

Report of the Directors

The Directors present their report and the audited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2005.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the development and operation of and investment in media, entertainment, music production and distribution, Internet and technology-oriented businesses, the provision of advertising agency services, satellite television operations and sale of cosmetic products. There were no significant changes in the nature of the Group’s principal activities during the year.

RESULTS AND DIVIDENDS

Details of the profit of the Group for the year ended 31st December, 2005 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 29 to 99.

No interim dividend was paid or declared in respect of the year ended 31st December, 2005 (2004: Nil).

The Directors do not recommend the payment of a final dividend in respect of the year ended 31st December, 2005 (2004: Nil) at the forthcoming Annual General Meeting.

SHARE CAPITAL

Details of movement in the Company’s share capital during the year, together with the reasons therefor, are set out in note 28 to the financial statements.

DIRECTORS

The Directors of the Company who were in office during the year and those as at the date of this report are as follows:

Lien Jown Jing, Vincent (*Chairman*)

Lee Po On (*Chief Executive Officer*)

Lam Kin Ngok, Peter

Liu Ngai Wing

Cheung Wing Sum, Ambrose

(appointed on 12th September, 2005)

Lam Kin Ming

Tam Wai Chu, Maria

U Po Chu

Alfred Donald Yap*

Low Chee Keong*

Tong Ka Wing, Carl*

Shiu Kai Wah

(resigned on 12th September, 2005)

Chiu Wai

(resigned on 12th September, 2005)

* *Independent non-executive Directors*

Report of the Directors

DIRECTORS (continued)

Mr. Cheung Wing Sum, Ambrose was appointed an executive director of the Company on 12th September, 2005. In accordance with Bye-law 86(2) of the Company's Bye-laws, Mr. Cheung retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

In accordance with Bye-law 87 of the Company's Bye-laws, Mr. Lien Jown Jing, Vincent, Mr. Lee Po On, Madam Tam Wai Chu, Maria, Mr. Alfred Donald Yap, Mr. Low Chee Keong and Mr. Tong Ka Wing, Carl will retire by rotation at the forthcoming Annual General Meeting and, being eligible, they offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Save for the unexpired contract entered into with Mr. Cheung Wing Sum, Ambrose, for a fixed term of two years commencing from September 2005, none of the Directors proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Company, or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the notes to the financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

Save as disclosed in note 5 to the financial statements, at no time during the year had the Company or any of its subsidiaries, and the controlling shareholder or any of its subsidiaries entered into any contract of significance or any contract of significance for the provision of services by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed below, during the year and up to the date of this report, the following Director of the Company is considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

Mr. Lam Kin Ming is a director and the controlling shareholder of Big Honour Investment Ltd. ("Big Honour"), a private company incorporated in Hong Kong. The principal activities of Big Honour are the production of pop concerts and management of artistes.

