

Report of the Directors

REPORT OF THE DIRECTORS

The Directors herein present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries during the year consisted of manufacture and sale of electronic components and products, contact and contactless smart card readers and related products, home furniture, trading of building materials and sundry products, property holding and investment holding.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2005 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 37 to 96. No interim dividend was paid during the year (2004: Nil) and the Board does not recommend the payment of a final dividend in respect of the year (2004: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out below:

	Year ended 31 December				
	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
Results					
Turnover	393,273	176,760	248,373	136,427	78,697
Profit/(loss) before taxation	(5,439)	8,983	12,947	(207,380)	(132,545)
Taxation	(969)	(340)	2,341	1,039	(718)
Profit/(loss) before minority interests	(6,408)	8,643	15,288	(206,341)	(133,263)
Minority interests	(13,383)	(1,468)	(4,429)	13,397	(24)
Net profit/(loss) attributable to shareholders	(19,791)	7,175	10,859	(192,944)	(133,287)

Report of the Directors (Continued)

	31 December				
	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
Assets and liabilities					
Properties, plant and equipment	30,995	32,077	9,859	5,475	7,841
Investment properties	10,430	12,000	18,000	31,200	14,200
Long term investments	23,700	23,700	56,712	50,394	70,031
Interests in associates	50,689	64,828	48,400	33,058	163,593
Goodwill	21,767	21,767	10,197	–	–
Current assets	328,519	262,590	127,352	111,123	606,651
Total assets	466,100	416,962	270,520	231,250	862,316
Current liabilities	(187,491)	(156,409)	(63,437)	(68,130)	(633,121)
Long term interest bearing borrowings	(3,124)	(3,834)	–	–	–
Deferred tax liabilities	(17)	(44)	(85)	–	(1,302)
Minority interests	(74,084)	(63,310)	(37,808)	(31,070)	(309)
Total liabilities and minority interests	(264,716)	(223,597)	(101,330)	(99,200)	(634,732)
Net assets	201,384	193,365	169,190	132,050	227,584

ACCOUNTING POLICIES

The principal accounting policies of the Group are set out in note 2 to the financial statements.

PROPERTIES, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Details of movements in the properties, plant and equipment and investment property of the Group during the year are set out in notes 12 and 13 to the financial statements, respectively.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries at the balance sheet date are set out in note 15 to the financial statements.

Report of the Directors (Continued)

ASSOCIATES

Particulars of the Group's principal associates at the balance sheet date are set out in note 16 to the financial statements.

BANK BORROWINGS

Details of the Group's bank borrowings at the balance sheet date are set out in note 24 to the financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital are set out in note 27 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in note 28 to the financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2005, the Company's share premium account, in the amount of HK\$116,230,000 (2004: HK\$90,219,000), was available to be distributed in the form of fully paid bonus shares. At 31 December 2005, the Company had contributed surplus and accumulated losses of HK\$125,376,000 and HK\$24,094,000, respectively (2004: HK\$125,376,000 and HK\$22,131,000, respectively). Details of movements in the distributable reserves of the Company are set out in note 28 to the financial statements.

Report of the Directors (Continued)

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2005:

- (i) the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.
- (ii) the aggregate amount of purchases (not including purchases of items which are of a capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Shaw Wen Fei*	
Sung Kai Hing, Simon	(appointed on 27 June 2005)
Au Hoi Tsun, Peter	
Hui Tung Wah, Samuel	(appointed on 27 June 2005)
Sung Yan Wai, Petrus	
Wong Che Keung, Richard**	
Tong Yee Yung, Joseph**	
Wong Kin Chi**	
Lui Chun Bing, Tommy	(resigned on 5 July 2005)
Chim Chun Kwan, Sandy	(resigned on 1 November 2005)

* *Non-executive Director*

** *Independent non-executive Directors*

In accordance with Bye-Law 89 of the Company's Bye-Laws, Messrs. Sung Kai Hing, Simon and Hui Tung Wah, Samuel will retire, and being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Bye-Law 97 of the Company's Bye-Laws, Mr. Tong Yee Yung, Joseph will retire by rotation, and being eligible, will offer himself for re-election at the forthcoming annual general meeting.

