

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MILLENNIUM GROUP LIMITED

豐泰集團國際有限公司

(incorporated in Hong Kong with limited liability)
(Stock Code: 260)

DELAY IN THE RELEASE OF THE AUDITED FINAL RESULTS FOR THE YEAR ENDED 30TH JUNE, 2004

The publication of the Final Results in the newspapers will be postponed to 16th December, 2004 and the Annual Report is expected to be despatched on or around 22nd December, 2004.

The Directors and their respective associates have not dealt in any Shares since 26th September, 2004 and have undertaken to the Stock Exchange that they will not deal in any Shares until the publication of the Final Results.

The Directors acknowledge that the delay in publication of the Final Results and despatch of the Annual Report constitute breaches of Rules 13.49(1), 13.49(2) and 13.46(1) of the Listing Rules. The Stock Exchange reserves its right to take appropriate action against the Company and the Directors regarding such breaches.

The Company advises its Shareholders and investors to exercise caution when dealing in the Shares.

DELAY IN THE RELEASE OF THE FINAL RESULTS

The board of directors (the "Directors") of Millennium Group Limited (the "Company", together with its subsidiaries, the "Group") announces that the publication of the audited results of the Group for the year ended 30th June, 2004 (the "Final Results") in the newspapers and the despatch of the annual report for the year ended 30th June, 2004 (the "Annual Report") will be postponed.

The delay in the publication of the Final Results is principally caused by the fact that a group of associated companies of the Company are still in the course of conducting audit for their financial statements for the year ended 30th June, 2004. Such associated companies became members of the Group as a result of the Group's acquisition of a 51% equity interest in their holding company as announced by the Company on 27th February, 2004. The management accounts of those associated companies are prepared in accordance with the generally accepted accounting principles of the People's Republic of China (the "PRC"). It is the first time of those associated companies that full audit reports in accordance with accounting principles generally accepted in Hong Kong are to be produced and hence extra time is incurred in agreeing the accounting treatment for those associated companies. As the results of the associated companies are required to be equity accounted for in the Group's financial statements according to the Statements of Standard Accounting Practice issued by the Hong Kong Institute of Certified Public Accountants, the Company is not able to finalise the Final Results pending the receipt of the audit reports for the said associated companies.

The associated companies are principally engaged in the investment, construction and operation of liquefied petroleum gas ("LPG") and compressed natural gas ("CNG") stations in the PRC, marketing and sale of plant and equipment for gas stations and provision of related system integration technology, the research, manufacturing and distribution of conversion kits for motor vehicles to switch to alternative fuel of LPG/CNG, and LPG/CNG storage and distribution.

The management of the associated companies have informed the Directors that the audited financial statements of the associated companies for the year ended 30th June, 2004 are expected to be available on or around 30th November, 2004. Upon receipt of the audited financial statements of the associated companies, the Company's auditors would review such reports and perform necessary audit procedures to ensure that the results of the associated companies have been properly accounted for in the Final Results. Accordingly, the Company requires additional time to finalise the Final Results and accordingly the publication of the Final Results and despatch of the Annual Report have to be postponed.

In light of the above, the meeting of the Board to consider the Final Results is now expected to be postponed to 15th December, 2004. The Final Results are expected to be published in the newspapers on 16th December, 2004 and the Annual Report is expected to be despatched to shareholders of the Company (the "Shareholders") on or around 22nd December, 2004.

In accordance with the Company's articles of association and in compliance with the Companies Ordinance, the Company plans to hold an annual general meeting by end of 2004. In order to give sufficient notice to Shareholders as required by relevant rules and requirements, the adoption of the Final Results will be considered in an adjourned annual general meeting to be held in 2005.

BREACHES OF LISTING RULES

The Directors acknowledge that the Company is in breach of Rule 13.46(1) of the Listing Rules, which requires the Annual Report to be despatched to the Shareholders within four months of the year end of 30th June, i.e., 31st October, 2004. The Directors also acknowledge that the Company is in breach of Rules 13.49(1) and 13.49(2) of the Listing Rules, which require publication in the newspapers of the Final Results not later than four months after its financial year end of 30th June, i.e. 31st October, 2004. The Stock Exchange reserves its right to take appropriate action against the Company and the Directors in respect of the breaches of the Listing Rules.

DIRECTORS' CONFIRMATION AND UNDERTAKING

The Directors and their associates confirm that they have not dealt in any Shares since 26th September, 2004 (being the commencement date of the one-month period immediately preceding the original board meeting scheduled on 27th October, 2004) and have undertaken to the Stock Exchange that they will not deal in any Shares until the publication of the announcement of the Final Results.

UNAUDITED MANAGEMENT ACCOUNTS

As the audit work for the associated companies is still in progress, their results have not been equity accounted for in the Group's unaudited consolidated results for the year ended 30th June, 2004 set out below. Comparative figures for the previous corresponding year are also disclosed below. Shareholders and potential investors should note that the unaudited consolidated results of the Group for the year ended 30th June, 2004 are based on the unaudited management accounts prepared by the Company and may be subject to adjustments upon finalisation of the audit, especially the share of results of associates of the Group.

	For the year ended 30th June, 2004 (unaudited) HK\$'000	2003 (audited) HK\$'000
Turnover	157,184	206,193
Cost of sales	(142,193)	(141,769)
Gross profit	14,991	64,424
Other operating income	1,220	1,636
Selling and distribution costs	(752)	(8,407)
Administrative expenses	(15,568)	(60,829)
Unrealised gain on other investments	745	124
Amortisation of goodwill	(1,132)	–
Release of negative goodwill	–	1,687
Loss from operations	(496)	(1,365)
Finance costs	(597)	(58)
Gain on disposal of subsidiaries	553	8,388
Loss on disposal of jointly controlled entities	–	(4,223)
Share of results of associates	(Note a)	(28,326)
Share of results of jointly controlled entities	(2,163)	815
Loss before taxation	(2,703)	(24,769)
Taxation	(78)	(2,143)
Loss before minority interests	(2,781)	(26,912)
Minority interests	(1,955)	6,586
Net loss for the year	(4,736)	(20,326)
Loss per share – basic and diluted (Note b)	(0.18 cents)	(0.91 cents)

Note a: As the audit work for the associated companies is still in progress, their results have not been equity accounted for in the Group's unaudited management accounts for the year ended 30th June, 2004.

Note b: For the purpose of comparative figure, the weighted average number of ordinary shares for the calculation of basic loss per share for the year 2003 has been adjusted for the rights issue of the Company which was completed on 16th February, 2004.

The Company's audit committee which comprises the three independent non-executive directors of the Company has conducted a preliminary review on the management accounts of the Group and did not have any disagreement with the accounting treatments which had been adopted in the preparation of the above unaudited consolidated results of the Group. Save as disclosed in this announcement, the Directors are not aware of any other matters relating to the Final Results which should be brought to the attention of the Shareholders.

GENERAL

As at the date hereof, the executive Directors are Dr. George Han Hsiao Yue, Mr. Liu Yangu and Ms. Ka Ying; and the independent non-executive Directors are Mr. Li Xinzhong, Mr. Tian Jianli and Ms. Li Zheng.

WARNINGS

In the meantime, Shareholders and investors are advised to exercise caution when dealing in the Shares.

By Order of the Board
Millennium Group Limited
Dr. George Han Hsiao Yue
Chief Executive Officer

Hong Kong, 28th October, 2004

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