

NEW TIMES GROUP HOLDINGS LIMITED

(新時代集團控股有限公司)*

(incorporated in Bermuda with limited liability)
(Stock Code: 166)

2004/2005 FINAL RESULTS ANNOUNCEMENT AND RESUMPTION OF TRADING

The board of directors (the "Board") of New Times Group Holdings Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2005 as follows.

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2005

(Expressed in Hong Kong dollars)

	Notes	2005 \$'000	2004 \$'000
TURNOVER			
Continuing operations	3	4,976	2,819
Discontinued/discontinuing operations	7	48	20,824
		<u>5,024</u>	<u>23,643</u>
Cost of sales		–	(16,949)
Gross profit		5,024	6,694
Other revenues	3	2,247	1,910
Selling and distribution costs		–	(175)
Administrative expenses		(11,122)	(25,897)
Other operating expenses		(13,906)	(33,747)
Write-back of provision for legal and professional costs		409	13,000
Gain on disposal of discontinued operations		–	2,101
LOSS FROM OPERATING ACTIVITIES	4	<u>(17,348)</u>	<u>(36,114)</u>
Finance costs	5	(464)	(788)
LOSS BEFORE TAX		<u>(17,326)</u>	<u>(23,257)</u>
Continuing operations		(17,326)	(23,257)
Discontinued/discontinuing operations	7	(486)	(13,645)
		<u>(17,812)</u>	<u>(36,902)</u>
TAX	6		
Continuing operations		(458)	(159)
Discontinued/discontinuing operations	7	–	(276)
		<u>(458)</u>	<u>(435)</u>
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>(18,270)</u>	<u>(37,337)</u>
LOSS PER SHARE	8		
– Basic		<u>(4) cents</u>	<u>(9) cents</u>
– Diluted		<u>N/A</u>	<u>N/A</u>

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND POTENTIAL IMPACT ARISING FROM RECENTLY ISSUED ACCOUNTING STANDARDS

These financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with the accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The financial statements have been prepared under the historical cost convention.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the preparation of the financial statements for the year ended 31 March 2005.

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on the preparation and presentation of its results of operations and financial position. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

2. SEGMENT INFORMATION

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

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

Continuing operations

- (a) the property investment;
- (b) the provision of financial services;

Discontinued/discontinuing operations

- (c) the provision of corporate finance, securities investment and investment advisory services;
- (d) the manufacture and distribution of precision components processing equipment; and
- (e) the trading of precision components processing equipment.

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

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

* For identification only

(a) **Business segments**

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's business segments.

Group

	Continuing operations				Discontinued/discontinuing operations								Consolidated	
	Property investment		Financial services		Corporate finance, securities investment and investment advisory services		Manufacture and distribution of precision components processing equipment		Trading of precision components processing equipment		Eliminations			
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Segment revenue:														
Sales and services to external customers	4,095	1,587	881	1,232	-	2,236	-	18,089	48	499	-	-	5,024	23,643
Intersegment sales	-	-	-	-	-	2,466	-	-	-	-	-	(2,466)	-	-
Other revenues	-	-	79	50	-	100	-	130	1,070	22	-	-	1,149	302
Total	<u>4,095</u>	<u>1,587</u>	<u>960</u>	<u>1,282</u>	<u>-</u>	<u>4,802</u>	<u>-</u>	<u>18,219</u>	<u>1,118</u>	<u>521</u>	<u>-</u>	<u>(2,466)</u>	<u>6,173</u>	<u>23,945</u>
Segment results	<u>2,086</u>	<u>1,382</u>	<u>937</u>	<u>1,093</u>	<u>-</u>	<u>(533)</u>	<u>-</u>	<u>(1,198)</u>	<u>(486)</u>	<u>(11,558)</u>	<u>-</u>	<u>(2,466)</u>	<u>2,537</u>	<u>(13,280)</u>
Unallocated interest income, dividend income and unallocated gains													1,098	3,709
Unallocated expenses													(20,983)	(26,543)
Loss from operating activities													(17,348)	(36,114)
Finance costs													(464)	(788)
Loss before tax													(17,812)	(36,902)
Tax													(458)	(435)
Net loss from ordinary activities attributable to shareholders													<u>(18,270)</u>	<u>(37,337)</u>