Report of the Directors (Continued)

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2005, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the Company

Name of Director	Capacity/ Nature of interests	Number of shares	Percentage of holding (%)
Shaw Wen Fei	Corporate (Note 1)	1,597,350	1.06
Sung Kai Hing, Simon	Corporate (Note 2)	6,695,850	4.45
Au Hoi Tsun, Peter	Beneficial owner	517,500	0.34
Hui Tung Wah, Samuel	Beneficial owner	280,000	0.19
	Family interest (Note 3)	75,000	0.05
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		355,000	0.24

Notes:

1. These shares were held by Sharp States Investments Inc., the entire issued share capital of which was wholly-owned by Mr. Shaw Wen Fei.
2. Out of these 6,695,850 shares, 5,674,200 shares were held by Capitalrise Group Limited, a corresponding interest of 80% and 20% of the issued share capital of which was beneficially owned by Mr. Sung Kai Hing, Simon and his spouse, respectively. The remaining 1,021,650 shares were held by Bloominvest Group Limited, the entire issued share capital of which was wholly owned by Mr. Sung Kai Hing, Simon.
3. These 75,000 shares were jointly owned by Mr. Hui Tung Wah, Samuel and his spouse.

Report of the Directors (Continued)

Interest in shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Number of shares	Percentage of holding
Sung Kai Hing, Simon	Windsor Treasure Group Holdings Limited	Corporate (Note)	3,942	9.76%

Note: Out of these 3,942 shares, 3,157 shares were held by Capitalrise Group Limited which was owned as to 80% and 20% by Mr. Sung Kai Hing, Simon and his spouse respectively, and 785 shares were held by Bloominvest Group Limited which was wholly owned by Mr. Sung Kai Hing, Simon.

The interests of the Directors in the share option of the Company are separately disclosed under the heading "Share Option Scheme".

Save as disclosed above, none of the Directors and Chief Executive of the Company and their associates had registered an interest or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to 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 Issuers.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the heading "Directors' Interests and Short Positions in Shares" above and "Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of acquisition of shares in the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Report of the Directors (Continued)

SHARE OPTION SCHEME

A. The Company

The Company adopted a share option scheme (the "Scheme") at its general meeting held on 22 March 2002. Details of the Scheme are set out as follows:

1. *Summary of the Scheme*

The purpose of the Scheme is to enable the Company to grant options to employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive Directors of the Company or any of its subsidiaries) and any suppliers, consultants, advisers, agents, shareholders, customers, partners or business associates, who at the discretion of the Board, have contributed to the Company or any of its subsidiaries as incentives and rewards for their contributions to the Company or such subsidiaries. The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme(s) of the Company must not exceed 10% of the shares in issue on the date of approval and adoption of the Scheme, i.e. 454,367,682 shares and 4,543,676 shares after share consolidation of the Company effective 2 December 2002. An ordinary resolution was passed at the special general meeting of the Company held on 19 May 2005 to refresh the 10% limit on the grant of options under the Scheme so that the maximum number of shares which may be issued after the refreshment is 10,029,276 shares, representing 6.67% of the total issued share capital as at the date of the annual report. The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option scheme(s) of the Company to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

The exercise price shall be determined by the Board save that the price will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company.

There is no general requirement that an option must be held for any minimum period before it can be exercised, but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration is received by the Company, such date must be on or before the 30th day after the option is offered to the relevant grantee. The Scheme is valid and effective for a period of 10 years after the date of adoption of the Scheme, which is until 21 March 2012.

Report of the Directors (Continued)

2. Outstanding options

There were 8,310,000 share options and 200,000 share options granted on 14 June 2005 and 14 July 2005 respectively and 10,814,000 share options remained outstanding as of 31 December 2005. Details of the outstanding share options are as follows:

Name or category of participant	At 1 Jan 2005	Adjustment during the year (Note 2)	Granted during the year	Lapsed during the year	At 31 Dec 2005	Date of grant of share options	Exercise period	Exercise price HK\$	Total balance at 31 Dec 2005
Directors									
Shaw Wen Fei	600,000	120,000	-	-	720,000	14/07/2003	15/07/2003 to 14/07/2008	0.95 (Note 1)	1,520,000
			800,000	-	800,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	
Sung Kai Hing, Simon	-	-	800,000	-	800,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	800,000
Au Hoi Tsun, Peter	450,000	90,000	-	-	540,000	14/07/2003	15/07/2003 to 14/07/2008	0.95 (Note 1)	840,000
			300,000	-	300,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	
Hui Tung Wah, Samuel	-	-	800,000	-	800,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	800,000
Sung Yan Wai, Petrus	200,000	40,000	-	-	240,000	14/07/2003	15/07/2003 to 14/07/2008	0.95 (Note 1)	490,000
			250,000	-	250,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	
Wong Che Keung, Richard	60,000	12,000	-	-	72,000	14/07/2003	15/07/2003 to 14/07/2008	0.95 (Note 1)	142,000
			70,000	-	70,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	
Tong Yee Yung, Joseph	60,000	12,000	-	-	72,000	14/07/2003	15/07/2003 to 14/07/2008	0.95 (Note 1)	142,000
			70,000	-	70,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	
Wong Kin Chi	-	-	70,000	-	70,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	70,000
Chim Chun Kwan, Sandy (Note 3)	200,000	40,000	-	(240,000)	-	14/07/2003	15/07/2003 to 14/07/2008	0.95 (Note 1)	-
			200,000	(200,000)	-	14/06/2005	15/06/2005 to 14/06/2010	0.80	
Sub-Total:	1,570,000	314,000	3,360,000	(440,000)	4,804,000				4,804,000

