CONCEPTA INVESTMENTS LIMITED
正奇投資有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1140)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2005

RESULTS

The Board of Directors (the "Board") of Concepta Investments Limited (the "Company") is pleased to announce the unaudited condensed results of the Company for the six months ended 30th September 2005 (the "Period") with comparative figures for the corresponding period in 2004 and selected explanatory notes as under. These results have been reviewed by the Audit Committee of the Company.

CONDENSED INCOME STATEMENT

For the six months ended 30 September 2005

		Six months ended 30 September	
		2005	2004
		(Unaudited)	(Unaudited)
	Note	***HK$***	*HK$*
Turnover	*4*	**199,920**	217,878
Net gain on disposal of financial assets at fair value through profit or loss – listed		**495,386**	–
Fair value gain on financial assets at fair value through profit or loss – listed		**6,066,119**	–
Net loss on disposal of other investments – listed		**–**	(3,200,480)
Net unrealised holding loss on other investments – listed		**–**	(2,625,904)
Other revenue – interest income		**151,723**	1,747
Administrative expenses		**(1,262,528)**	(1,278,022)
Profit/(Loss) before taxation	*6*	**5,650,620**	(6,884,781)
Taxation	*7*	**–**	–
Net profit/(loss) attributable to shareholders		**5,650,620**	(6,884,781)
Interim dividend		**–**	–
Basic earnings/(loss) per share	*8*	**5.65 cents**	(6.88) cents

CONDENSED BALANCE SHEET

At 30 September 2005

	30 September 2005 (Unaudited) *HK$*	31 March 2005 (Audited) *HK$*
Non-current assets		
Plant and equipment	**10,937**	14,797
Investment securities	**–**	778,000
Available-for-sale financial assets	**778,000**	–
	788,937	792,797
Current assets		
Other investments	**–**	18,087,200
Financial assets at fair value through profit or loss	**23,817,500**	–
Prepayments and other receivables	**47,926**	126,167
Bank balances	**26,582,810**	29,037,553
	50,448,236	47,250,920
Current liabilities		
Accrued charges	**270,308**	234,221
Amount due to a broker	**–**	1,894,930
Tax payable	**–**	598,321
	270,308	2,727,472
Net current assets	**50,177,928**	44,523,448
Total assets less current liabilities	**50,966,865**	45,316,245
Non-current liabilities		
Deferred taxation	**2,085**	2,085
NET ASSETS	**50,964,780**	45,314,160
Capital and reserves		
Share capital	**10,000,000**	10,000,000
Reserves	**40,964,780**	35,314,160
SHAREHOLDERS' FUNDS	**50,964,780**	45,314,160
Net asset value per share	**0.51**	0.45

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2005

1 Basis of preparation of financial statements

The condensed unaudited interim financial statements ("Interim Report") have been prepared in accordance with applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange of Hong Kong Limited ("Stock Exchange") and compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2 Principal accounting policies

The Interim Report is prepared under the historical cost convention, except that, certain financial instruments are stated at fair value.

The Interim Report should be read in conjunction with the 2005 annual financial statements.

The principal accounting policies used in the preparation of this Interim Report are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2005, except for the accounting policy changes described in Note 3 below.

3 Changes in accounting policies

In the current period, the Company has applied, for the first time, a number of new and revised Hong Kong Financial Reporting Standards, HKAS and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by HKICPA that are effective for accounting periods beginning on or after 1 January 2005. The adoption of the new HKFRSs has resulted in changes to the Company's accounting policies in the following areas but have no effect on how the results for the current or prior accounting periods are prepared.

Financial instruments

In the current period, the Company has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permitted the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are as follows:

Classification and measurement of financial assets and liabilities

The Company has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

By 31 March 2005, the Company classified and measured its equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 ("SSAP 24"). Under SSAP 24, investments in equity securities are classified as "investment securities", "other investments" or "held-to-maturity investments" as appropriate. "Investment securities" are carried at cost less impairment losses (if any) while "other investments" are measured at fair value, with unrealised gains or losses included in the income statement. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1 April 2005 onwards, the Company classifies and measures its equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". The classification depends on the purpose for which the assets are acquired. "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair value recognised in the income statement and equity respectively. Available-for-sale financial assets of which the fair value cannot be measured reliably are stated at cost less impairment. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method.

On 1 April 2005, the Company classified and measured its equity securities in accordance with the requirements of HKAS 39. The Company reclassified its investment securities with carrying amount of HK$778,000 as available-for-sale financial assets, other investments with carrying amount of HK$18,087,200 as financial assets at fair value through profit or loss. This change has no material effect on the results for the current or prior accounting periods.

Potential impact of new standards not yet applied

The Company has not early applied the following new standards or interpretations that have been issued but are not yet effective.

HKAS 1 Amendment	Capital Disclosures
HKAS 19 Amendment	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 Amendment	Cash Flow Hedge Accounting for Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 and HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) – Int 4	Determining whether an Arrangement contains a Lease
HK (IFRIC) – Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK (IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market, Waste Electrical and Electronic Equipment

The Company has already commenced an assessment of the impact of these new standards or interpretations but is not yet in a position to determine whether these new standards or interpretations would have a significant impact on its results of operations and financial position.

4 Turnover

The Company principally engaged in medium to long-term investments in listed and unlisted securities in the Greater China. Turnover represented dividend income from investments in securities during the Period.