Group

	Continuing operations				Discontinued/discontinuing operations						Consolidated			
	Property investment		Financial services		Corporate finance, securities investment and investment advisory services		Manufacture and distribution of precision components processing equipment		Trading of precision components processing equipment					
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Segment assets	121,460	77,348	12,776	40,384	-	-	-	-	86	1,932	134,322	119,664		
Unallocated assets											23,476	48,753		
Total assets											<u>157,798</u>	<u>168,417</u>		
Segment liabilities	13,284	3,605	145	162	-	-	-	-	23	298	13,452	4,065		
Unallocated liabilities											8,502	10,238		
Total liabilities											<u>21,954</u>	<u>14,303</u>		
Other segment information:														
Depreciation	588	-	-	147	-	114	-	1,090	-	1,638	588	2,989		
Unallocated depreciation											391	562		
Total											<u>979</u>	<u>3,551</u>		
Provision for bad and doubtful debts	-	-	-	-	-	955	-	-	-	863	-	1,818		
Unallocated provision for bad and doubtful debts											-	22		
											<u>-</u>	<u>1,840</u>		
Unrealised loss on short term list investments	-	-	391	-	-	-	-	-	-	-	391	-		
Unallocated unrealised loss on short term listed investments											4,063	6,076		
											<u>4,454</u>	<u>6,076</u>		
Deficit on revaluation of fixed assets	800	-	-	-	-	-	-	-	-	-	800	-		
Impairment losses recognised in the income statement	-	-	-	-	-	-	-	-	-	5,526	-	5,526		
Surplus on revaluation recognised directly in equity	-	4,285	-	-	-	-	-	-	-	-	-	4,285		
Capital expenditure	40,000	71,187	-	-	-	-	-	51	-	-	40,000	71,238		
Unallocated capital expenditure											10	901		
Total											<u>40,010</u>	<u>72,139</u>		

(b) **Geographical segments**

Group

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments.

	Hong Kong		Mainland China		Taiwan		Eliminations		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:										
Sales and services to external customers	929	3,967	4,095	10,360	-	9,316	-	-	5,024	23,643
Other revenue	1,149	173	-	78	-	51	-	-	1,149	302
Total	<u>2,078</u>	<u>4,140</u>	<u>4,095</u>	<u>10,438</u>	<u>-</u>	<u>9,367</u>	<u>-</u>	<u>-</u>	<u>6,173</u>	<u>23,945</u>

Other segment information:

Segment assets	36,338	91,069	121,460	77,348	–	–	–	–	157,798	168,417
Capital expenditure	10	944	40,000	71,187	–	8	–	–	40,010	72,139

3. TURNOVER AND OTHER REVENUES

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, income from the rendering of services, rental income and interest income earned during the year.

An analysis of the Group's turnover and other revenues.

	2005 \$'000	2004 \$'000
Turnover		
Corporate finance and investment advisory fees:		
Discontinued operations	–	2,236
Sale of goods:		
Discontinued/discontinuing operations	48	18,588
Rental income, net of business tax of \$215,512 (2004: \$88,825):		
Continuing operations	4,095	1,587
Interest income:		
Continuing operations	881	1,232
	<u>5,024</u>	<u>23,643</u>
Other revenues		
Interest income from bank	–	24
Write back of provision for bad and doubtful debts	778	–
Profit on disposal of fixed assets	367	–
Gain on disposal of other investments	75	1,500
Exchange gains, net	–	16
Others	1,027	370
	<u>2,247</u>	<u>1,910</u>

4. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

	2005 \$'000	2004 \$'000
Cost of inventories sold	–	16,503
Depreciation	979	3,551
Minimum lease payments under operating leases on leasehold land and buildings	1,394	3,599
Auditors' remuneration	260	550
Amortisation of goodwill	2,951	–
Staff costs (excluding directors' remuneration)		
Wages and salaries	4,184	6,735
Pension scheme contributions	122	337
	4,306	7,072
Deficit on revaluation of fixed assets	800	–
Provision for inventory obsolescence	–	446
Loss on disposal of fixed assets*	205	270
Impairment of fixed assets*	–	5,526
Provision for bad and doubtful debts*	–	1,840
Loss on disposal of short term listed investments, net*	5,415	20,035
Unrealised loss on short term listed investments*	4,454	6,076
Provision for impairment on investment*	81	–
Write-back of provision for staff bonus	–	(3,109)
Net rental income	(3,556)	(1,382)

* Included in "Other operating expenses" on the face of the consolidated income statement.

