



REPORT OF THE DIRECTORS

The Directors submit their report together with the audited accounts of Goldlion Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31st December 2005.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in note 9 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 5 to the accounts.

Results and appropriations

The results of the Group for the year ended 31st December 2005 are set out in the consolidated profit and loss account on page 35.

The Directors have declared an interim dividend of 2.8 HK cents (2004: 2.0 HK cents) per ordinary share, totalling HK\$26,239,000 (2004: HK\$18,742,000), which was paid on 10th October 2005.

The Directors recommend the payment of a final dividend of 5.6 HK cents (2004: 4.0 HK cents) per ordinary share totalling HK\$52,478,000 (2004: HK \$37,485,000), which is to be payable on 1st June 2006 to shareholders whose names appear on the Register of members on 19th May 2006. This recommendation shall become effective subject to the approval of shareholders at the Annual General Meeting to be held on 19th May 2006.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 36 and note 14 to the accounts respectively.

Donations

Charitable and other donations made by the Group during the year amounted to HK\$1,520,000 (2004: HK\$3,000).

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group are set out in note 7 to the accounts.

Principal properties

Details of the principal properties held for investment purposes at 31st December 2005 are set out on pages 14 to 16.

Share capital

Details of the share capital of the Company are set out in note 13 to the accounts.

Distributable reserves

Distributable reserves of the Company at 31st December 2005, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$125,714,000 (2004: HK\$191,942,000).

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 74.

Purchase, sale or redemption of shares

The Company did not redeem any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.



REPORT OF THE DIRECTORS

Directors

The Directors during the year were:

Executive Directors

TSANG Hin Chi
TSANG Chi Ming, Ricky
WONG Lei Kuan

Non-executive Director

NG Ming Wah, Charles

Independent Non-executive Directors

WONG Yu Hong, Philip
LAU Yue Sun
WONG Ying Ho, Kennedy

In accordance with Article 101 of the Company's Articles of Association, Mdm. Wong Lei Kwan, Dr. Wong Yu Hong, Philip and Dr. Lau Yue Sun retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Company has received confirmation from each of the independent non-executive Directors as regards their independence to the Company and considers them to be independent.

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 which is not determinable within one year without payment of compensation (other than statutory compensation).

Biographical details of directors and senior management

A description of the Directors and Senior Management of the Group is set out as follows:

Executive Directors

Dr. the Honourable Tsang Hin Chi, G.B.M., aged 72, is the Chairman and one of the founders of the Group. Dr. Tsang holds an honorary doctorate from Zhong Shan University in the People's Republic of China ("PRC"). He is a standing committee member of the National People's Congress of the PRC, honorary vice chairman of All-China Federation of Industry & Commerce, ex-officio life honorary chairman of The Chinese General Chamber of Commerce, and sits on the committees of several Hong Kong and Mainland trade associations. He is also the director of Tsang Hin Chi Manned Space Foundation, director of Tsang Hin Chi Education Foundation, Ministry of Education of the PRC, deputy managing director of Jinan University, Guangzhou, honorary president of Jiaying University Guangdong, and a Honorary Citizen of Beijing, Harbin, Shenyang, Dalin and Guangzhou.

Mr. Tsang Chi Ming, Ricky, aged 39, is the Deputy Chairman and Chief Executive Officer of the Company overseeing the development and operations of the Group's business. Mr. Tsang joined the Group in 1989 and was appointed as an executive Director in 2001. He is a committee member of the C.P.P.C.C. Guangzhou, a standing committee member of Beijing Youth Federation, a standing committee member of The Chinese General Chamber of Commerce, Hong Kong, vice chairman of Ka Ying Chow Commercial Association Limited, an executive director of Hong Kong United Youth Association Limited and a director of Young Entrepreneur Association of China. He is a son of Dr. Tsang Hin Chi and Mdm. Wong Lei Kuan.

Mdm. Wong Lei Kuan, aged 69, is one of the founders of the Group and the wife of Dr. Tsang Hin Chi. She is a honorary chairman of Ka Ying Chow Commercial Association Limited, supervising advisor of Hong Kong Federation of Women, committee member of The Chinese General Chamber of Commerce and honorary chairman of Ladies' Sub-Committee, member of the C.P.P.C.C. Guangdong and executive committee member of All-China Women's Federation. She is also an executive director of China Women's Development Fund and director of the China Council for the Promotion of Peaceful National Reunification.



