

REPORT OF THE DIRECTORS

The board of directors of Luen Thai Holdings Limited (the "Directors") has the pleasure in presenting to the shareholders this annual report together with the audited financial statements of Luen Thai Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacturing and trading of garment and textile products, and the provision of freight forwarding and logistics services.

GROUP PROFIT

The consolidated income statement is set out on page 46 and shows the Group's profit for the year ended 31 December 2005. A discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the CEO Report on pages 10 to 16 of the annual report.

DIVIDENDS

An interim dividend of US0.244 cent per share was paid to the shareholders during the year and the Directors recommend the payment of a final dividend of US0.156 cent per share to the shareholders on the register of members on 26 May 2006 totaling to approximately US\$1,548,000.

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Details of the principal subsidiaries, associates and jointly controlled entities of the Company and the Group as at 31 December 2005 are set out in notes 16 to 18 to the financial statements.

SHARE CAPITAL

Details of movement in share capital of the Company during the year are set out in note 28 to the financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 29 to the financial statements.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company available for distribution as dividends amounted to approximately US\$191,429,000 as at 31 December 2005, comprising retained earnings of approximately US\$2,867,000, a share premium of approximately US\$116,998,000 and a capital reserve, amounting to approximately US\$71,564,000. Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account and the capital reserve account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debt as they fall due in the ordinary course of business.

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FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out on page 116 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment of approximately US\$23,009,000. Details of the movement in property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

RETIREMENT SCHEMES

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

DONATIONS

Charitable and other donations made by the Group during the year amounted to US\$535,000.

SHARE OPTIONS

A share option scheme was adopted by the sole shareholder of the Company at the general meeting held on 27 June 2004, pursuant to which options may be granted to Eligible Participants ("Eligible Participants") to subscribe for shares in the Company (the "Share Option Scheme"). The purposes of the Share Option Scheme are to recognize and acknowledge the contributions that the Eligible Participants have made or may make to the Group and provide them an opportunity to acquire proprietary interests in the Company with the view of achieving the following principal objectives:

- a) motivate the Eligible Participants to optimize their performance and efficiency for the benefit of the Group; and
- b) attract and retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are or will be beneficial to the Group.

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A summary of details of the Share Option Scheme is set out as follows:

Eligible Participants:

At the Board's discretion include –

- (i) any Director, employee or officer employed by any Group company ("Employee"), consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or subsidiary of such company ("Affiliate"); or
- (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, Employee, consultant, professional, customer, supplier, agent, partner or advisor of or contractor to the Group or an Affiliate; or
- (iii) a company beneficially owned by any Director, Employee, consultant, professional, customer, supplier, agent, partner, advisor of or contractor to the Group or an Affiliate.

Minimum period for which an option must be held before it can be exercised:

An option may be exercised at any time during a period to be notified by the Board to each grantee. The Board may also provide restrictions on the exercise of an option during the period an option may be exercised.

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Amount payable on acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid:

HK\$10 within 21 days of offer

Basis of determining the exercise price:

The exercise price shall be determined by the Board and not less than the highest of

- (i) the closing price of a share as stated in the daily quotations sheet of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of share on the date of grant.

Remaining life of the Share Option Scheme:

The Share Option Scheme will remain in force until 26 June 2014, unless otherwise determined in accordance with its term.

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The following is a summary of options granted and outstanding during the year ended 31 December 2005:

| | Note | Date of grant (dd/mm/yyyy) | Exercise Period (dd/mm/yyyy) | Exercise Price Per Share | As at 1 January 2005 | No. of share options | | As at 31 December 2005 |
|--------------------------|------|-------------------------------|---------------------------------|--------------------------|----------------------|-------------------------|---------------------------|------------------------|
| | | | | | | Granted during the year | Exercised during the year | |
| TAN Henry | 5 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 200,000 | – | – | 200,000 |
| TAN Willie | 5 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 200,000 | – | – | 200,000 |
| TAN Cho Lung, Raymond | 5 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 150,000 | – | – | 150,000 |
| Mok Siu Wan, Anne | 10 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 250,000 | – | – | 250,000 |
| TAN Jerry | 6 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 150,000 | – | – | 150,000 |
| TAN Sunny | 7 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 150,000 | – | – | 150,000 |
| CHIU George | 8 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 200,000 | – | – | 200,000 |
| TAN Jeffrey | 9 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 50,000 | – | – | 50,000 |
| TAN Jason | 9 | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 100,000 | – | – | 100,000 |
| Other Employees | | 28/12/2004 | 28/12/2004 – 27/12/2007 | HK\$4.10 | 6,306,500 | – | – | 6,306,500 |
| | | | | | 7,756,500 | – | – | 7,756,500 |

