	(50)
Profit for the year attributable to equity shareholders of the Company	10,867	24,451
Basic earnings per share	3.78 cents	9.26 cents

Note: Profit for the year attributable to equity shareholders of the Company of HK$10,867,000 (FY2004 : HK$24,451,000) is stated after charging/(crediting):

	FY2005 In HK$'000	**FY2004 In HK$'000**
Negative goodwill recognized	-	(7,704)
Amortization of negative goodwill	-	(810)
Loss on disposal of property, plant and equipment	145	11
Net exchange (gain)/loss	(267)	284
Adjustment for over-provision for income tax in respect of prior years	(187)	-

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

ARMARDA GROUP LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2005
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	2005	2004	2005	2004
Non-current assets				
Investment in subsidiaries	-	-	45,446	45,446
Property, plant and equipment	18,410	21,749	-	-
Amount due from a subsidiary	-	-	59,925	-
Other assets	763	748	-	-
Deferred tax assets	66	-	-	-
	19,239	22,497	105,371	45,446
Negative goodwill	-	(11,343)	-	-
	19,239	11,154	105,371	45,446
Current assets				
Trade and other receivables	56,867	43,022	123	160
Amount due from a subsidiary	-	-	-	59,141
Cash and cash equivalents	80,270	72,956	-	-
	137,137	115,978	123	59,301
Current liabilities				
Secured bank loan	58	59	-	-
Obligations under finance lease	79	75	-	-
Trade and other payables	7,669	3,801	778	34
Taxation payable	-	187	-	-
	7,806	4,122	778	34
Net current assets/(liabilities)	129,331	111,856	(655)	59,267
Non-current liabilities				
Secured bank loan	87	140	-	-
Obligations under finance lease	216	295	-	-
Deferred tax liabilities	1,943	50	-	-
	2,246	485	-	-
Net assets	146,324	122,525	104,716	104,713
Total equity attributable to equity shareholders of the Company				
Share capital	57,446	57,446	57,446	57,446
Reserves	88,878	65,079	47,270	47,267
	146,324	122,525	104,716	104,713

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/2005 In HK$'000		As at 31/12/2004 In HK$'000	
Secured	Unsecured	Secured	Unsecured
58	0	59	0

Amount repayable after one year

As at 31/12/2005 In HK$'000		As at 31/12/2004 In HK$'000	
Secured	Unsecured	Secured	Unsecured
87	0	140	0

Details of any collateral

As at 31 December 2005, the bank loan was secured over a motor vehicle of the Group. This loan carried interest at a fixed rate of 5% per annum.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

ARMARDA GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005
(Expressed in Hong Kong thousand dollars)

	2005	2004
Operating activities		
Profit before taxation	12,507	24,501
Interest income	(1,204)	(806)
Negative goodwill recognised	-	(7,704)
Amortisation of negative goodwill	-	(810)
Loss on disposal of property, plant and equipment	145	11
Finance costs	36	31
Depreciation	3,678	2,463
Foreign exchange (gain)/loss	(94)	203
Operating profit before changes in working capital	15,068	17,889
Changes in working capital		
Increase in trade and other receivables	(13,339)	(9,604)
Increase in trade and other payables	3,868	885
Cash generated from operations	5,597	9,170
Interest received	698	806
Interest paid	(36)	(31)
Net cash inflow from operating activities	6,259	9,945
Investing activities		
Additions of property, plant and equipment	(163)	(10,827)
Additions of other assets	-	(237)
Payment of refundable investment deposit	-	(17,000)
Proceeds from disposal of property, plant and equipment	1	132
Net cash inflow from acquisition of Armarda Zhuhai	-	2,545
Repayment of amount due from related party	-	3,749
Net cash outflow from investing activities	(162)	(21,638)
Financing activities		
Repayment of finance lease obligations	(75)	(37)
Repayment of secured bank loan	(54)	(44)
Capital contributions	-	20,000
Issue of shares	-	73,375
Payment of share listing expenses	-	(10,068)
Net cash (outflow)/inflow from financing activities	(129)	83,226
Net increase in cash and cash equivalents	5,968	71,533
Cash and cash equivalents at beginning of the year	72,956	1,423
Effect of foreign exchange rate changes	1,346	-
Cash and cash equivalents at end of the year	80,270	72,956

An analysis of cash and cash equivalents is as follows:

Deposits with banks	54,423	53,396
Cash at bank and in hand	25,847	19,560
	80,270	72,956