5. FINANCE COSTS

	2005 \$'000	2004 \$'000
Interest on amounts due to securities dealers	432	766
Interest on finance leases	32	22
	<u>464</u>	<u>788</u>

6. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2004: Nil).

One of the Group's subsidiary registered in the People's Republic of China (the "PRC") is exempt from PRC corporate income tax for two years starting from the first profitable year of their operations and are entitled to a 50% relief from corporate income tax for the following three years under the PRC tax laws. No provision for income tax had been made as this subsidiary has available tax losses brought forward from prior years to offset the assessable profits generated. This subsidiary had been disposed in August 2003.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, practices and interpretations in respect thereof. In accordance with the relevant tax rules and regulations, the Company's subsidiary registered in PRC benefits from income tax exemption and reduction.

	2005 \$'000	2004 \$'000
Group:		
Hong Kong		
Charge for the year	–	–
Under-provision in prior years	48	276
Elsewhere	410	159
Deferred taxation	–	–
Tax charge	<u>458</u>	<u>435</u>

A reconciliation of the tax charge applicable to loss before tax using the statutory rates for the countries in which the Company and its subsidiaries are principally domiciled to the tax expense at the Group's effective tax rates, and a reconciliation of the applicable rate (i.e., the statutory tax rate of Hong Kong) to the effective tax rate, are as follows:

	2005		2004	
	\$'000	%	\$'000	%
Loss before tax	(17,812)		(36,902)	
Tax at the statutory tax rate of 17.5% (2004: 17.5%)	(3,117)	17.5	(6,458)	17.5
Higher tax rate of other countries	410	(2.3)	(159)	0.4
Income not subject to tax	(7,397)	41.5	(3,450)	9.3
Expenses not deductible for tax	9,794	(55.0)	9,692	(26.2)
Under-provision in prior years	48	(0.3)	276	(0.7)
Tax losses utilised from previous periods	-	-	(41)	0.1
Tax losses not recognized	720	(4.0)	575	(1.6)
Tax charge at the Group's effective rate	458	(2.6)	435	(1.2)

7. DISCONTINUED/DISCONTINUING OPERATIONS

Pursuant to a sale and purchase agreement dated 22 July 2003, the Group disposed of its entire interests in certain subsidiaries engaging in the manufacture and distribution of precision components processing equipment to an independent third party for a cash consideration of \$25 million. The disposal of the above business was completed on 21 August 2003 and resulted in a gain on disposal of subsidiaries of approximately \$192,000 for the year ended 31 March 2004.

Pursuant to a sale and purchase agreement dated 22 August 2003, the Group disposed of its entire interests in a subsidiary engaging in the provision of corporate finance and investment advisory services for a cash consideration of \$7 million. The disposal of the above business was completed on 30 December 2003 and resulted in a gain on disposal of a subsidiary of approximately \$1,909,000 for the year ended 31 March 2004.

Pursuant to a board resolution passed on 23 July 2004, the Group ceased the operations of trading of precision components processing equipment through abandonment.

The results of the discontinued/discontinuing operations included in the consolidated income statement for the two years ended 31 March 2005 and 31 March 2004 were as follows:

	Corporate finance, securities investment and investment advisory services		Manufacture and distribution of precision components processing equipment		Trading of precision components processing equipment		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
TURNOVER	-	2,236	-	18,089	48	499	48	20,824
Cost of sales	-	-	-	(16,214)	-	(735)	-	(16,949)
Gross profit/(loss)	-	2,236	-	1,875	48	(236)	48	3,875
Other revenues	-	103	-	135	1,070	22	1,070	260
Administrative expenses	-	(4,311)	-	(3,024)	(1,524)	(4,955)	(1,524)	(12,290)
Other operating expenses	-	(1,024)	-	(179)	(80)	(6,389)	(80)	(7,592)
Gain on disposal of discontinued operations	-	1,909	-	192	-	-	-	2,101
LOSS BEFORE TAX	-	(1,087)	-	(1,001)	(486)	(11,558)	(486)	(13,646)
Tax	-	(276)	-	-	-	-	-	(276)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	-	(1,363)	-	(1,001)	(486)	(11,558)	(486)	(13,922)