As the Board is independent from the board of the aforesaid company and the above Director of the Company does not control the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from the businesses of, the aforesaid company.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Lien Jown Jing, Vincent, Chairman, aged 45, first joined the Board as an independent non-executive Director in August 1998 and was later appointed an executive Director and elected the Chairman of the Company in December 1999. He has over 10 years' experience in banking and corporate finance in Hong Kong, China, Singapore and South-east Asia, having held various senior positions at different major multinational banking institutions. Mr. Lien has entered into a service contract with the Company with no fixed term of service. He will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Bye-laws of the Company. The current emolument of Mr. Lien is HK\$612,000 per annum. He will receive such discretionary bonus as may be determined by the Board from time to time with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions. Mr. Lien does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Lee Po On, Chief Executive Officer, aged 50, was appointed an executive Director and Chief Executive Officer of the Company in March 2000. Mr. Lee joined the Lai Sun Group in November 1987. He is a director of Lai Sun Garment (International) Limited and Lai Fung Holdings Limited. Mr. Lee is a Fellow of the Association of Chartered Certified Accountants with over 25 years' financial and commercial experience. Mr. Lee does not have a service contract with the Company. He will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Bye-laws of the Company. The current emolument of Mr. Lee is HK\$1,209,600 per annum. He will receive such discretionary bonus as may be determined by the Board from time to time with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions. Mr. Lee does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Lam Kin Ngok, Peter, aged 48, was appointed an executive Director of the Company in October 1996. He is also a deputy chairman of Lai Sun Garment (International) Limited ("LSG"), the chairman of Lai Sun Development Company Limited ("LSD") and Lai Fung Holdings Limited and a director of Crocodile Garments Limited. LSD is the controlling shareholder of the Company and LSG is a substantial shareholder of LSD. Mr. Lam has extensive experience in property development and investment business. He is a director of the Real Estate Developers Association of Hong Kong, a member of the Hong Kong Hotel Owners Association and a council member of the Anglo Hong Kong Trust and a non-official member of the Film Development Council. Mr. Lam is a son of Madam U Po Chu and is the younger brother of Mr. Lam Kin Ming.

Mr. Liu Ngai Wing, aged 55, was appointed an executive Director of the Company in November 1998. He is also an independent non-executive director of Hang Fung Gold Technology Limited, Climax International Company Limited, Jackley Holdings Ltd. and Daiwa Associate Holdings Limited, all being listed companies in Hong Kong. Mr. Liu holds a Master Degree in Business Administration, a Master of Science Degree in Hotel and Tourism Management and a Master of Science Degree in Global Business, and is an Associate Member of both the Institute of Chartered Secretaries and Administrators and Hong Kong Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Executive Directors (continued)

Mr. Cheung Wing Sum, Ambrose, aged 55, was appointed an executive Director of the Company in September 2005. Mr. Cheung is a business executive with a legal and banking background. Prior to joining the Company, he is a partner of Philip K H Wong, Kennedy Y H Wong & Co to which he will continue to serve as a consultant. He has over 24 years experience in merger and acquisition, management and development of hotels, hospitality and property industries. He was previously a partner of Woo, Kwan, Lee, & Lo, a director of the Company and executive director of Sino Land Company Limited. Mr. Cheung is a Justice of the Peace and over the last 24 years he served on a number of public bodies and committees, which included the Legislative Council, the Urban Council and the Hong Kong Stadium Board of Governors. He is currently an elected member of the Shamshuipo District Council; the Chairman of Insurance Agents Registration Board and a member of the Tourism Strategy Group, Tourism Commission, Advisory Committee, Securities and Futures Commission and Advisory Committee, School of Hotel and Tourism Management, The Chinese University of Hong Kong. Mr. Cheung has entered into a service contract with the Company for a fixed term of 2 years. The current emolument of Mr. Cheung is HK\$3,465,000 per annum. He will receive such discretionary bonus as may be determined by the Board from time to time with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions. He will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company, in accordance with the provisions of the Bye-laws of the Company. Mr. Cheung does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. Mr. Cheung is also an executive director of Lai Sun Development Company Limited, a public company listed on the Main Board of the Stock Exchange of Hong Kong Limited and a substantial shareholder of the Company.

Non-Executive Directors

Mr. Lam Kin Ming, aged 68, is a non-executive Director of the Company and was first appointed to the Board in October 1996. Mr. Lam is also chairman of Lai Sun Garment (International) Limited (“LSG”) and has been involved in the day-to-day management of the garment business since 1958. He is also the chairman and chief executive officer of Crocodile Garments Limited and deputy chairman of Lai Fung Holdings Limited and a director of Lai Sun Development Company Limited (“LSD”). LSD is the controlling shareholder of the Company and LSG is a substantial shareholder of LSD. Mr. Lam is the elder brother of Mr. Lam Kin Ngok, Peter.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Non-Executive Directors (continued)