1(d)(i)A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group	Share Capital	Share Premium	Exchange Reserves	Negative Goodwill	PRC Statutory Reserves	Retained Profits (Accum. Losses)	Total Equity
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
At 1 January 2004	**20,000**	**0**	**0**	**0**	**0**	**5,446**	**25,446**
Negative goodwill recognition	0	0	0	0	0	(7,704)	(7,704)
Capital contribution	20,000	0	0	0	0	0	20,000
Capitalisation of retained profits b/f	5,446	0	0	0	0	(5,446)	0
New shares issued for IPO	12,000	61,375	0	0	0	0	73,375
Share issue expenses	0	(13,357)	0	0	0	0	(13,357)
Appropriation to reserve	0	0	0	0	2,678	(2,678)	0
Exchange difference on translation of financial statements of foreign entities	0	0	314	0	0	0	314
Net profit for the year	0	0	0	0	0	24,451	24,451
At 31 December 2004	**57,446**	**48,018**	**314**	**0**	**2,678**	**14,069**	**122,525**
Adjustment in respect of derecognition of negative goodwill	0	0	0	0	0	11,343	11343
Appropriation to reserve	0	0	0	0	2,709	(2,709)	0
Exchange difference on translation of financial statements of foreign entities	0	0	1,589	0	0	0	1,589
Net profit for the year	0	0	0	0	0	10,867	10,867
At 31 December 2005	**57,446**	**48,018**	**1,903**	**0**	**5,387**	**33,570**	**146,324**

The Company	Share Capital	Share Premium	Exchange Reserves	Negative Goodwill	PRC Statutory Reserves	(Accum. Losses)	Total Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2004	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital re-statement as a result of group restructuring	45,446	0	0	0	0	0	45,446
New shares issued for IPO	12,000	61,375	0	0	0	0	73,375
Share issue expenses	0	(13,357)	0	0	0	0	(13,357)
Net loss for the year	0	0	0	0	0	(751)	(751)
At 31 December 2004	**57,446**	**48,018**	**0**	**0**	**0**	**(751)**	**104,713**
Net profit for the year	0	0	0	0	0	3	3
At 31 December 2005	**57,446**	**48,018**	**0**	**0**	**0**	**(748)**	**104,716**

1(d)(ii)Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Nil.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by the Group's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2004 except for (i) the accounting of negative goodwill arising from business acquisition, and (ii) the method of computation of interest charge on provision of intra-Group long term loan financing, as explained in section 5 below.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

(i) Accounting of negative goodwill arising from business acquisition as follows :

With effect from the annual accounting periods beginning 1 January 2005, in compliance with IFRS 3 "Business Combinations", the Group has changed its accounting policy in respect of negative goodwill arising on an acquisition.

Previously, negative goodwill arose on an acquisition for which the agreement date was before 31 March 2004 was amortised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognised in the income statement as those expected losses were incurred. Negative goodwill in excess of the fair value of the non-monetary assets acquired was recognised in the income statement immediately.

With effect from annual accounting period beginning from 1 January 2005, the Group has applied IFRS 3 prospectively to account for negative goodwill arising on an acquisition for which the agreement date was before 31 March 2004. Consequently, the carrying amount of the negative goodwill at 1 January 2005 of HK$11,343,000 was derecognised with a corresponding adjustment to the opening balance of retained profits at that date. In addition, such change in accounting policy resulted in a reduction of the Group's net profit for 2005 by approximately HK$810,000.

(ii) Method of computation of interest charge on the provision of intra-Group long term loan financing as follows :

On 31 December 2004, Armarda Group Limited ("the Company") provided a net amount of HK$59,141,000 financing to Armarda Technology (Hong Kong) Limited ("ATHK" which is the wholly-owned subsidiary of the Company) which mainly represented the net IPO proceeds received by ATHK on behalf of the Company less payment of other relevant operating expenses. No interest charge was carried on this intra-Group financing as this was made between the Company and its wholly-owned subsidiary having no profit and loss impact on the Group's financial position after consolidation. The amount due from ATHK which was repayable on demand was classified under current assets on 31 December 2004.

In light of IAS 39 "Financial Instruments: Recognition and Measurement" which came into effect from 1 January 2005 We decided that all intra-Group long term loan financing are to carry interest charge at reasonable market interest rate. Accordingly, the amount due from ATHK has become carrying an interest charge at 5.0% (revised to 7% effective 31 December 2005) per annum commencing from 1 January 2005 which we considered a reasonable prevailing market interest rate for the accounting of this intra-Group loan interest purposes. In addition, we have decided to change the term of the amount due from ATHK from "repayable on demand" to "not repayable within one year". Accordingly, the amount due from ATHK has been presented under "Non-current assets" in 2005.