The carrying amounts of the total assets and liabilities relating to the discontinued/discontinuing operations as at 31 March were as follows:

	Corporate finance, securities investment and investment advisory services		Manufacture and distribution of precision components processing equipment		Trading of precision components processing equipment		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Total assets	-	-	-	-	86	1,932	86	1,932
Total liabilities	-	-	-	-	(23)	(298)	(23)	(298)
Net assets	-	-	-	-	63	1,634	63	1,634

8. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss attributable to shareholders for the year of \$18,270,000 (2004: \$37,337,000) and the weighted average number of 433,302,000 (2004: 419,768,732) ordinary shares in issue during the year.

Diluted loss per share amounts for the current and prior years have not been disclosed as the share options outstanding during these years had no dilutive effect on the basic loss per share for these years.

DIVIDEND

The Board does not recommend any final dividends for this financial year (2004: nil).

MANAGEMENT DISCUSSIONS AND ANALYSIS FINANCIAL REVIEW

Turnover of the Group for the year ended 31 March 2005 was about \$5 million (2004: \$23.6 million), a decrease of about 79% which is mainly due to the cessation of the manufacturing and trading business of the Group in the last financial year and in July 2004 respectively. A full year rental income of approximately \$4.1 million was recorded for the year as compared to the three-months operations with rental income of about \$1.6 million in last year. Income derived from the financial services business of approximately \$0.9 million (2004: \$1.2 million) was recorded for the year. The Group recorded a consolidated loss attributable to shareholders of about \$18.3 million (2004: \$37.3 million). The loss was mainly attributed to the unrealized loss on short term listed investments which amounted to about \$4.4 million (2004: \$6.1 million), together with the loss on disposal of short term listed investments which amounted to about \$5.4 million (2004: \$20 million). Nevertheless, the Group was able to reduce the loss by approximately 51% as compared to last year and was mainly due to the decrease in loss on listed investments by about \$16.3 million, together with reduction in the administrative expenses of the Group of about \$14.8 million as a result of a more stringent control of the Group's overheads.

Loss per share for the year was 4 cents (2004: 9 cents) and the Board does not recommend any final dividends for this financial year (2004: Nil).

BUSINESS OVERVIEW

With a redefined corporate strategy as mentioned in the Company's last annual report, the Group has extended its business to the field of property investment through acquisitions in Mainland China. A rental income of approximately \$4.1 million (2004: \$1.6 million) was generated from the Group's property investment in certain commercial properties in Beijing, PRC for the year.

At the end of the last financial year, the Group entered into a conditional agreement for the acquisition of the entire issued share capital of a company holding 100% interests in certain industrial land situated at Shenzhen, PRC at a total consideration of \$55 million. The acquisition was completed in this financial year. Although constructions were in progress throughout this financial year, the management believes that this investment will generate reasonable financial returns in the coming years.

Since 2003, the management had been closely monitoring the performance of the trading business of the Group, and the performance of the trading operations had been disappointing for the year due to fierce competitions. As mentioned in the Company's last annual reports, the Group had failed to introduce strategic partners to rejuvenate the trading business. Accordingly, the management decided to cease the trading operations through abandonment so as to save further resources and focus on the Group's property investment and development business and other potential businesses in the coming future.

For the year under review, income derived from the financial services business continued to provide stable, although insignificant income flow for the Group. The Group's investment portfolio continued to downsize. As mentioned above, the Group intended to focus on the Group's property investment and development business, and the financial services activities as well as the investment activities will be further downsized in the coming future.

Finally, the legal proceedings brought against the Company by a substantial shareholder of the Company since March 2001 has come to an end in this financial year. Mutual consensus had been reached between that substantial shareholder and the Company by way of a binding consent order signed between themselves and approved by the Supreme Court of Bermuda on 8 July 2004. Accordingly, a notice of discontinuance was filed on 12 July 2004 and as a result, all proceedings against the Company was terminated, and a write-back of provision of legal and professional costs of \$13 million and \$409,000 were recorded in the last and current financial year respectively.