REPORT OF THE DIRECTORS

Biographical details of directors and senior management *(continued)*

Non-executive Director

Mr. Ng Ming Wah, Charles, aged 56, was appointed to the Board as a non-executive Director in 1992. Mr. Ng graduated from Loughborough University in England in 1972 with a bachelor degree in Electrical and Electronic Engineering and from London Business School in England in 1974 with a Master degree in Business Administration. He is the Managing Director of Equitas Capital Limited, the business of which is the provision of strategic corporate financial advisory services. Mr. Ng has over 25 years of experience in corporate finance and investment banking. Mr Ng is also an independent non-executive director of two other Hong Kong listed companies, namely China Everbright Limited and Stone Group Holdings Limited and has acted as the chairman of the audit committees of such companies since August 1999 and September 2004, respectively. Mr Ng also holds independent directorships in 中國光大銀行股份有限公司 (China Everbright Bank Company, Limited), 德邦證券有限責任公司 (Tebon Securities Company Limited), 招金礦業股份有限公司 (Zhaojin Mining Industry Company, Limited) and 大連港股份有限公司 (Dalian Port (PDA) Company Limited), which are, respectively, a licensed commercial bank, a licensed securities firm, a gold mining company and a port services company in China Mainland. In addition, Mr. Ng holds a number of community service positions, including as a member of the Council of Lingnan University of Hong Kong and a member of the Board of Governors of Hong Kong Arts Centre.

Independent non-executive Directors

Dr. the Honourable Wong Yu Hong, Philip, G.B.S., aged 67, holds a doctorate in Law from Southland University and a doctorate in Engineering from California Coast University, both in the United States of America. Dr. Wong is a deputy of the National People's Congress, a member of the Legislative Council and a treasurer of The Chinese General Chamber of Commerce. He holds positions with a number of public bodies and is also a director of listed companies in Hong Kong including Hop Hing (Holdings) Limited, Asia Financial Holdings Limited and Qin Jia Yuan Media Services Company Limited. Dr. Wong was appointed to the Board of Directors in 1992.

Dr. Lau Yue Sun, B.B.S., aged 65, is the Managing Director of New Products Investment Limited and Jip Fair Development Limited, as well as an independent non-executive director of Wing Lee Holdings Limited. Dr Lau has over 30 years of experience in manufacturing, electronics, plastic injection products and import-export business. He is a member of the National Committee of the C.P.P.C.C., member of the Selection Committee for the First Government of the Hong Kong SAR, member of the Election Committee of Hong Kong SAR, appointed member of Kowloon City District Council and standing committee member of The Chinese General Chamber of Commerce. He is also an advisor of Guangdong Education Foundation and a vice president of Guangdong General Chamber of Commerce. Dr. Lau was appointed to the Board of Directors in 1994.

Mr. Wong Ying Ho, Kennedy, B.B.S., aged 43, is a solicitor and a China Appointed Attesting Officer. He is the Managing Partner of Phillip K.H. Wong, Kennedy Y.H. Wong & Co., Solicitors & Notaries. Mr. Wong is a member of the National Committee of the C.P.P.C.C.. He is also a director of listed companies in Hong Kong including Raymond Industrial Limited, China Overseas Land & Investment Limited, Capinfo Company Limited, Qin Jia Yuan Media Services Company Limited and International Financial Network Holdings Limited. Mr. Wong was appointed to the Board of Directors in June 2004.

Senior Management

Mr. Chan Kee Leung, Gary, aged 43, is the Qualified Accountant and Chief Financial Officer of the Group. Mr. Chan has extensive experience in finance, stockbroking and corporate finance. Prior to joining the Group in 2000, Mr. Chan has worked with a listed company as an executive director for over 3 years. He is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mdm. Hu Bing Xin, aged 55, is the General Manageress of the Group's China Mainland operation in charge of the Group's apparel business in China. She joined the Group in 2000. Mdm. Hu won the title of "Superior Economist" in 1987 and held position of general manageress of several listed enterprises in China. With more than 20 years of experience in market development and sales management, she won the title of the "Nation's Women Red Flag", and the name of "Model Toiler" and "Excellent Entrepreneur" in Wuhan. She was honoured with the "Ten Outstanding Female Entrepreneurs in China" in 2002 and the "Chinese Businesswomen Award for Outstanding Contribution" in 2005. She is now the honorary vice-chairman of the Hubei Entrepreneur Association.



