

Report of the Directors

The directors submit their report together with the audited accounts for the year ended 31st March 2005.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 32 to the accounts.

An analysis of the Group's performance for the year by business and geographical segment is set out in note 2 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 27.

The directors have declared an interim dividend of HK3 cents per ordinary share, totalling HK\$11,858,000 which was paid on 7th January 2005. The directors recommend the payment of a final dividend of HK4 cents per ordinary share, totalling HK\$15,777,000.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 22 to the accounts.

FIXED ASSETS

Movements in the fixed assets of the Group are set out in note 11 to the accounts.

SHARE CAPITAL

Movements in the share capital of the Company are set out in note 21 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2005, calculated under the Companies Act 1981 of Bermuda, amounted to HK\$492,218,000 (2004: HK\$513,834,000).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 76.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company repurchased a total of 2,924,000 of its listed shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share		Aggregate purchase consideration HK\$
		Highest HK\$	Lowest HK\$	
August 2004	1,770,000	1.45	1.40	2,541,400
September 2004	235,000	1.41	1.35	323,530
October 2004	87,000	1.57	1.43	129,030
December 2004	178,000	1.50	1.45	261,940
January 2005	224,000	1.47	1.44	325,750
February 2005	280,000	1.60	1.47	425,350
March 2005	150,000	1.55	1.50	228,550
	2,924,000			4,235,550

All the repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained profits to the capital redemption reserve.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

- Tan Sri Datuk TIONG Hiew King (*Chairman*)
- Mr TIONG Kiu King
- Dr TIONG Ik King
- Mr TIONG Kiew Chiong
- * Mr TANG Ying Yu
- * Mr David YU Hon To
- * Mr Victor YANG (*appointed on 23rd September 2004*)

* *independent non-executive directors*

In accordance with bye-laws 99(A) and 182(iv) of the Company's bye-laws, Mr TIONG Kiu King and Mr TANG Ying Yu retire by rotation and, being eligible, offer themselves for re-election.

In accordance with bye-law 102(B) of the Company's bye-laws, Mr Victor YANG retires and, being eligible, offers himself for re-election.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive directors

Tan Sri Datuk TIONG Hiew King, aged 71, has been the Chairman of the Company since October 1995. Tan Sri Datuk TIONG Hiew King has extensive experience in a number of industries including timber, newspaper publishing and property development and investment. He is also the President of The Chinese Language Press Institute Limited.

Mr TIONG Kiu King, aged 70, has been an executive director of the Company since October 1995 and is a member of the Executive Committee of the Group. Mr TIONG graduated with a Diploma in Civil Engineering from Tak Ming College in Hong Kong in 1964. He is a brother of Tan Sri Datuk TIONG Hiew King.

Dr TIONG Ik King, aged 54, has been an executive director of the Company since October 1995. Dr TIONG graduated with a M.B.B.S. Degree from the National University of Singapore in 1975 and obtained a M.R.C.P. from the Royal College of Physicians in the United Kingdom in 1977. He is a brother of Tan Sri Datuk TIONG Hiew King.

Mr TIONG Kiew Chiong, aged 45, joined the Company as an executive director on 2nd May 1998 and is a member of the Executive Committee of the Group. Mr TIONG graduated with a Bachelor of Business Administration Degree from York University, Toronto, Canada in 1982.

Independent non-executive directors

Mr TANG Ying Yu, aged 60, has been an independent non-executive director of the Company since April 1995. Mr TANG is a civil engineer and acts as the managing director of both Southern Petroleum Company Limited and Wan Lai Company Limited.

Mr David YU Hon To, aged 57, was appointed as an independent non-executive director of the Company on 30th March 1999. Mr YU is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Hong Kong Institute of Certified Public Accountants. He was a partner of an international accounting firm with extensive experience in corporate finance. Mr YU is a founder and director of Management Capital Limited, which specialises in direct investment and financial advisory activities, and also on the board of several listed companies in Hong Kong.