Miss Tam Wai Chu, Maria, G.B.S., C.B.E., J.P., aged 60, was appointed to the Board in October 2000. Miss Tam is a member of the Hong Kong Bar Association having been called to the Bar at Gray's Inn in England in 1972 and admitted into practice in Hong Kong in 1973. She has been closely involved in community and public administration services in Hong Kong since 1979 and has served on an extensive number of public and government bodies. Miss Tam is a member of the Basic Law Committee of Hong Kong Special Administrative Region, and a deputy to the National People's Congress. In addition to her other current community duties, she is also a board member of the Airport Authority of Hong Kong and a board member of the Urban Renewal Authority, and the president of Hong Kong Police Force Junior Police Officers' Association. Miss Tam sits on the boards of a number of publicly listed and private companies in Hong Kong. Miss Tam does not have a service contract with the Company. She will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Bye-laws of the Company. The current emolument of Miss Tam is HK\$630,000 per annum. She will receive such discretionary bonus as may be determined by the Board from time to time with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions. Miss Tam does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

Madam U Po Chu, aged 81, is a non-executive Director of the Company and was first appointed to the Board in October 1996. She is also a non-executive director of Lai Sun Garment (International) Limited ("LSG"), Lai Sun Development Company Limited ("LSD") and Crocodile Garments Limited, and an executive director of Lai Fung Holdings Limited. LSD is the controlling shareholder of the Company and LSG is a substantial shareholder of LSD. Madam U has 60 years' experience in the garment manufacturing business and has been involved in the printing business since the mid-1960's. In the early 1970's, she started to expand the business to fabric bleaching and dyeing and also became involved in property development and investment in the late 1980's. She is the spouse of the late Mr. Lim Por Yen and the mother of Mr. Lam Kin Ngok, Peter.

Mr. Alfred Donald Yap, J.P., aged 67, is an independent non-executive Director of the Company and was first appointed to the Board in December 1996. Mr. Yap is presently a consultant of K. C. Ho & Fong, Solicitors and Notaries. Mr. Yap is a former president of The Law Society of Hong Kong and past president of The Law Association for Asia and the Pacific (LAWASIA). Mr. Yap is also a former Hong Kong Affairs Adviser appointed by the Chinese Government. Mr. Yap does not have a service contract with the Company. He will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Bye-laws of the Company. The current emolument of Mr. Yap is HK\$240,000 per annum. He will receive discretionary bonus to be determined by the Board with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions. Mr. Yap does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Non-Executive Directors (continued)

Mr. Low Chee Keong, aged 45, was appointed an independent non-executive Director of the Company in August 1999. Mr. Low has been a member of the Chartered Institute of Marketing of the United Kingdom since 1986. He has over 11 years' experience in the property development and maintenance industry in Singapore, and is currently the managing director of Hong Siong Holding Pte Ltd. Mr. Low does not have a service contract with the Company. He will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Bye-laws of the Company. The current emolument of Mr. Low is HK\$240,000 per annum. He will receive discretionary bonus to be determined by the Board with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions. Mr. Low does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Tong Ka Wing, Carl, aged 55, was appointed an independent non-executive Director of the Company in September 2004. Mr. Tong is currently the managing director and chief executive officer of Creative Master Bermuda Limited, a company listed on the main board of the Singapore Exchange Securities Trading Limited. Mr. Tong is a member of the Hong Kong Institute of Certified Public Accountants and he qualified as a Chartered Accountant of England and Wales in 1981. He has over 20 years' experience in corporate management. Mr. Tong does not have a service contract with the Company. He will be subject to retirement by rotation and will also be eligible for re-election at future annual general meetings of the Company in accordance with the provisions of the Bye-laws of the Company. The current emolument of Mr. Tong is HK\$400,000 per annum. He will receive discretionary bonus to be determined by the Board with reference to the performance of the Company, duties and responsibilities of the director concerned and prevailing market conditions. Mr. Tong does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

Senior Management

Miss Hui Mei Yin joined the Company in 2002 and is the qualified accountant of the Company. She is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. She has over 10 years experience in the financial field.