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Biographical details of directors and senior management *(continued)*

Senior Management *(continued)*

Mr. Quek Chew Teck, aged 44, was the Assistant General Manager of Goldlion Singapore from 1987 to 1994 and re-joined the Group in 1998 as the General Manager of Goldlion Singapore. He was appointed as a director and Chief Executive Officer of Goldlion Singapore in April 2005 and is also a director of Goldlion Malaysia since 2000. He is responsible for the Group's operations in Singapore and Malaysia. Mr. Quek holds a Diploma in Sales and Marketing from the Marketing Institute of Singapore. He has more than 15 years experience in marketing and company management.

Mr. Dieter Nothofer, aged 61, is the Managing Director of Goldlion (Europe) GmbH and is responsible for the Group's operations in Europe. He holds a Diploma in Textiles from Krefeld Textile School of Engineering and had over 20 years of experience in sales and marketing in the textiles industry before joining the Group in 1993.

Mr. Liu Hong An, aged 44, holds a bachelor degree in Mechanical Engineering from the South China University of Technology. Mr. Liu has over 20 years experience in property investment and management and has worked with large enterprises in China for many years. Mr. Liu has been with the Group since 1997 and is now in charge of the Group's property investment operation in Guangzhou and Meizhou.

Mr. Tu Wu Yi, aged 44, graduated with a Bachelor's Degree of Finance. Mr. Tu is a qualified accountant in China Mainland and has more than 20 years of experience in finance. He has extensive experience in working with large enterprises and listed companies in China Mainland. He joined the Group in 2000 and is now the financial controller of the Group's operations in China Mainland.

Mr. Kam Yiu Kwok, aged 43, joined the Group in 1999 and was appointed as Secretary of the Company in 2000. Mr. Kam is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Directors' interest in contracts and competing businesses

(a) In July 1994, the Group through a wholly owned subsidiary acquired from Goldlion Property Development Limited ("GPDL") the benefit of 53% of GPDL's capital contribution to, and the right and obligation to contribute 53% of the capital requirement of Guangzhou Goldlion City Properties Company Limited ("GGCP") which is the developer of, and owns the Goldlion Digital Network Centre in Guangzhou.

Dr. Tsang Hin Chi, Mdm. Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky have beneficial interests in GPDL and GGCP. Ownership of and the leasing activities of GGCP constitute a competing business to the Group. Since the leasing activities of GGCP is conducted on a fair and open market basis, the Directors consider that the Group's interest is adequately safeguarded.

During the year, the Group paid rental of HK\$947,000 (2004: HK\$938,000) to GGCP for the office located at Goldlion Digital Network Centre in Guangzhou.

(b) The Group paid building management fees of HK\$648,000 (2004: HK\$608,000) charged under normal commercial terms to Guangzhou Silver Disk Property Management Company Limited ("SDPMCL"). Dr. Tsang Hin Chi and Mr. Tsang Chi Ming, Ricky are interested in these transactions as Dr. Tsang Hin Chi and Mr. Tsang Chi Ming, Ricky have direct beneficial interests in SDPMCL.



REPORT OF THE DIRECTORS

Directors' interest in contracts and competing businesses *(continued)*

- (c) On 30th December 2004, Guangzhou Goldlion Environmental Technology Co. Limited, a wholly owned subsidiary of the Company, entered into two conditional acquisition agreements (the "Agreements") with General Business Network (Holdings) Limited (GBNL) and Mr. Tsang Chi Hung to acquire Level 19 and Levels 20 to 22 (inclusive) of Goldlion Digital Network Centre in Guangzhou respectively at an aggregate consideration of RMB81,340,000 (approximately HK\$76,735,850). The consideration was negotiated on an arm's length basis by reference to open market valuations by an independent property valuer. Completions of the acquisitions are subject to the conditions precedent stated in the Agreements and disclosed in the related Circular of the Company to its shareholders dated 20th January 2005. In the Extraordinary General Meeting of the Company held on 7th February 2005, independent shareholders of the Company approved the transactions. The acquisitions were subsequently completed by May 2005. GBNL is a wholly owned subsidiary of CWTC and Mr. Tsang Chi Hung is a major shareholder of CWTC. Dr. Tsang Hin Chi, Mdm. Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky are interested in these transactions as Mr. Tsang Chi Hung is a son of Dr. Tsang Hin Chi and Mdm. Wong Lei Kuan, and a brother of Mr. Tsang Chi Ming, Ricky.

Save as disclosed above, no contracts and interests in competing businesses of significance in relation to the Group's business to which the Company or any of its 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.

Share options

At an Extraordinary General Meeting of the Company held on 21st May 2002, the shareholders approved the adoption of a new share option scheme (the "New Option Scheme"). The New Option Scheme is designed to enable the Group to reward and motivate executives and key employees in service of the Group and other persons who may make a contribution to the Group (the "Eligible Participants").