REVIEW OF BUSINESS OPERATIONS

Discontinued Operations

Trading

The Group's trading business had been disappointing under extensive competitions from other market participants; turnover decreased by approximately 91% to approximately \$50,000 as compared to the corresponding period of \$0.5 million. Loss from trading operations was about \$0.5 million for the year (2004: loss of \$11.6 million). As mentioned in the Company's last annual reports, the Group had failed to introduce strategic partners to rejuvenate the trading business. Accordingly, in a Board meeting in July 2004, the management decided to cease the trading operations so as to save further resources and focus on the Group's property investment and development business and other potential businesses in the coming future.

Continuing Operations

Property Investments and Development

Gross rental income in certain commercial properties in Beijing, PRC for the year amounted to about \$4.1 million (2004: \$1.6 million), representing a growth of approximately 160% from last financial year. Profit from operations increased from \$1.4 million to \$2.1 million for this year, representing an increase of approximately 50%. The increase was mainly due the inclusion of a full year results for the current year as compared to the three-months' results since the acquisition of the property investment business by the end of December 2003. With the improvement in the macroeconomic outlook of Mainland China, the urbanization program implemented by the Beijing municipal government and continually maturing market policies, the management sees the Beijing property market would grow steadily in the coming future. When opportunities arise and at reasonable terms, the management may dispose part of the properties so as to capitalize the appreciation of the value of the properties and release capital for further investments to strengthen the earning stream.

In order to enrich the earning base and firmly establish its footing in the Mainland China, the Group continues to expand its PRC portfolio. On 29 March 2004, the Group entered into a conditional agreement for the acquisition of the entire issued share capital of Smart Wave Limited ("Smart Wave") and the benefit of a shareholder's loan due from Smart Wave to the vendor at considerations of approximately \$21.3 million and \$33.7 million, respectively. Smart Wave was incorporated in the British Virgin Islands and is an investment holding company whose principal asset was an indirect equity interest in certain industrial land situated at Shenzhen, PRC. The acquisition was completed on 9 July 2004. The management believes that with the increasing demand for quality industrial complex, and the acquisition would enable the Group to tap this opportunity once the development for the land was completed in the coming financial year as scheduled. The management is confident that the investment will generate reasonable financial returns in the coming years.

Investments and Financial Services

A loss on disposal of short term listed investments of approximately \$5.4 million (2004: \$20 million) was recorded for the year. During the year, provision for unrealized loss on short term listed investments of approximately \$4.4 million (2004: \$6.1 million) was recorded. The Hong Kong economy continued to improve during the year, together with the recovered investment environment, the management believes the capital market will improve in the coming future. Interest income derived from the financial services operations of approximately \$0.9 million was recorded for the year (2004: \$1.2 million). Although the management believes that the financial services operations can continually providing steady flow of interest income to the Group, the financial services activities as well as the investment activities will be further downsized in the coming future as the Group intended to focus on the Group's property investment and development business in the coming years.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

The financial position of the Group remains healthy for the year. As at 31 March 2005, the Group maintained a cash level of about \$2.6 million, with a current ratio of about 1.0 (total current assets to total current liabilities) (2004: 5.7). The decrease in the current ratio as compared to that as at 31 March 2004 was mainly due to the utilization of most of the Group's cash resources in the acquisitions of the Group's property investments during the year.

Except for the hire purchase of certain fixed assets of the Group, the Group had no bank borrowings and not pledged any of the Group's assets as at the year end date.

Contingent Liability

The Group did not have any material contingent liabilities as at 31 March 2005 (2004: Nil).

Capital Investments and Commitments

During the financial year under review, except for the capital expenditures in relation to the acquisition of certain industrial land in Shenzhen, PRC, the Group did not incur any material capital investment or expenditure. As at year end date, the Group had capital commitment in respect of the construction cost in relation to certain industrial land in Shenzhen, PRC amounted to \$62.5 million.