Report of the Directors

SHARE OPTION SCHEME

Details of the Company's share option scheme are included in note 29 to the financial statements.

DIRECTORS' INTERESTS

As at 31st December, 2005, the following Directors and chief executive of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares of equity derivatives and debentures of the Company or any associated corporation (within the meaning of the Securities and Futures Ordinance (the "SFO") which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange:

(1) The Company

Name of Director	Personal Interests	Long positions in the shares			Capacity	Total	Percentage
		Family Interests	Corporate Interests				
Lien Jown Jing, Vincent	931,800	Nil	Nil	Beneficial owner	931,800	0.13%	
Lee Po On	5,195,934	Nil	Nil	Beneficial owner	5,195,934	0.70%	
Liu Ngai Wing	3,321,215	Nil	Nil	Beneficial owner	3,321,215	0.45%	

(2) Associated Corporation

Lai Sun Development Company Limited ("LSD")

Name of Director	Personal Interests	Long positions in the shares of LSD			Capacity	Total	Percentage
		Family Interests	Corporate Interests				
U Po Chu	633,400	Nil	Nil	Beneficial owner	633,400	0.005%	
Lam Kin Ngok, Peter	10,099,585	Nil	1,582,869,192 (Note 1)	Beneficial owner	1,592,968,777	12.50%	
Liu Ngai Wing	800	Nil	Nil	Beneficial owner	800	0.000006%	

Note:

- Lai Sun Garment (International) Limited ("LSG") and its wholly-owned subsidiary beneficially owned 1,582,869,192 shares in LSD representing approximately 12.42% in the issued ordinary share capital of LSD. Mr. Lam Kin Ngok, Peter was deemed to be interested in such shares by virtue of his personal and deemed interest in approximately 37.70% of the issued share capital of LSG.

Report of the Directors

DIRECTORS' INTERESTS (continued)

(2) Associated Corporation (continued)

Save as disclosed above, as at 31st December, 2005, none of the Directors and chief executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares of equity derivatives and debentures of the Company or any associated corporation which were required to be notified to the Company and the Stock Exchange or recorded in the Register as aforesaid.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save for the share option scheme disclosed above and in note 29 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31st December, 2005, the following persons, some of whom are directors or chief executive of the Company, had an interest in the following long positions in the shares and underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name	Capacity	Nature	Long positions in the shares	
			Number of Shares	Percentage
Lai Sun Development Company Limited ("LSD")	Beneficial owner	Corporate	285,512,791	38.31%
Asset Managers (China) Company Limited	Beneficial owner	Corporate	74,000,000 (Note 1)	9.93%
Red Rock Investment Co., Ltd.	Beneficial owner	Corporate	74,000,000 (Note 2)	9.93%
Asset Managers Co., Ltd.	Beneficial owner	Corporate	74,000,000 (Note 3)	9.93%

Notes:

- Asset Managers (China) Company Limited was taken to be interested in 74,000,000 shares in the Company beneficially owned by Asset Managers (China) Investment Co., Ltd. and Eagle Hill Holdings Limited due to its corporate interests in these companies.
- Red Rock Investment Co., Ltd. was taken to be interested in 74,000,000 shares in the Company due to its corporate interests in Asset Managers (China) Company Limited.
- Asset Managers Co., Ltd. was taken to be interested in 74,000,000 shares in the Company due to its corporate interests in Red Rock Investment Co., Ltd.

Save as disclosed above, no other person was recorded in the register required to be kept under Section 336 of the SFO as having an interest or short position in the shares and underlying shares of equity derivatives and debentures of the Company as at 31st December, 2005.