Under the New Option Scheme which is valid and effective for a term of ten years from the date of its adoption, the Directors may grant options to the Eligible Participants to subscribe for ordinary shares in the Company at a price to be notified by the Directors and to be no less than the higher of: (i) the closing price of the Company's ordinary shares as stated in the Daily Quotation Sheets on the day of offer; (ii) the average of the closing prices of the Company's ordinary shares as stated in the Daily Quotation Sheets for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's ordinary shares. The number of ordinary shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1 percent of the issued ordinary share capital of the Company at the date of such grant, without prior approval from the Company's shareholders. The maximum number of shares in respect of which options may be granted under the New Option Scheme and any other schemes of the Group shall not exceed 30 percent of the issued ordinary share capital of the Company from time to time. The maximum number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other schemes adopted by the Group must not in aggregate exceed 10 percent of the issued ordinary share capital of the Company as at the date of passing the relevant resolution adopting this New Option Scheme.

Offer for the grant of options under the New Option Scheme must be accepted within 28 days from the offer date, upon payment of a nominal price. Options may be exercised in accordance with the terms of the New Option Scheme at any time to be determined by the Board and, in the absence of such determination, such period of time shall not be exceed a period of three years commencing on the expiry of six months after the acceptance date. No options had been granted or remained outstanding under the New Option Scheme or any other share option scheme of the Company during the year.



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Directors' and Chief Executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation

At 31st December 2005, the interests and short positions of each Director and Chief Executive in the shares, underlying shares and debentures of the Company and its associated companies (within the meaning of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under section 352 of Part XV of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(a) Ordinary shares of HK\$0.10 each in the Company at 31st December 2005

Directors		Number of shares held			Total	Percentage to total issued share capital
		Personal interests	Family interests (Note 1)	Other interests (Note 2)		
Tsang Hin Chi	Long positions	–	1,210,000	568,034,750	569,244,750	60.74%
	Short positions	–	–	–	–	–
Tsang Chi Ming, Ricky	Long positions	1,404,000	–	568,034,750	569,438,750	60.77%
	Short positions	–	–	–	–	–
Wong Lei Kuan	Long positions	1,210,000	–	568,034,750	569,244,750	60.74%
	Short positions	–	–	–	–	–

Note:

1. Mdm. Wong Lei Kuan is the wife of Dr. Tsang Hin Chi. Her shareholding disclosed under the heading "personal interests" in the above table is the family interest of Dr. Tsang Hin Chi.
2. The shareholdings disclosed by Dr. Tsang Hin chi, Mr. Tsang Chi Ming, Ricky and Mdm. Wong Lei Kuan under the heading "Other interests" in the above table refer to the same shares which were held by HSBC International Trustee Limited for Gold Trustee Holding Corporation and Silver Trustee Holding Corporation (being trustees of the Gold Unit Trust and the Silver Unit Trust, respectively) as disclosed in the paragraph headed "Substantial Shareholders" below.

(b) Save as disclosed above, as at 31st December 2005, none of the Directors and Chief Executives of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated companies (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code.

(c) Save as disclosed above, at no time during the year ended 31st December 2005 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

(d) Other than those interests and short positions disclosed above, the Directors and Chief Executives also hold shares of certain subsidiaries in trust for the Company solely for the purpose of ensuring that the relevant subsidiary has more than one member.



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Substantial shareholders' interests and short positions in the shares, underlying shares of the Company

As at 31st December 2005, the register of substantial shareholders maintained under section 336 of Part XV of the SFO shows that as at 31st December 2005, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Name of holder of securities	Type of securities		Number of shares held	Percentage to total issued share capital	Notes
HSBC International Trustee Limited	Ordinary shares of \$0.10 each	Long positions	568,034,750	60.62%	(1)
		Short positions	–	–	
Silver Disk Limited	Ordinary shares of \$0.10 each	Long positions	160,616,000	17.14%	(1)
		Short positions	–	–	
Tsang Hin Chi Charities (Management) Limited	Ordinary shares of \$0.10 each	Long positions	53,880,750	5.75%	
		Short positions	–	–	
Value Partners Limited	Ordinary shares of \$0.10 each	Long positions	66,920,000	7.14%	
		Short positions	–	–	
Cheah Cheng Hye	Ordinary shares of \$0.10 each	Long positions	66,920,000	7.14%	(2)
		Short positions	–	–	