As a result of the above changes, the Company earned an interest income of HK$2,957,050 (being 5% on HK$59,141,000) from 1 January 2005 to 31 December 2005 while ATHK incurred a corresponding interest expense for the same period of HK$2,957,050. There was no impact on the Group's consolidated profit and loss account as the related interest income earned by the Company and the interest expense incurred by ATHK were wholly eliminated on Group consolidation.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

The Group

Earnings per ordinary share for the year after deducting any provision for preference dividends:		
	FY 2005	**FY 2004**
Based on weighted average number of ordinary shares in issue (Please see note below)	**3.78 HK cents**	**9.26 HK cents**
On a fully diluted basis (Please see note below)	**Not applicable**	**Not applicable**

Note 6a : Basic earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK$10,867,000 (FY2004 of HK$24,451,000) and the weighted averageof 287,232,140 (FY2004 of 264,117,000) ordinary shares in issue during the year. The weighted average number of shares for 2004 was calculated based on the assumption that the restructuring exercise undertaken by the Group in April 2004 had been completed on 1 January 2004.

Note 6b : Diluted earnings per share

There were no dilutive potential ordinary shares during the year and therefore diluted earnings per share are not presented.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	FY 2005	**FY2004**
Net asset value of the Company per ordinary share based on existing issue share capital as at the end of the period on 31 December	**HK$ 0.36 per share**	**HK$ 0.36 per share**
Net asset value of the Group per ordinary share based on existing issue share capital as at the end of the period on 31 December	**HK$ 0.51 per share**	**HK$ 0.43 per share**

The calculation of net asset value per share of the Company is based on the Company's net asset value of HK$104,716,000 (FY2004 of HK$104,713,000) and 287,232,140 ordinary shares in issue at 31 December 2005 (287,232,140 ordinary shares in issue at 31 December 2004).

The calculation of net asset value per share of the Group is based on the Group's net asset value of HK$146,324,000 (FY2004 of HK$122,525,000) and 287,232,140 ordinary shares in issue at 31 December 2005 (287,232,140 ordinary shares in issue at 31 December 2004).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Revenue

The Group's revenue generated in FY2005 increased to HK$63.8 million from HK$50.8 million in FY2004. The increase in FY2005 was mainly due to sales of IT equipment of HK$17 million, which the Group has commenced to undertake in the second half year of FY2005 (mainly in 4Q FY2005) in ancillary to its services business. Accordingly, cost of goods sold of HK$14.8 million was recognized in FY2005 and none in FY2004. Our revenue from provision of services in FY2005 reduced slightly to HK$46.8 million from HK$50.7 million in FY2004,primarily due to the slow down of the IT consultancy service revenue generated from our tier 1 bank users as a consequence of their busy overseas IPO activities in FY2005.

The following is a breakdown of the total revenue generated in FY2005:

	FY2005	FY2004
Revenue from provision of services	46,813	50,746
Revenue from auxillary sales of IT equipment	17,034	-
	63,847	50,746

In terms of geographical segmentation of the Group's revenue generated in FY2005, a predominant 98.1% came from the PRC (FY2004 92.7%) and we do not expect a significant change in this geographical mix in the Group's major source of IT service revenue in near future.

Other income

This comprised mainly the deposit interest income earned to the amount of HK$1.2 million (2004: HK$0.8 million). The one-time recognition of the negative goodwill generated from the acquisition of Armarda Zhuhai, the Group's wholly-owned subsidiary in the PRC in January 2004, to the amount of HK$7.7 million in FY2004 did not recur again in FY2005.

Operating expenses

The Group's total operating expenses (excluding cost of goods sold) increased by HK$2.9 million or 8.3% to HK$37.7 million in FY2005 from HK$34.8 million in FY2004.

Staff costs decreased by HK$0.4 million to HK$18.0 million in FY2005 from HK$18.4 million in FY2004. The staff costs incurred in the first half of FY2005 to the amount of HK$12.3 million has included an one-time organisational restructuring costs of HK$2.3 million, the staff costs in the second half year of FY2005 has in fact been successfully reduced to HK$5.7 million partly as a direct result of the organisational restructuring carried out in the first half year of FY2005 and partly as a result of the engagement of more qualified subcontractors' services to replace high pay permanent consultants.

