

## CHAIRMAN'S STATEMENT

Dear Shareholders,

I take great pride to present the Group results for the year ended 31 December 2005, its achievements, developments and industry conditions and prospect.

### **Performance for the year under review**

During the year, it is encouraging that all the business segments recorded positive contributions to the Group. The turnover achieved was HK\$439 million as compared to the turnover of HK\$280 million for the last year, representing 57% increase. The net profit attributable to the shareholders amounted to HK\$62 million.

### **Achievements and developments**

During the year 2005, the Group had achieved the followings:

- Successfully completed the ICBC (Asia)-Belgian Bank Integration in Hong Kong
- Launching of the important phase of Integrated Banking System for the Bank of Communication in China
- Extension of the exclusive IVR platform for China Mobile
- Become the market leading supplier of EFT-POS terminals in China

Besides, several new business lines and products are under development:

Financial solutions outsourcing and operation under our financial solutions arm. The trend and its success of the outsourcing and operation business were proven outside China. As a pioneer and well experienced solution provider in the financial industry, we started the expansion into the outsourcing years ago and become a major player in China.

New operation value-added services and products for the telecommunication industry are also under pilot run and further development with the strong financial and management support from the Group and the strategic investors.

For the American and European markets of the EFT-POS terminals, strategic alliance agreement had been signed paving our way entering the lucrative American and European market. The setting up of the Russian representative office leads us to the new and growing market in Russia and Eastern Europe.

### **Industry conditions and prospects**

As market and competitive pressures mount, more and more banks around the world are discovering that without upgrading the core banking system to transform their efficiency and cost bases, their future growth and high performance will be hindered. The global market of the core banking system is a multi billion USD business with great growth potential in other geographical theatre, in particular China where the banking reform is just starting to sprout. Years of effort has made us a leading local player and can mobilise the right people and skills to help our clients achieve their transformation. Besides, we are also the most preferred collaborator of our global players for the financial institutions in China.

In the telecommunication front, the advent of next-generation technologies drive value-added services operators concentrate more of their effort on driving revenue from similar services. Leveraging on the resources and experience generated from IVR platform operations, we are now in an extremely good position to develop new technology products and services. We expect these will be instrumental in generating additional future revenues.

Looking ahead, increasing demand of our EFT-POS terminals in China is expected to be continued. Being the market leader in China, we are ready to capture the strong market growth in China. Our products are also well received from our alliances in Europe and American markets. Besides driving further enhancement of the functionality of our products, the international market will also boost our revenue growth.

### **Corporate Governance and Investor Relations**

As the Group Chairman, I am entrusted with the responsibility of leading the Board to ensure the Group observes and maintains high standards of corporate conduct and governance.

In order to have an effective communications with our shareholders, it is imperative that we maintain timely informed corporate information. Through its membership to [www.irasia.com](http://www.irasia.com), shareholders and potential investors can obtain the Group's email alerts and latest corporate releases announcements via this website.

Lastly, I would like to take this opportunity to thank the fellow board members and the management for their concerted efforts and commitment. Also, I wish to extend my utmost gratitude and appreciation to our customers, bankers, suppliers, business associates and most valued shareholders for their continuous support to the Group.

### **Cheung Yuk Fung**

*Chairman*

Hong Kong, 21 April 2006