Note:

- HSBC International Trustee Limited holds 339,530,000 shares and 228,504,750 shares for Gold Trustee Holding Corporation and Silver Trustee Holding Corporation respectively. Gold Trustee Holding Corporation and Silver Trustee Holding Corporation act as trustees, respectively, for the Gold Unit Trust and the Silver Unit Trust, which units (other than 2 units each of which are beneficially owned by Dr. Tsang Hin Chi and Mdm. Wong Lei Kuan respectively) are beneficially owned by the Tsang Family Trust. Silver Disk Limited is wholly owned by the Silver Unit Trust and its shareholding comprised part of the number of shares held by HSBC International Trustee Limited for Silver Trustee Holding Corporation.
- The interests of Mr. Cheah Cheng Hye arose from the interests in the relevant shares held by Value Partners Limited, a fund management company, in which Mr. Cheah holds an approximately 32.77% shareholding interest.



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Connected transactions

Certain related party transactions as disclosed in note 28 to the accounts also constituted connected transactions under the Listing Rules, required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the company have entered into and/or are ongoing for which relevant announcements, if necessary, had been made of the company in accordance with the requirements of the Listing Rules.

- (a) The Group paid rental of HK\$947,000 to GGCP during the year in the ordinary course of its business. Dr. Tsang Hin Chi, Mdm. Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky have beneficial interests in GGCP.
- (b) The Group paid building management fees of HK\$648,000 charged under normal commercial terms to SDPMCL in the ordinary course of its business. Dr. Tsang Hin Chi and Mr. Tsang Chi Ming, Ricky have direct beneficial interests in SDPMCL.
- (c) The Group paid professional fee of HK\$700,000 to Equitas Capital Limited during the year in the ordinary course of its business. Mr. Ng Ming Wah, Charles, a non-executive Director of the Company, is the Managing Director of, and a principal shareholder in, Equitas Capital Limited.
- (d) On 18th July 2002, the Group, as lessor, entered into a lease with Guangzhou World Trade Center Club Company Limited ("GWTCCL") as lessee and China World Trade Corporation ("CWTC"), the holding company of GWTCCL, as guarantor in respect of a business center and facilities therein located at Goldlion Digital Network Centre. During the year, the Group received HK\$2,242,000 from GWTCCL as rental payment under the lease. Mr. Tsang Chi Hung has indirect beneficial interest in GWTCCL as he is a major shareholder of CWTC. Dr. Tsang Hin Chi, Mdm. Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky are interested in this transaction as Mr. Tsang Chi Hung is a son of Dr. Tsang Hin Chi and Mdm. Wong Lei Kuan, and a brother of Mr. Tsang Chi Ming, Ricky.
- (e) On 30th December 2004, Guangzhou Goldlion Environmental Technology Co. Limited, a wholly owned subsidiary of the Company, entered into two conditional acquisition agreements (the "Agreements") with General Business Network (Holdings) Limited (GBNL) and Mr. Tsang Chi Hung to acquire Level 19 and Levels 20 to 22 (inclusive) of Goldlion Digital Network Centre in Guangzhou respectively at an aggregate consideration of RMB81,340,000 (approximately HK\$76,735,850). The consideration was negotiated on an arm's length basis by reference to open market valuations by an independent property valuer. Completions of the acquisitions are subject to the conditions precedent stated in the Agreements and disclosed in the related Circular of the Company to its shareholders dated 20th January 2005. In the Extraordinary General Meeting of the Company held on 7th February 2005, independent shareholders of the Company approved the transactions. The acquisitions were subsequently completed by May 2005. GBNL is a wholly owned subsidiary of CWTC and Mr. Tsang Chi Hung is a major shareholder of CWTC. Dr. Tsang Hin Chi, Mdm. Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky are interested in these transactions as Mr. Tsang Chi Hung is a son of Dr. Tsang Hin Chi and Mdm. Wong Lei Kuan, and a brother of Mr. Tsang Chi Ming, Ricky.

Financial assistance and guarantees to affiliated companies

There was no advance (including guarantee given by the Company and its subsidiaries) which are non-trading nature to the affiliated companies as at 31st December 2005 under Chapter 13 of the Listing Rules.

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.



REPORT OF THE DIRECTORS

Major customers and suppliers

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

None of the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest (as defined in the Listing Rules) in these major suppliers and customers.

Corporate governance

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 17 to 22.

Auditors

The accounts for the year ended 31st December 2005 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Dr. Tsang Hin Chi

Chairman

Hong Kong, 4th April 2006