Mr Victor YANG, aged 59, was appointed as an independent non-executive director of the Company on 23rd September 2004. Mr YANG is a partner with Boughton Peterson Yang Anderson, Solicitors, Hong Kong SAR and is also a qualified lawyer in Canada and the United Kingdom. He has extensive experience in the areas of corporate finance, commercial law, mergers, acquisitions and taxation.

Senior management

Mr ONG See Boon, aged 54, joined the Group in 1997. He is a member of the Executive Committee of the Group and is the Special Assistant to Chairman and Group Editorial Director. Mr ONG, who started his career as a journalist, has over 30 years of experience in the newspaper industry in Hong Kong and Malaysia.

Mr CHEUNG Kin Bor, aged 50, joined the Group in 1986. He is a member of the Executive Committee of the Group, and is a director and the Editor-in-chief of Ming Pao Newspapers Limited. Mr CHEUNG graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration Degree and has over 27 years of publishing and editorial experience in Hong Kong.

Mr KAM Woon Ting, Keith, aged 47, joined the Group in 1995. He is a member of the Executive Committee of the Group, and is a director and the General Manager of Ming Pao Newspapers Limited. Mr KAM oversees the sales and marketing as well as circulation of Ming Pao Daily News and has more than 20 years of experience in the media and advertising industries.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Company discloses that during the year, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King, directors of the Company, held directorships in Sin Chew Media Corporation Bhd ("SCMC") which is engaged in the business of newspaper publishing in Malaysia.

As the board of directors of the Company is independent of the board of SCMC, the Group operates its business independently of, and at arm's length from, the business of SCMC.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

SHARE OPTION SCHEME

Pursuant to a Share Option Scheme (the "Scheme") approved at the Special General Meeting of the Company held on 21st August 2001 and for the primary purpose of providing incentive to full time employees, the directors of the Company may at their discretion invite full time employees including executive directors of the Company and its subsidiaries to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

(a) Summary of terms:

The maximum individual entitlement of options shall not exceed 25% of the maximum aggregate number of shares in the capital of the Company in respect of which options may at that time be granted under the Scheme. The maximum number of shares in respect of which options may be granted (together with options exercised and options then outstanding) under the Scheme may not exceed 10% of the issued share capital of the Company from time to time excluding (i) any shares which have been duly allotted and issued pursuant to the Scheme and other schemes; and (ii) any pro-rata entitlements to further shares issued in respect of those shares mentioned in (i). The Scheme will remain valid for a period of ten years commencing on 21st August 2001 after which period no further options will be offered. The offer of a grant of share option may be accepted within 28 days from the date of offer upon payment of a nominal consideration of HK\$1.00 by the grantee. Options granted are exercisable within ten years after the date of grant or ten years after the adoption date of the Scheme (i.e. 20th August 2011), whichever is earlier.

Pursuant to the Listing Rules' new requirements governing share option schemes which came into effect on 1st September 2001, certain provisions of the Scheme were no longer applicable which included the basis of determining the subscription price. According to the Listing Rules, the share subscription price will be determined as the highest of (i) the nominal value of the shares of the Company, (ii) the average of the closing prices of the shares of the Company as stated in the daily quotation sheet by the Stock Exchange on the five trading days immediately preceding the granting of the options, and (iii) the closing price of the shares of the Company as stated in the daily quotation sheet by the Stock Exchange on the date of grant of the share options.