Depreciation increased by HK$1.2 million to HK$3.7 million in FY2005 from HK$2.5 million in FY2004 which was mostly attributed by the annual depreciation charge of HK$1.3 million for the computer application systems acquired in December FY2004. The Group did not make any material purchases of property, plant and equipment in FY2005.

Other operating expenses increased by HK$2.2 million to HK$16.1 million in FY2005 from HK$13.9 million in FY2004. The increase was mainly attributed by the increase in IT service subcontracting charges of approximately HK$3.5 million in FY2005 and the decrease in travel expenses of approximately HK$1.1 million.

Net profit after taxation

Excluding the impact of the one-time recognition of negative goodwill amounting toHK$7.7 million and the annual amortisation of negative goodwill of HK$0.8 million recognised in FY2004 income statement, the Group's profit after taxation decreased by HK$5.1 million to HK$10.9 million in FY2005 from HK$16.0 million in FY2004. The decrease was partly attributed by the decrease in our revenue generated from the provision of services as explained under 'Revenue' section above, partly attributed by the increase in our operating expenses as explained under 'Operating expenses' section above, and partly attributed by the provision of income tax of HK$1.6 million in FY2005.

Property, plant and equipment

The total net book value of the Group's property, plant and equipment at 31 December 2005 mainly comprised of leasehold properties of HK$7.3 million, leasehold improvements of HK$1.3 million, furniture, computer and other equipment of HK$8.9 million, and motor vehicles of HK$0.9 million.

As at 31 December 2005, a motor vehicle with net book value of HK$0.23 million was pledged as security for a bank loan and another motor vehicle with net book value of HK$0.33 million was held under a finance lease. All other property, plant and equipment were free from pledge.

Negative goodwill

As already explained in detail in section 5 of this results announcement, the total net book value of negative goodwill amounting to HK$11.3 million as at 31 December 2004 was derecognised and transferred to the retained profits reserve on 1 January 2005 as a result of the Group's adoption of IFRS 3 in the accounting of negative goodwill arising from business combinations.

Trade and other receivables

The Group's trade receivables and accrued services revenue increased by HK$15.0 million to HK$36.9 million as at 31 December 2005 from HK$21.9 million as at 31 December 2004. The main reasons for the increase are that (i) several major software development projects which were yet to complete by the year end date, and (ii) the offer of extended credit period compared with FY2004 to selected strategic business partners and loyal customers with long term business relationships and good proven settlement records in order to win renewed service contracts from end-users where more demanding credit terms have to be met on a back-to-back basis. All of the trade receivables are expected to be recovered within one year and the Group has not encountered any collection problem with our customers in FY2005.

Pursuant to a conditional sale and purchase agreement signed and dated 6 February 2006 (the "Agreement"), the Group has agreed to acquire a 25% equity interest in Brilliant Time Limited ("BTL"), a company incorporated in the British Virgin Islands at a cash consideration of HK$20 million from an independent vendor (the "Vendor"). BTL, through its 75% owned subsidiary, a Sino-foreign joint venture company established in the PRC (collectively, the "BTL Group"), is principally engaged in the business of information technology system integration serving the bank industry in the PRC.

Under the Agreement, a refundable deposit of HK$17 million (included as other receivables in this section) which the Group already paid to the Vendor will constitute part of the purchase consideration. Of the remaining consideration of HK$3 million, an amount of HK$1.5 million is payable within 37 business days after the conditions specified in the Agreement has been fulfilled. The remaining amount of HK$1.5 million is to be held in escrow pending fulfilment of the profit guarantee provided by the Vendor in respect of BTL Group for the year ending 31 December 2006. Under the Agreement, an option has also been granted to the Group to further acquire a 30% to 50% equity interest in BTL from the Vendor at a consideration to be determined based on a fixed multiple of the guaranteed profit of BTL Group for the year ending 31 December 2006.

The Agreement is conditional, amongst other things, upon the following :

- that all necessary consents, authorisations, licenses and approvals for or in connection with the acquisition have been obtained including but not limited to the approvals by the Singapore Exchange Securities Trading Limited, the board of directors of the Company and the shareholders of the Company in general meeting, and

- that there are no matters adversely affecting the legal standing or continued existence of BTL and its subsidiary.

Up to the date of this result announcement, the Agreement has not yet become unconditionally effective.