Report of the Directors

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has complied with the sufficiency of public float requirement under the Listing Rules during the year ended 31st December, 2005.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31st December, 2005, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

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.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the fixed assets of the Group during the year are set out in note 13 to the financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31st December, 2005, the Company had no reserves available for cash distribution and/or distribution in specie, calculated in accordance with Companies Act 1981 of Bermuda (as amended). However, the Company's share premium account, in the amount of HK\$3,001,935,000, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for less than 30% of total purchases for the year.

Report of the Directors

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated and reclassified as appropriate is set out below. The amounts for years ended 31st December, 2005 and 2004 in the five year financial summary have been adjusted for the effects of the retrospective changes in accounting policy as detailed in notes 2.2 and 2.3 to the financial statements.

RESULTS

	Year ended 31st December,				
	2005 HK\$'000	2004 HK\$'000 (Restated)	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
TURNOVER	<u>140,984</u>	<u>152,781</u>	<u>97,804</u>	<u>176,278</u>	<u>84,376</u>
PROFIT/(LOSS) BEFORE TAX	211,185	(147,531)	(89,575)	(69,460)	(179,423)
Tax	<u>(717)</u>	<u>2,014</u>	<u>(3,129)</u>	<u>985</u>	<u>(2,130)</u>
PROFIT/(LOSS) FOR THE YEAR	<u>210,468</u>	<u>(145,517)</u>	<u>(92,704)</u>	<u>(68,475)</u>	<u>(181,553)</u>
Attributable to:					
Equity holders of the parent	210,468	(145,517)	(92,707)	(68,799)	(181,688)
Minority interests	<u>—</u>	<u>—</u>	<u>3</u>	<u>324</u>	<u>135</u>
	<u>210,468</u>	<u>(145,517)</u>	<u>(92,704)</u>	<u>(68,475)</u>	<u>(181,553)</u>

Report of the Directors

SUMMARY OF FINANCIAL INFORMATION (continued) ASSETS, LIABILITIES AND MINORITY INTERESTS

	As at 31st December,				
	2005 HK\$'000	2004 HK\$'000 (Restated)	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
Property, plant and equipment	207,713	166,029	144,251	154,000	141,975
Available-for-sale investments	—	—	—	—	9,682
Interests in jointly-controlled entities	223	1,125	1,463	779	6,006
Interests in associates	1,632,930	1,515,217	113,053	48,903	85,983
Due from Furama Hotel Enterprises Limited	—	—	1,500,040	1,500,040	1,500,040
Deferred tax assets	—	—	—	—	661
Film rights	187,187	190,684	197,655	113,109	—
Current assets	<u>258,757</u>	<u>85,231</u>	<u>64,193</u>	<u>87,128</u>	<u>219,791</u>
TOTAL ASSETS	<u>2,286,810</u>	<u>1,958,286</u>	<u>2,020,655</u>	<u>1,903,959</u>	<u>1,964,138</u>
Current liabilities	(115,953)	(292,303)	(236,571)	(81,670)	(72,385)
Long term bank loans and other borrowings	<u>(126,607)</u>	<u>(32,341)</u>	<u>(5,042)</u>	<u>(77)</u>	<u>(107)</u>
TOTAL LIABILITIES	<u>(242,560)</u>	<u>(324,644)</u>	<u>(241,613)</u>	<u>(81,747)</u>	<u>(72,492)</u>
MINORITY INTERESTS	<u>(196)</u>	<u>(196)</u>	<u>(196)</u>	<u>(206)</u>	<u>(319)</u>
	<u>2,044,054</u>	<u>1,633,446</u>	<u>1,778,846</u>	<u>1,822,006</u>	<u>1,891,327</u>

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 23 to 26 of the 2005 Annual Report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules and the Company considers all the independent non-executive directors to be independent.

Report of the Directors

AUDITORS

Ernst & Young retire at the conclusion of the forthcoming Annual General Meeting and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Lien Jown Jing, Vincent
Chairman

Hong Kong
7th April, 2006