Report of the Directors

SHARE OPTION SCHEME (Cont'd)

(b) During the year, movements of the share options granted under the Scheme are as follows:

Grantees	Number of shares involved in share options				Balance at 31st March 2005	Percentage of issued ordinary shares at 31st March 2005	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1st April 2004	Granted during the year	Exercised during the year	Lapsed during the year (note)					
Directors:									
Tan Sri Datuk TIONG Hiew King	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001– 20/08/2011
Tan Sri Datuk TIONG Hiew King	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003– 20/08/2011
Mr TIONG Kiu King	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001– 20/08/2011
Mr TIONG Kiu King	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003– 20/08/2011
Dr TIONG Ik King	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001– 20/08/2011
Dr TIONG Ik King	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003– 20/08/2011
Mr TIONG Kiew Chiong	300,000	—	—	—	300,000	0.076%	1.592	31/08/2001	01/09/2001– 20/08/2011
Mr TIONG Kiew Chiong	300,000	—	—	—	300,000	0.076%	1.800	15/09/2003	16/09/2003– 20/08/2011
	2,400,000	—	—	—	2,400,000	0.608%			
Full time employees	1,787,000	—	—	(30,000)	1,757,000	0.446%	1.592	31/08/2001	01/09/2001– 20/08/2011
Full time employees	1,100,000	—	—	(60,000)	1,040,000	0.264%	1.320	29/08/2003	30/08/2003– 20/08/2011
Total	5,287,000	—	—	(90,000)	5,197,000	1.318%			

Note: During the year, 90,000 share options have lapsed by reason of the grantees ceased to be full time employees of the Company or its subsidiaries.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's businesses to which the Company, its subsidiaries, its holding company or its fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PARTICULARS OF INTERESTS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

At 31st March 2005, the interests of the directors, chief executives and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) are as follows:

Name of director	Number of shares/underlying shares held				Interests in underlying shares pursuant to share options (note 2)	Aggregate interests	Percentage of issued ordinary shares at 31st March 2005
	Personal interests	Family interests	Corporate interests (note 1)	Total interests in shares			
Tan Sri Datuk							
TIONG Hiew King	150,000	—	252,487,700	252,637,700	600,000	253,237,700	64.20%
Dr TIONG Ik King	—	—	252,487,700	252,487,700	600,000	253,087,700	64.17%
Mr TIONG Kiu King	611,000	147,000	—	758,000	600,000	1,358,000	0.34%
Mr TIONG Kiew Chiong	1,200,000	—	—	1,200,000	600,000	1,800,000	0.46%

Notes:

- (1) The corporate interests of Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King in the Company are jointly held through Conch Company Limited (“Conch”) which holds 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.
- (2) These represent share options granted by the Company to the relevant directors under the Share Option Scheme to subscribe for shares of the Company.

Save as disclosed above and those disclosed under “Share Option Scheme”, at 31st March 2005, none of the directors, chief executives and their associates had any interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Apart from the Share Option Scheme, at no time during the year were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 31st March 2005, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares at 31st March 2005
Conch Company Limited (<i>note 1</i>)	252,487,700	64.01%
Dr Louis CHA (<i>note 2</i>)	40,463,400	10.26%

All the interests stated above represent long positions in the shares of the Company.

Notes:

- (1) Conch Company Limited ("Conch") owns 252,487,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King. In addition, Tan Sri Datuk TIONG Hiew King and Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.
- (2) Dr Louis CHA beneficially owns 38,798,400 shares of the Company and Snowdrop Limited, a company wholly owned by Dr Louis CHA, owns 1,665,000 shares of the Company.

Save as disclosed above and those disclosed under "Particulars of interests held by Directors, Chief Executives and their Associates", the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company at 31st March 2005.

CONTINUING CONNECTED TRANSACTIONS

Following the completion of the strategic alliance with Redgate Media Inc. ("Redgate") in April 2004, Redgate became a connected person of the Company by virtue of Redgate's 40% interest in Winmax Resources Limited and its subsidiaries ("Winmax Group"), an indirect non-wholly owned subsidiary of the Company and currently operates the magazine business of the Group. Winmax Resources Limited became an associate of Redgate and the continuing connected transactions (the "Transactions") between Winmax Group and the Group are subject to disclosure requirements under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS (Cont'd)

Save for the Transactions exempted under Rule 14A.33(2) and Rule 14A.33(3)(b) of the Listing Rules, details of the Transactions entered into between Winmax Group and the Group during the year are set out as follows:

Nature of transactions	2005 HK\$'000	Annual Caps HK\$'000
Royalty fee paid by Winmax Group (<i>note 1</i>)	13,307	18,100
Circulation support services charge (<i>note 2</i>)	3,240	4,200
Charges for the leasing of:		2,500
(i) computers and other office equipment (<i>note 3</i>)	326	(total of
(ii) office space, storage space and parking spaces (<i>note 4</i>)	1,257	items (i) & (ii))

Notes:

- (1) The royalty fee was determined with reference to the range of royalty fees charged by independent market practitioners in the magazine licensing industry in Hong Kong and Mainland China markets.
- (2) The circulation support services charge was relating to the distribution, sales and promotion of the publications of Winmax Group and was determined on cost reimbursement basis.
- (3) Charges for the leasing of computers and other office equipment were determined on cost reimbursement basis and were based on the depreciation charges of the equipment provided.
- (4) Charges for the leasing of office space, storage space and parking spaces were determined on cost reimbursement basis and were based on prevailing market rates of comparable premises.

The directors, including the independent non-executive directors of the Company, have reviewed the Transactions including obtaining a letter from the Company's auditors in respect of the factual findings on the Transactions and confirmed that the Transactions were entered into by the Group:

- (i) in the ordinary and usual course of the Group's business;
- (ii) on normal commercial terms or on terms that are fair and reasonable so far as the shareholders of the Company are concerned;
- (iii) in accordance with the terms of the agreements governing such transactions or on terms no less favourable than terms available to or from independent third parties; and
- (iv) within the relevant cap amounts as agreed by the Stock Exchange.

The above transactions were approved by the Company's board of directors on 30th March 2004 and the details of the above connected transactions were disclosed in an announcement dated 6th April 2004.

Report of the Directors

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

PENSION SCHEME ARRANGEMENT

The Group operates a hybrid retirement benefit scheme (the "Scheme") and a Mandatory Provident Fund Scheme (the "MPF") for its employees in Hong Kong. Overseas employees are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates. The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group companies and/or employees.

During the year, the Scheme was funded by contributions from both the employees and the Group at 5% each of the monthly basic salaries of the employees. Actual contributions paid by the Group was only 4% of the monthly basic salaries of the employees, the difference was funded from the forfeiture reserve. Forfeited employers' contributions arising from early termination of services by employees are credited to a forfeiture reserve for the purposes of funding the differences in the Group's contributions as aforesaid and for covering any shortfall on the defined benefit plans. The total amount available for such purposes amounted to HK\$16,616,000 at 31st March 2005 (31st March 2004: HK\$15,531,000).

The most recent independent actuarial valuation of the Scheme (the "Valuation") was carried out as at 1st January 2004 by Watson Wyatt Hong Kong Limited, a professionally qualified independent actuary. According to the Valuation, the Scheme was solvent at the date of the Valuation.

With effect from 1st December 2000, all new joiners of the Group are eligible to join the MPF. The Group's contributions to the MPF are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month (the "MPF Contributions"). The MPF Contributions are fully and immediately vested in the employees as accrued benefit once they are paid.

EMPLOYEES

As at 31st March 2005, the Group has approximately 1,470 employees (31st March 2004: approximately 1,400 employees), the majority of whom are employed in Hong Kong. The Group remunerates its employees based on industry practice and performance of individual employees. The Group also adopts a share option scheme for its staff of senior grade.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there is no restriction against such rights under the laws in Bermuda.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

In the opinion of the board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules (in force prior to 1st January 2005) throughout the year ended 31st March 2005.

The Audit Committee was established with written terms of reference which deal clearly with its authorities and duties in pursuance of Appendix 14 of the Listing Rules. Amongst the Audit Committee's principal duties are the review and supervision of the Company's financial reporting process and internal controls, including the review of the Group's audited financial statements for the year ended 31st March 2005.