Prepayments, deposits and other receivables of the Group decreased by HK$1.1 million to HK$3.0 million as at 31 December 2005 from HK$4.1 million as at 31 December 2004.

Cash and cash equivalents

The Group's total cash balances increased by HK$7.3 million to HK$80.3 million as at 31 December 2005 from HK$73 million as at 31 December 2004, reflecting primarily the new cash inflow generated from operating activities in FY2005. We have placed cash in excess of normal operating needs in interest-carrying bank deposits to the amount of HK$54.4 million as at 31 December 2005.

Trade and other payables

Trade and other payables increased by HK$3.9 million to HK$7.7 million as at 31 December 2005 from HK$3.8 million as at 31 December 2004 as a result of the increase in accrued service charges due to our subcontractors and the increase in accrued professional expenses.

Share capital and reserves

The Company authorised and issued share capital remained the same as at 31 December 2005 when compared to that as at 31 December 2004. The Group's reserves increased by HK$23.8 million to HK$88.9 million as at 31 December 2005 from HK$65.1 million as at 31 December 2004 which was a combined result of i) the credit of negative goodwill balance of HK$11.3 million as at 31 December 2004 to the retained profits reserve as a result of the Group's adoption of IFRS 3 which is explained in the "Negative goodwill" section in this results announcement; ii) the FY2005 profit after taxation attributable to the Group's shareholders of HK$10.9 million; and iii) exchange difference on translation of financial statements of foreign entities of the Group carried to reserves.

Cashflows

The Group recorded a net cash inflow of HK$6.3 million from operating activities in FY2005, as compared to HK$9.9 million for the same period in FY2004.

The Group recorded a net cash outflow of HK$0.2 million in investing activities in FY2005, as compared to HK21.6 million in FY2004.

The Group recorded a net cash outflow of HK$0.1 million from financing activities in FY2004, as compared to a net cash inflow of HK$83 million in FY2004.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

During the year 2006, it is expected that the transformation of the PRC banking industry will continue, though competition from other emerging market players over the IT outsourcing contracts, in particular those from the tier 1 banks, would be tense and thus lowering the overall margin in all respect.

Also, the consulting contracts from a tier 1 bank customer in the PRC for both phase 1 and phase 2 of the bank's core banking systems have recently been successfully completed and as such we would anticipate that the profit stream generated from providing consulting services to tier 1 banks would be at a diminishing trend this year. Having said that, building upon our established relationship with this bank, we have already begun discussion and conducted feasibility study with this bank to obtain consulting contracts for other systems of the bank. And to take advantage of our experiences with the tier 1 banks and personnel technical competencies, we would foresee that we could be able to continue capturing consulting businesses with the tier 2 banks in the PRC for the next 12 months.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. **If no dividend has been declared/recommended, a statement to that effect**

No dividend is declared/recommended for this period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

No business segment information is presented as the Group operates principally as a single business segment for the provision of IT consulting, IT support and business transformation services and ancillary activities, including computer application systems licensing and sales of IT equipment to customers in the People's Republic of China ("PRC") and other Asian countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of the customers. Segment capital expenditures and assets are based on the geographical location of the assets. Geographical information about the Group's revenue, capital expenditure and assets is as follows:

	2005	**2004**
	HK$'000	*HK$'000*
Revenue		
PRC	63,847	54,760
Hong Kong	-	1,712
Taiwan	-	1,076
Singapore	-	942
Unallocated revenue	1,204	806
	65,051	59,296
Capital expenditure		
PRC	98	19,449
Hong Kong	65	4,161
Singapore	-	14
	163	23,624

Note: Capital expenditure comprises additions to property, plant and equipment and other assets.

	2005	**2004**
Segment assets		
PRC	126,698	97,596
Hong Kong	29,332	27,701
Singapore	280	1,835
Unallocated assets	66	-
	156,376	127,132

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to section 8 above.

15. A breakdown of sales

	Group		
	2005 HK$'000	**2004 HK$'000**	**change %**
Revenue from provision of services reported for first half year	24,875	26,381	(5.7)
Other income	663	8,109	(91.8)
Profit after tax	5,787	18,117	(68.0)
Revenue from provision of services reported for second half year	21,938	24,365	(10.0)
Revenue from sales of IT equipment for second half year	17,034	-	N/A
Other income	541	441	22.7
Profit after tax	5,080	6,334	(19.8)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

BY ORDER OF THE BOARD

27 FEBRUARY 2006