5 Segment information

No segment information is presented as all of the turnover, contribution to operating results, assets and liabilities of the Company are attributable to investment activities which are carried out or originated principally in Hong Kong.

6 Profit/(Loss) before taxation

Profit/(Loss) before taxation is stated after charging the following:

	Six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited)
	HK$	*HK$*
Contributions to retirement benefits scheme (already included in staff costs)	**12,000**	10,000
Depreciation	**3,860**	3,860
Operating lease payments in respect of office premises	**54,000**	54,000
Staff costs (including directors' emoluments)	**457,998**	417,570

7 Taxation

No provision for Hong Kong profits tax is required since the Company has sufficient tax losses brought forward to set off against current period's assessable profit.

The taxation for the six months ended 30 September 2005 and 30 September 2004 can be reconciled to profit/(loss) per the income statement as follows:

	Six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited)
	HK$	*HK$*
Profit/(loss) before taxation	**5,650,620**	(6,884,781)
Tax at Hong Kong profits tax rate of 17.5% (2004: 17.5%)	**988,858**	(1,204,836)
Tax effect of income that is not taxable in determining taxable profit	**(61,537)**	(38,434)
(Tax effect of utilisation of tax losses previously not recognised)/ Tax effect of deferred tax asset not recognised	**(927,321)**	1,243,270
Taxation	**–**	–

8 Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the Company's net profit attributable to the shareholders of HK$5,650,620 (2004: Net loss of HK$6,884,781) divided by the weighted average number of ordinary share outstanding during the Period, being 100,000,000 (2004: 100,000,000).

There were no dilutive potential shares during the period ended 30 September 2005 and 30 September 2004, therefore, no diluted earnings/(loss) per share has been presented.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend in respect of the six months ended 30 September 2005 (2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

For the Period under review, the fluctuation of Hang Sang China Enterprises Index fluctuated between 4,485 and 5,542 points. The Company maintained a defensive strategy of buying undervalued stocks. The Board believes the slump of China property sector led by China's central government austerity measures had made different impact on different regions and some of the China property developers were undervalued after the market correction.

The gain for the Period of approximately HKD 5.65 million was mainly attributable to unrealised gain of HKD 6 million on listed securities investment and administrative expenses of HKD 1.26 million. The unrealised gain was mainly resulted from equity investment on the undervalued China property stocks and small caps.

In the first three quarters of 2005, approximately HK$ 183 billion was raised from IPOs, placements, right issues, warrant issuance, etc. Part of the equity market liquidity has been and might continue to be absorbed by these fund raising activities for the coming two quarters. Existing market might turn more volatile in the coming two quarters than the pervious two. While the future liquidity flow on the back of rising interest rate and ongoing speculation about the looming Renminbi revaluation is unclear, the Board will continue to adopt a defensive strategy.

For the near future, the Board believes steel sectors will continue downward earning revisions. With the growing wealth level of China consumers, attention shall be paid on the growth side of the related stocks. The Board believes there are still undervalued growth stocks in the China consumer sector. While the earning visibility remains low, the Board remains defensive and looks for opportunities to add more positions in sectors such infrastructure, utility, consumer etc. of China.

Financial Review

Liquidity and financial resources

As at 30 September 2005, the Company had bank balances of HK$26,582,810 (31 March 2005: HK$29,037,553). The Board believes that the Company has sufficient financial resources to satisfy its immediate investments and working capital requirements.

The Company had net current assets of HK$50,177,928 (31 March 2005: HK$44,523,448) and no borrowings as at 30 September 2005, which positions the Company advantageously to pursue its investment strategies and new investment opportunities.

The gearing ratio, which was calculated on the basis of total liabilities over total shareholders' funds as at 30 September 2005, was 0.005 (31 March 2005: 0.06).

Capital Structure

There has been no change in the Company's capital structure since 31 March 2005.

Charges on The Company's Assets and Contingent Liabilities

As at 30 September 2005, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

Significant Investments Held

As at 30 September 2005, the Company held investments in listed shares of HK$23,817,500 (31 March 2005: HK$18,087,200) and unlisted securities of HK$778,000 (31 March 2005: HK$778,000).

Employees and Remuneration Policies

During the Period, the Company had 3 (2004: 3) employees, including executive directors. Total staff costs for the Period amounted to HK$457,998 (2004: 417,570). The Company's remuneration policies are in line with the market practice and are determined on the basis of the performance and experience of individual employee.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Company's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Company had no significant exposure to foreign exchange fluctuation.

Purchase, Sale or Redemption of Securities

During the Period, the Company has not purchased, sold or redeemed any of its listed shares.

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, at any time during the Period, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Company's audit committee, comprising three independent non-executive directors, has reviewed with management the accounting principles and practices adopted by the Company and discussed auditing, internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30 September 2005 before recommending them to the Board for approval.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

All the information required by 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises of executive directors, Mr. Zhang Zhi Ping, Mr. Zhang Gaobo, non-executive director, Mr. Liu Hongru and independent non-executive directors, Mr. Kwong Che Keung, Gordon, Prof. He Jia and Mr. Wang Xiaojun.

On behalf of the Board
ZHANG Gaobo
Executive Director

Hong Kong SAR, 22 December 2005

* *for identification purpose only*

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