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Notes:

1. Upon acceptance of the options, HK\$10 is paid by the grantee to the Company by way of consideration for the grant.
2. The exercise price of the share options is subject to the adjustment in the event of any alteration in the capital structure of the Company.
3. The closing market price per share on the date the options were granted was HK\$4.10.
4. The above options are not recognized in the financial statements as they were all granted and vested before 1 January 2005.
5. Mr. Tan Henry, Mr. Tan Willie, Mr. Tan Cho Lung, Raymond are the executive Directors of the Company.
6. Mr. Tan Jerry is the Chief Executive Officer of CTSI Logistics and the brother of the Directors mentioned in note 5 above.
7. Mr. Tan Sunny is the Chief Financial Officer of the Group and the brother of the Directors mentioned in note 5 above.
8. Mr. Chiu George is the brother-in-law of Mr. Tan Henry.
9. Mr. Tan Jeffrey and Mr. Tan Jason are the sons of Mr. Tan Henry, the Group Chief Executive Officer, and are also employees of the Group.
10. Ms. Mok Siu Wan, Anne was appointed as an executive Director of the Company with effect from 3 June 2005.

No share options were exercised, cancelled or lapsed during the year.

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DIRECTORS AND DIRECTORS' SERVICE AGREEMENTS

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

Executive Directors

TAN Siu Lin

TAN Henry

TAN Willie

TAN Cho Lung, Raymond

MOK Siu Wan, Anne (*appointed with effect from 3 June 2005*)

Independent non-executive Directors

CHAN Henry

CHEUNG Siu Kee

FOK Kwan Wing (*deceased on 21 January 2005*)

SEING Nea Yie (*appointed with effect from 28 January 2005*)

PARTICULARS OF SERVICE AGREEMENTS

Except for Ms. Mok Siu Wan, Anne, each of the executive Directors has entered into a service agreement with the Company for an initial fixed period of three years commencing from 27 June 2004, and thereafter shall continue subject to termination by either the Company or the Director giving three months' notice in writing to the other party. Under the service agreements, the remuneration payable to each of them shall be a fixed monthly salary, with such increase as the Board may from time to time determine in its absolute discretion. In addition, they will each be entitled to a bonus equivalent to one month's salary on or around each Chinese New Year falling after the first anniversary of the commencement date. Each of them will also be entitled to all reasonable out-of-pocket expenses.

On 3 June 2005, Ms. Mok Siu Wan, Anne was elected as an executive Director of the Company during the 2005 Annual General Meeting. The remuneration payable to Ms. Mok is the same as those provided to the other executive Directors of the Company, including fixed monthly salary, bonus and all reasonable out-of-pocket expenses.

The respective monthly salaries of the executive Directors are set out below:

| | |
|---------------------------|-------------|
| Dr. TAN Siu Lin | HK\$76,700 |
| Mr. TAN Henry | HK\$198,000 |
| Mr. TAN Willie | HK\$192,000 |
| Mr. TAN Cho Lung, Raymond | HK\$144,000 |
| Mr. MOK Siu Wan, Anne | HK\$256,668 |

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Pursuant to the letter of appointment from the Company to each of the independent non-executive Directors dated 16 April 2004, the appointment of each independent non-executive Director was for an initial term of 3 years commencing from 16 April 2004, except for Mr. Seing Nea Yie, whose appointment became effective on 28 January 2005 as replacement of Mr. Fok Kwan Wing who passed away on 21 January 2005. Pursuant to the articles of association of the Company, Mr. Seing initially held office only until the 2005 Annual General Meeting of the Company and was then re-elected. Details of the change in directorship were also included in the Company's announcement dated 27 January 2005. Pursuant to the letters of appointment from the Company dated 27 January 2005 for Mr. Seing Nea Yie and 16 April 2004 for all other independent non-executive Directors, all independent non-executive Directors shall be entitled to an annual fee of HK\$100,000.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2005, the interests of the Directors and chief executives of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO, or otherwise notified to the Company and the SEHK pursuant to the Model Code contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") were as follows:

Long position in the Shares

| Name of Director | Capacity | No. of Shares | Percentage of interest in the Company |
|-----------------------|--|------------------------|---------------------------------------|
| TAN Siu Lin | Trustee (<i>note 1</i>) | 675,774,000 | 68.09% |
| TAN Henry | Beneficiary of Trust (<i>notes 2 & 3</i>) Beneficial Owner (<i>note 6</i>) | 614,250,000 200,000 | 61.89% 0.02% |
| TAN Willie | Beneficiary of Trust (<i>notes 2 & 4</i>) Beneficial Owner (<i>notes 6 & 7</i>) | 614,250,000 700,000 | 61.89% 0.07% |
| TAN Cho Lung, Raymond | Beneficiary of Trust (<i>notes 2 & 5</i>) Beneficial Owner (<i>note 6</i>) | 614,250,000 150,000 | 61.89% 0.02% |
| MOK Siu Wan, Anne | Beneficial Owner (<i>notes 6 & 8</i>) | 350,000 | 0.04% |

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Notes:

1. Mr. Tan Siu Lin is the settlor and trustee of each of the Tan Family Trust of 2004, the Pak Kim Lam Tan Trust of 2004, the HJ Trust, the WR5C Trust, the LS Trust, the RC Trust, the JL Trust and the ST Trust (collectively referred to as the "Trusts"). As the settlor and trustee of the Trusts, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under part XV of the SFO to be interested in the aggregate shareholdings of Tan Holdings Corporation ("Tan Holdings Corporation"), a company incorporated in Commonwealth of Northern Mariana Islands and Helmsley Enterprises Limited ("Helmsley"), a company incorporated in the Commonwealth of the Bahamas, held in the Company, representing 68.09% of the issued share capital of the Company.
2. Pursuant to a shareholders' agreement dated 12 June 2004 and entered into between Mr. Tan Siu Lin as trustee for each of the Trusts and Helmsley, each of the Trusts have agreed to adhere to certain pre-emptive arrangements concerning the transfer of shares in Helmsley. For the purposes of Part XV of the SFO, each of the Trusts is therefore deemed to have effective voting power in respect of the interests in Helmsley in the Company.
3. Mr. Tan Henry is one of the beneficiaries of the HJ Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the HJ Trust in the Company.
4. Mr. Tan Willie is one of the beneficiaries of the WR5C Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of WR5C Trust in the Company.
5. Mr. Tan Cho Lung, Raymond is one of the beneficiaries of the RC Trust, which is a revocable discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in the interests of the RC Trust in the Company.
6. Except for Mr. Tan Siu Lin, each of the executive Directors is a grantee in the share options granted on 28 December 2004.
7. A total of 500,000 shares of the Company ("Company Shares") were purchased by an associate of Mr. Tan Willie between September and October 2005. Mr. Tan Willie is therefore deemed under Part XV of the SFO to be interested in the said total 500,000 purchased Company Shares.
8. Ms. Mok Siu Wan, Anne, in her personal capacity, purchased a total of 100,000 Company Shares on 10 August 2005.

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CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS

The Tan Private Group, comprising of Helmsley and Tan Holdings Corporation and their respective subsidiaries (other than the Group) and any other connected person of the Company (as defined in the Listing Rules), is engaged in a large variety of businesses, ranging from the distribution of office supplies, insurance, fisheries, technological support, property, advertising and printing, and production of packaging materials. Such operations are generally conducted with independent third parties not connected with the Company or any of its Directors, chief executives and substantial shareholders (such terms as defined under the Listing Rules). However, given the extensive scope of such non-apparel-related business operations of the Company's substantial shareholders (with the same meaning ascribed thereto in the Listing Rules), Helmsley and Tan Holdings Corporation, the Group has a number of continuing transactions with the Tan Private Group.