Report of the Directors (Continued)

Name or category of participant	At 1 Jan 2005	Adjustment during the year (Note 2)	Granted during the year	Lapsed during the year	At 31 Dec 2005	Date of grant of share options	Exercise period	Exercise price HK\$	Total balance at 31 Dec 2005
Others									
Employees (other than Directors)	200,000	40,000	-	-	240,000	14/07/2003	17/05/2003 to 14/07/2008	0.95 (Note 1)	4,260,000
	-	-	4,100,000	(80,000)	4,020,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	
Other participants	950,000 (Note 4)	190,000 (Note 4)	-	(240,000)	900,000	14/07/2003	15/07/2003 to 14/07/2008	0.95 (Note 1)	1,750,000
			1,050,000	-	850,000	14/06/2005	15/06/2005 to 14/06/2010	0.80	
			-	(200,000)	-	14/07/2005	15/06/2005 to 14/06/2010	0.80	
Total	2,720,000	544,000	8,510,000	(960,000)	10,814,000				10,814,000

Notes:

- On 23 May 2005, the number of issuable shares and the exercise price were adjusted as a result of the Company's open offer on the basis of one offer share for every two then existing shares. The exercise price of the outstanding options granted on 14 July 2003 was adjusted from HK\$1.14 to HK\$0.95 each share.
- The closing price of the Company's shares on 13 June 2005, i.e. immediately before the date of grant of share options was HK\$0.76.
- Mr. Chim Chun Kwan, Sandy resigned as an executive director on 1 November 2005.
- Out of the 1,140,000 share options, 720,000 share options were held by Mr. Lui Chun Bing, Tommy who was a director for the period from 1 January to 5 July 2005 and has been a consultant since 5 July 2005.

3. Valuation of share options

Details of the valuation are set out in note 27 to the financial statements.

B. Associated Corporations

(a) *Omnitech Holdings Limited*

Omnitech Holdings Limited ("OHL"), 77.04% owned by the Company, adopted a new share option scheme at the special general meeting of the Company held on 20 May 2004 (the "OHL Scheme").

1. Summary of the OHL Scheme

The purpose of the OHL Scheme is to enable OHL to grant options to any employee and his close relative of any member of the OHL group, who at the discretion of the OHL Board, have contributed to OHL or any of its subsidiaries as incentives and rewards for their contribution to OHL or such subsidiaries. The maximum number of shares which may be issued upon exercise of all options to be granted under the OHL Scheme and any other share option scheme(s) of OHL must not exceed 10% of the OHL shares in issue on the date of approval and adoption of the OHL Scheme, i.e. 23,456,372 OHL shares and 2,345,637 OHL shares after share consolidation of OHL effective 18 August 2004. The total number of shares issued and which may fall to be issued and which may fall to be issued upon exercise of the options granted under the OHL Scheme and any other share option scheme(s) of OHL to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the OHL shares in issue as at the date of grant. Subject to the ASX Listing Rules, if the OHL Board determines to offer to grant options to a director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive directors of the Company.

The exercise price for an OHL share under the OHL Scheme shall be the higher of (a) the weighted average market price of the OHL shares sold on the ASX for the five business days immediately preceding the date of grant; and (b) the nominal value of an OHL share.

There is no general requirement that an option must be held for any minimum period before it can be exercised but OHL Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option the date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of OHL of A\$10.00 by way of consideration is received by OHL, such date must be on or before the 30th day after the option is offered to the relevant grantee. The OHL Scheme is valid and effective for a period of 5 years after the date of adoption of the OHL Scheme, which is until 19 May 2009.

Report of the Directors (Continued)

2. Outstanding options

No share options were granted under the OHL Scheme during the period from the date of adoption of the OHL Scheme up to 31 December 2005.

(b) Windsor Treasure Group Holdings Limited

Windsor Treasure Group Holdings Limited ("WTG"), 51.52% owned by the Company, adopted a new share option scheme at the special general meeting of the Company held on 19 May 2005 (the "WTG Scheme").