MAINTAINING HIGH STANDARD OF CORPORATE GOVERNANCE

Sound corporate governance is crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. The Company has always attached great importance to corporate governance so as to ensure its sustainable development.

During the year, the Company continued to comply with the Code of Best Practice as set out in Appendix 14 of the Listing Rules issued by the Stock Exchange. On 1st January 2005, the Code of Best Practice was replaced by the Code on Corporate Governance Practices (the "new Code"). Listed issuers are expected to comply with the new Code's provisions starting from 1st January 2005.

BOARD OF DIRECTORS

The existing board of directors of the Company consists of four executive directors and three independent non-executive directors. The four executive directors are Tan Sri Datuk TIONG Hiew King, Mr TIONG Kiu King, Dr TIONG Ik King and Mr TIONG Kiew Chiong who have extensive experience in the media industry. The executive directors meet regularly to review and discuss management reports on the performance of the Group, current plans and long term opportunities, and any other issues of immediate concern. They are responsible for the day to day management of the Group's operations. They conduct regular meetings with the senior management of the Company, its subsidiaries and associated companies, at which operational issues and financial performance are evaluated.

The independent non-executive directors are Mr TANG Ying Yu, Mr David YU Hon To, and Mr Victor YANG. They are independent to the Company and do not assume any management position in the Company. They are appointed for a specific term until 31st December 2005 and their appointment are subject to re-election following retirement by rotation at annual general meeting pursuant to the bye-laws of the Company. All of them satisfy the regulatory requirements for independence.

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiries of all directors, the Company confirmed that the directors have complied with the required standard set out in the Model Code and its code of conduct regarding the directors' securities transactions.

At present, an Audit Committee, a Remuneration Committee and a Nomination Committee have been set up under the board of directors.

Report of the Directors

AUDIT COMMITTEE

The Company's Audit Committee is composed of the three independent non-executive directors. It reports directly to the board and reviews matters relating to the Group's financial reporting system and internal controls procedures.

The Audit Committee meets at least twice a year and also meets with the Company's external auditors to discuss the audit process and accounting issues, and reviews the effectiveness of internal controls. The written terms of reference which specify the authorities and duties of the Audit Committee are regularly reviewed and updated by the board.

REMUNERATION COMMITTEE

The Company's Remuneration Committee was established on 25th May 2005 with specific terms of reference that specify its authorities and duties. The current members of the committee are the Company's three independent non-executive directors, Mr TANG Ying Yu, Mr David YU Hon To and Mr Victor YANG, and an executive director, Mr TIONG Kiew Chiong. The Remuneration Committee is responsible for the review of the Company's policies for the remuneration of its directors and senior management and the making of any recommendations in relation to such policies to the board.

NOMINATION COMMITTEE

The Company's Nomination Committee was established on 25th May 2005 with specific terms of reference that specify its authorities and duties. The current members of the committee are the Company's three independent non-executive directors, Mr TANG Ying Yu, Mr David YU Hon To and Mr Victor YANG, and an executive director, Mr TIONG Kiew Chiong. The Nomination Committee's responsibilities include reviewing the structure, size and composition of the board on a regular basis and making recommendations to the board regarding any proposed changes.

INTERNAL CONTROLS

The board places great importance on internal controls and risk management and is responsible for establishing and maintaining adequate internal controls over financial reporting for the Group and assessing the overall effectiveness of those internal controls.

The results of the implementation of its internal controls mechanism are reviewed by the executive directors in order to ensure that internal monitoring and control mechanism operate soundly, stably and effectively.

COMMUNICATIONS WITH SHAREHOLDERS

The objective of communications with the shareholders is to provide our shareholders with detailed information about the Company so they can exercise their shareholders' rights in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of the Company's key business imperatives. These include the Company's annual general meetings, annual reports, interim reports, various notices, announcements and circulars.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

TIONG Kiew Chiong

Chairman

Hong Kong, 30th June 2005