As defined in the Listing Rules, members of the Tan Private Group are deemed associates and hence connected persons of the Company. Therefore, any transaction between any Group company and any member of the Tan Private Group that will continue following the Listing will constitute a connected transaction of the Company for the purposes of Chapter 14A of the Listing Rules, and which may be subject to the reporting, announcement and/or independent shareholders' approval requirements contained in Chapter 14A of the Listing Rules.

The following table is a summary of the historical amounts of the non-exempt continuing connected transactions of the Group pursuant to Chapter 14A of the Listing Rules for the years ended 31 December 2005 and 2004. Details of these connected transactions are more particularly described in the prospectus and in the announcements dated 30 September and 1 December 2005 which pertain to new lease arrangements entered into between certain subsidiaries of the Group and its connected persons in Guam and Hong Kong, respectively.

| Connected Party | Category | 2005 | 2004 |
|-------------------------------------|---|----------|----------|
| | | US\$'000 | US\$'000 |
| Tan Private Group | Food and office supplies | 267 | 456 |
| | Travel services | 327 | 386 |
| | Insurance coverage | 680 | 1,028 |
| | Supply of packaging materials | 1,001 | 1,321 |
| | Provision of technological support services | 2,068 | 2,266 |
| | Lease agreements | 1,001 | 881 |
| | Freight services | 134 | 231 |
| | Mechanical repair and maintenance services | 182 | 296 |
| Administrative and support services | 5,206 | 9,024 | |

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The Directors (including the independent non-executive Directors) confirm that the above continuing connected transactions were:

- (i) carried out on normal commercial terms;
- (ii) carried out in the ordinary and usual course of business of the Group on terms that are fair and reasonable to the Group and are in the interest of the shareholders of the Company and the Group as a whole; and
- (iii) within the relevant cap amounts as agreed by the Stock Exchange.

Also, the Directors (including the independent non-executive Directors) advise that the auditors, based on the work they have performed, confirmed that the Group's continuing connected transactions:

- (i) have received the approval of the Directors;
- (ii) are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;
- (iii) have been entered into in accordance with the relevant agreement covering the transactions; and
- (iv) have not exceeded the cap disclosed in the previous announcements.

Save as disclosed above:

- (i) no contracts of significance subsisted 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 at the end of the year or at any time during the year; and
- (ii) there were no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

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SUBSTANTIAL SHAREHOLDERS

As at 31 December 2005, the register of substantial shareholders maintained pursuant to Section 336 of the SFO showed that other than the interest disclosed in "Directors' and Chief Executives' Interests in Shares", the following shareholders had notified the Company of their relevant interests in the issued capital of the Company.

Long position in the shares

| Name of shareholder | Notes | Capacity | No. of ordinary shares beneficially held | Approximate percentage of interest in the Company |
|--|----------|------------------------------------|--|---|
| Capital Glory Limited | (a) | Beneficial owner | 614,250,000 | 61.89% |
| Helmsley | (a) | Interest of controlled corporation | 614,250,000 | 61.89% |
| Tan Family Trust of 2004 | (b), (c) | Interest of controlled corporation | 675,774,000 | 68.09% |
| Trusts (other than the Tan Family Trust of 2004) | (c) | Interest of controlled corporation | 614,250,000 | 61.89% |
| Pou Chen Corporation | | Interest of controlled corporation | 89,100,000 | 8.98% |
| Wealthplus Holdings Limited | | Interest of controlled corporation | 89,100,000 | 8.98% |
| Yue Yuen Industrial (Holdings) Limited | | Interest of controlled corporation | 89,100,000 | 8.98% |
| Pou Hing Industrial Co. Ltd. | | Interest of controlled corporation | 89,100,000 | 8.98% |
| Great Pacific Investments Limited | | Beneficial Owner | 89,100,000 | 8.98% |
| Tan Holdings Corporation | | Interest of controlled corporation | 60,750,000 | 6.12% |
| | | Beneficial Owner | 774,000 | 0.08% |
| Union Bright Limited | | Beneficial Owner | 60,750,000 | 6.12% |
| JPMorgan Chase & Co. | (d) | Beneficial Owner | 50,168,000 | 5.05% |