1. Summary of the Scheme

The purpose of the Scheme is to enable WTG to grant options to employees (full-time or part-time), executives or officers of WTG and any of its subsidiaries ("WTG Group Company") or affiliate (including executive and non-executive directors of any WTG Group Company or affiliate) and any advisor, consultant, agent, shareholder, customer, supplier, contractor, partner or business associate who, as determined at the sole discretion of the board of directors of WTG ("WTG Board"), has or may have contribution to any WTG Group Company or affiliate. The maximum number of shares which may be issued upon exercise of all options to be granted under the WT Scheme and any other share option scheme(s) of WTG must not exceed 10% of the shares in issue on the date of approval and adoption of the WTG Scheme, i.e. 4,041 shares unless WTG obtains the approvals from the shareholders of WTG and (so long as WTG remains as a subsidiary of the Company) the Company to refresh the 10% limit. The maximum number of ordinary shares of WTG which may be issued upon exercise of all outstanding options granted and yet to be exercised under the WTG Scheme and any other share option schemes of WTG shall not exceed 30% of the total number of the ordinary shares of WTG ("WTG shares") in issue from time to time. The total number of shares issued and which may fall to be issued and which may fall to be issued upon exercise of the options granted under the WTG Scheme (including exercised, outstanding and cancelled options) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the WTG Shares in issue as at the date of grant. For so long as WTG remains as a subsidiary of the Company, any grant of WTG options to a director, chief executive or substantial shareholder of the Company or any of their respective associates is required to be approved by all the independent non-executive directors of the Company (excluding any independent non-executive director who or whose associate is a proposed grantee of the WT options)

Report of the Directors (Continued)

There is no general requirement in relation to the minimum period for which a WTG option must be held or the performance targets which must be achieved before a WTG option can be exercised under the terms of the WTG Scheme. However, the board of directors of WTG is empowered under the WTG Scheme to impose at its discretion such minimum period and/or performance targets at the time of grant of any particular WTG option as it sees fit. In addition, the board of directors of WTG is empowered under the WTG Scheme to determine the subscription price of WTG shares pursuant to the exercise of any particular WTG Option granted subject to certain restrictions, details of which are set out in the Company's circular dated 29 April 2005.

2. Outstanding options

No share options were granted under the WTG Scheme during the period from the date of adoption of the WTG Scheme up to 31 December 2005.

Apart from the aforesaid, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and no Directors or Chief Executive of the Company or their respective spouses or children under 18 years of age had been granted any right to subscribe for equity or debt securities of the Company nor exercised any such right.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a significant beneficial interest in any material contract to which the Company, its holding companies or any of its subsidiaries was a party during the year.

Report of the Directors (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2005, the following interests and short positions of 5% or more in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interests	Number of shares	Percentage of holding
Planet Adventure Limited	Beneficial owner	9,300,000	6.18%
Huen Wing Ming, Patrick	Corporate (Note 1)	9,450,000	6.28%
Huen Ng Sui Fong, Isabel	Family Interest (Note 2)	9,450,000	6.28%

Notes:

1. Planet Adventure Limited and Patova International Limited were wholly owned by Mr. Huen Wing Ming, Patrick who was deemed to be interested in 9,300,000 shares and 150,000 shares of the Company held by Planet Adventure Limited and Patova International Limited respectively under the SFO.
2. Mrs. Huen Ng Sui Fong, Isabel is the spouse of Mr. Huen Wing Ming, Patrick and was deemed to be interested in the shares of the Company in which Mr. Huen Wing Ming, Patrick was interested under the SFO.

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the shares or underlying shares of the Company or any of its associated corporations which would fall to be disclosed to the Company pursuant to section 336 of the SFO.

Report of the Directors (Continued)

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S SHARES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the Year with the Code on Corporate Governance Practices set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for certain deviations in respect of service terms of directors and communication with shareholders.

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election. The Company has not fixed the term of appointment for non-executive directors. However, all non-executive directors are subject to retirement by rotation and re-election at the annual general meeting.

Code provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director should be subject to retirement by rotation at least once every three years. However according to the private Act of the Company enacted in 1991, no director holding the office of Chairman or Managing Director shall be subject to retirement by rotation as provided in the Bye-Laws of the Company. The Chairman and the Managing Director of the Company has respectively confirmed to the Company that he will voluntarily retire from his directorship at future annual general meetings of the Company at such frequency in order for the Company to comply with the Code on Corporate Governance Practices, provided that being eligible for re-election, he may offer himself for re-election at the relevant general meetings.

Accordingly, a special resolution will be proposed at the forthcoming 2006 annual general meeting to amend the Bye-Laws of the Company in order to comply with the aforesaid code provisions.

Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting and be available to answer questions at the annual general meeting. However, the Chairman of the Board did not attend the 2005 annual general meeting and instead the Vice Chairman of the Board attended the 2005 annual general meeting and was available there to answer questions.

Report of the Directors (Continued)

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, 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.

AUDITORS

Moore Stephens retire and being eligible, offer themselves for re-appointment. A resolution for the reappointment of Moore Stephens as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On Behalf of the Board

Shaw Wen Fei

Chairman

Hong Kong, 13 April 2006