Pursuant to a contractual arrangement with the constructor of the land, the constructor will recover the construction cost out of the net proceeds from the sale or rental generated from the properties constructed on the land in the 18-month period from completion of the construction of the properties on the land. In the event that the net proceeds from the sale or rental generated over the aforesaid period is insufficient to repay the constructor the full amount of the construction cost, the shortfall would be satisfied by the transfer of certain properties on the land with an equivalent market value (calculated on the basis of the then prevailing market price of those properties) to the constructor in full and final settlement of any liability of the Group towards the constructor in relation to the construction cost.

Foreign exchange and interest rate exposure

The Group mainly earned revenue and incurred cost in Renminbi and Hong Kong Dollar. The directors consider the impact of foreign exchange of the Group is minimal. Although the management believes the impact will be minimal, the management will closely monitor the fluctuation in this currency and take appropriate actions when condition arises.

EMPLOYMENT, TRAINING AND REMUNERATION POLICY

As at 31 March 2005, the Group's operations engaged a total of about 20 staffs. The remuneration policy of the Group's employees are reviewed and approved by the executive directors based on individual experience and qualifications as well as the job responsibilities and market conditions at the relevant time. Discretionary bonus is linked to the profit performance of the Group as well as individual performance. During the year, no share options were granted to any director or employee of the group. Benefits include staff accommodation, medical schemes and Mandatory Provident Fund Scheme for Hong Kong employees, and state-sponsored retirement plans for employees in PRC.

PROSPECTS

Gradual shift of its corporate strategy from the manufacturing business and the corporate finance and investment advisory business to property investment business allows the Group to focus its resources on property investment in Mainland China in an attempt to broaden its earning base and catch new opportunities in the long run. By adopting a prudent approach in its new business development and financial strategy, the Group hopes to take advantage of new business opportunities with strong market momentum and potential. It is believed that the new business strategy will bring to the shareholders greater value created from the new business in the long run. The management of the Group will continue to search for any potential investment opportunities that can benefit the Group in the long term.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CORPORATE GOVERNANCE

The audited financial statements of the Company for the year ended 31 March 2005 had been reviewed by the Audit Committee before they were duly approved by the Board under the recommendation of the Audit Committee.

In the opinion of the directors, the Company has complied throughout the year ended 31 March 2005 with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") which was in force prior to 1 January 2005 save that the non-executive directors of the Company are not appointed for a specific term. Nevertheless, they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws. The Code was replaced by the Code on Corporate Governance Practices (the "New Code") which has become effective for accounting periods commencing on or after 1 January 2005. Appropriate actions are being taken by the Company for complying with the New Code.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive directors are independent.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2005.

AUDIT COMMITTEE

The Company's audit committee comprises three independent non-executive directors of the Company, namely Ms. Kwai Laam, Mr. Qi Jin Feng and Mr. Law Fei Shing. The audit committee has been delegated the authority from the Board to review the financial reporting and internal control procedures of the Company.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

Information as required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange (<http://www.hkex.com.hk>) in due course.

RESUMPTION OF TRADING

Trading in the shares of the Company was suspended with effect from 9:30 a.m. on Friday, 29 July 2005 pending the release of the final results announcement of the Company for the year ended 31 March 2005 at the request of the Company and application has been made to the Stock Exchange for the resumption of trading of the shares of the Company with effect from 9:30 a.m. on Monday, 31 October 2005.

The Board as of the date of this announcement comprises six Directors, including Mr. Liu Ji Cheng as the Deputy Chairman, Mr. Lam Kwan Sing as the Executive Director, Ms. Huang Ning as the Non-executive Director, Ms. Kwai Laam, Mr. Qi Jin Feng and Mr. Law Fei Shing as the Independent non-executive Directors.

By Order of the Board
Lam Kwan Sing
Executive Director

Hong Kong, 28 October 2005

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of New Times Group Holdings Limited (the “**Company**”) will be held at Unit 2003-06, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Wednesday, 30 November 2005 at 11:00 a.m., for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2005;
2. To re-elect directors and to authorize the board of directors to fix their remuneration;
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration;
4. To consider and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company:–

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:–
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

By order of the Board of
New Times Group Holdings Limited
Lam Kwan Sing
Executive Director

Hong Kong, 28 October 2005

Head office and Principal place of business in Hong Kong:

Unit 2003-06
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Notes:–

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the share registrar of the Company in Hong Kong, Tengis Limited at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

“Please also refer to the published version of this announcement in China Daily.”