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Notes:

- (a) Capital Glory Limited (“Capital Glory”), a company incorporated in the BVI with limited liability, is a wholly owned subsidiary of Helmsley. Helmsley is therefore deemed to be interested in the interests of Capital Glory held in the Company.
- (b) The Tan Family Trust of 2004 was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin and his family members. The Tan Family Trust of 2004 is interested in the entire issued share capital of Tan Holdings Corporation and 30% of the issued share capital of Helmsley. For the purposes of Part XV of the SFO, it is deemed to be interested in the shares held by both Tan Holdings Corporation and Helmsley.
- (c) The Trusts (Other than the Tan Family Trust of 2004) comprise of the following:
- (i) The Pak Kim Lam Tan Trust of 2004 was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin, Mrs. Pak Kim Lam Tan and their family members.
 - (ii) The HJ Trust was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin, Mrs. Pak Kim Lam Tan, Mr. Tan Henry and the family members of Mr. Tan Henry.
 - (iii) The WR5C Trust was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin, Mrs. Pak Kim Lam Tan, Mr. Tan Willie and the family members of Mr. Tan Willie.
 - (iv) The LS Trust was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin, Mrs. Pak Kim Lam Tan, Mrs. Lily Tan Chou and the family members of Mrs. Lily Tan Chou.
 - (v) The RC Trust was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin, Mrs. Pak Kim Lam Tan, Mr. Tan Cho Lung, Raymond and the family members of Mr. Tan Cho Lung, Raymond.
 - (vi) The JL Trust was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin, Mrs. Pak Kim Lam Tan, Mr. Tan Cho Yee, Jerry and the family members of Mr. Tan Cho Yee, Jerry.
 - (vii) The ST Trust was established on 11 June 2004 as a revocable discretionary trust for the benefit of Mr. Tan Siu Lin, Mrs. Pak Kim Lam Tan, Mr. Tan Sunny and the family members of Mr. Tan Sunny.
- (d) The same number of shares were held in lending pool.

As the trustee of the Tan Family Trust of 2004 and the Trusts (other than the Tan Family Trust of 2004), collectively known as the “Trusts”, all of which are revocable discretionary trusts, Mr. Tan Siu Lin is deemed under Part XV of the SFO to own in the aggregate shareholdings of Tan Holdings Corporation and Helmsley held in the Company, representing 68.09% of the issued share capital of the Company.

Save as disclosed above, so far as is known to the Directors, there are no other person (not being a Director or chief executive of the Company) who has interest or a short position in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be interested in 10% or more of the nominal values of any class of share capital carrying rights to vote in all circumstances at general meetings or any other members of the Group.

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PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SHARES

On 24 January 2005, the Company, Capital Glory Limited and BNP Paribas Peregrine Capital Limited entered into a placing agreement in relation to the placing of 90,200,000 existing Company Shares ("Placing Agreement") and a conditional subscription agreement between the Company and Capital Glory in relation to the subscription of 90,200,000 new shares ("Subscription Agreement"), which is equivalent to the same number of shares under the Placing Agreement. Details of both the Placing and Subscription Agreements were more particularly described in the Company's announcement dated 24 January 2005.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers accounted for approximately 64% (2004: 61%) of the total sales. The top five suppliers accounted for approximately 42% (2004: 65%) of the total purchases for the year. In addition, the Group's largest customer accounted for approximately 28% (2004: 26%) of the total sales and the Group's largest supplier accounted for approximately 21% (2004: 27%) of the total purchases for the year. At no time during the year have the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. Corporate Governance Report is set out in pages 37 to 44 of this annual report.

POST BALANCE SHEET EVENT

Details of a significant event occurring after the balance sheet date are set out in note 35 to the financial statements.

AUDITORS

The financial statements for the year have been audited by Messrs. PricewaterhouseCoopers. A resolution will be submitted to the forthcoming Annual General Meeting of the Company to re-appoint Messrs. PricewaterhouseCoopers as the auditors of the Company.

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PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

On behalf of the Board

Tan Henry

Chief Executive Officer and Director

20 April 2006