PACMOS TECHNOLOGIES HOLDINGS LIMITED
(弘茂科技控股有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1010)

ANNOUNCEMENT OF CONSOLIDATED RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2005

The Directors of PacMOS Technologies Holdings Limited (the "Company") are pleased to announce the consolidated results for the Company and its subsidiaries (collectively referred hereafter as the "Group") for the year ended 31st December 2005.

CONSOLIDATED INCOME STATEMENT

	Note	2005 HK$'000	2004 HK$'000
Continuing operations:			
Turnover	3	**147,961**	160,086
Cost of sales		**(116,299)**	(118,012)
Gross profit		**31,662**	42,074
Other revenues		**795**	946
Distribution costs		**(3,989)**	(3,513)
General and administrative expenses		**(31,742)**	(29,412)
Other operating expenses		**(17,931)**	(95,221)
Loss from operations	5	**(21,205)**	(85,126)
Finance costs	6	**(193)**	(583)
Loss before taxation		**(21,398)**	(85,709)
Taxation	7	**(1,367)**	(2,698)
Loss for the year from continuing operations		**(22,765)**	(88,407)
Discontinued operation:			
(Loss)/profit for the year from discontinued operation	4	**(874)**	2,531
Loss for the year		**(23,639)**	(85,876)
Attributable to:			
Equity holders of the Company		**(26,655)**	(91,388)
Minority interest		**3,016**	5,512
		(23,639)	(85,876)

	Note		
(Loss)/earnings per share for loss attributable to the equity holders of the Company during the year (basic and diluted) *(HK cents)*	*8*		
— continuing operations		**(7.66)**	(27.90)
— discontinued operation		**(0.26)**	0.75
		(7.92)	(27.15)

CONSOLIDATED BALANCE SHEET

As at 31st December 2005

	Note	2005 HK$'000	2004 HK$'000
Non-current assets			
Plant and equipment		**4,071**	5,221
Investment property			
— Discontinued operation		**—**	52,000
Intangible assets		**1,294**	889
Long-term deposit		**717**	726
		6,082	58,836
Current assets			
Inventories		**18,425**	43,879
Trade and other receivables	*9*		
— Continuing operations		**22,680**	21,413
— Discontinued operation		**—**	615
		22,680	22,028
Financial assets at fair value through profit or loss		**175,890**	—
Other investments		**—**	199,203
Amounts due from related companies		**359**	—
Restricted bank deposits			
— Continuing operations		**239**	242
— Discontinued operation		**—**	2,150
		239	2,392
Cash and bank balances		**78,232**	59,097
		295,825	326,599
Current liabilities			
Trade payables and accruals	*10*		
— Continuing operations		**26,469**	29,865
— Discontinued operation		**27**	874
		26,496	30,739
Short-term bank loans, secured		**—**	19,500
Current portion of long-term bank loans, secured			
— Discontinued operation		**—**	4,200
Amounts due to related companies		**1,462**	1,434
Taxation payable		**1,453**	1,748
		29,411	57,621

Net current assets	**266,414**	268,978
Total assets less current liabilities	**272,496**	327,814
Non-current liabilities		
Long-term bank loans, secured		
— Discontinued operation	**—**	26,250
Deferred tax liabilities		
— Discontinued operation	**1,300**	1,300
	1,300	27,550
Net assets	**271,196**	300,264
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	**33,659**	33,659
Reserves	**196,076**	222,413
Shareholders' funds	**229,735**	256,072
Minority interest	**41,461**	44,192
Total equity	**271,196**	300,264

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss, which are stated at fair value.

In 2005, the Group adopted the new/revised standards and interpretations of HKFRSs which are effective for the accounting periods commencing on or after 1st January 2005. The changes to the Group's accounting policies and the effect of adopting these new policies are set out in Note 2 below.

The HKICPA has issued a number of new standards, amendments and interpretations to existing standards which are not yet effective for the current accounting period. The Group has not early adopted these new standards, amendments and interpretations in 2005. The Group do not expect that these standards, amendments and interpretations will have significant impact on its current year's results of operations and financial position.

2. Changes in accounting policies

The adoption of the following HKFRSs, which include all Hong Kong Accounting Standards ("HKASs") and applicable Interpretations ("HKAS Ints"), that necessitates material changes in accounting policies or presentation of the financial statements are summarised as follows:

(i) Presentation of financial statements

The adoption of HKAS 1 "Presentation of Financial Statements" has affected the presentation of minority interest and other disclosures.

(ii) Investment property

The adoption of HKAS 40 "Investment Property" has resulted in a change in the accounting policy whereby changes in fair values of investment properties are recorded in the income statement. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

(iii) Deferred taxation

The adoption of revised HKAS Int 21 "Income Taxes: Recovery of Revalued Non-Depreciable Assets" has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

(iv) Financial assets at fair value through profit or loss

The adoption of HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement" has resulted in a change in the accounting policy relating to the recognition, measurement, derecognition and disclosure of financial assets and liabilities.

In accordance with provisions of HKAS 39, the Group reclassified their investments into financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried at fair value with any unrealised gains and losses taken to income statement. In prior years, investments of the Group were included in investment securities which were also stated at fair value.

HKAS 39 does not permit to recognise, derecognise and measure financial assets and liabilities on a retrospective basis. Accordingly, the Group redesignates all investments as financial assets at fair value through profit or loss as at 1st January 2005.

(v) Goodwill

The adoption of HKAS 38 "Intangible Assets" has resulted in a change in the accounting policy whereby goodwill shall not be subject to amortisation and shall be tested for impairment at least annually, irrespective of whether any indications of impairment exist. In prior years, goodwill was amortised on a straight-line basis over a period of 5 years. Assessment for impairment was only performed when there were indications that goodwill was impaired.

(vi) Discontinued operation

Pursuant to HKFRS 5, the Group's disposal of investment property in March 2005 held by Wellba Investment Limited, a wholly-owned subsidiary, were classified as discontinued operation. Details of the discontinued operation are disclosed in Note 4 below.

The adoption of HKFRS 5 has resulted in the change in presentation of financial statements. In 2005, a single amount on the face of the income statement comprising the aggregate of the post-tax loss recognised of discontinued operation was disclosed. In prior years, results of discontinued operations were incorporated in the individual lines on the face on the income statement. An analysis of the single amount into the revenue, expense, pre-tax loss of discontinued operation was disclosed in the notes to the financial statements.

(vii) Effect of changes in accounting policies

There had been no change to the Group's reserves as at 1st January 2005, the loss for the year ended 31st December 2004 and 2005 except for the reclassification required by HKAS 32 and 39 as mentioned in Note 2 (iv) above.

3. Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments are presented as the primary reporting format and geographical segments as the secondary reporting format. The continuing operations of the Group is organised into two main business segments, namely (i) design and distribution of integrated circuits and semi-conductor parts, (ii) investments holding, and are located in Hong Kong, Taiwan and the People's Republic of China (the "PRC").

There are no sales between the geographical segments.

(a) By business segments:

	2005			
	Continuing operations		Discontinued operation	
	Design and distribution of integrated circuits and semi-conductor parts *HK$'000*	Investments holding *HK$'000*	Property rental *HK$'000*	Total *HK$'000*
Segment revenues	147,961	—	726	148,687
Segment results	27,046	(17,304)	(742)	9,000
Unallocated income				795
Unallocated costs				(31,742)
Finance costs				(325)
Loss before taxation				(22,272)
Taxation				(1,367)
Loss for the year				(23,639)
Segment assets	118,076	175,890	—	293,966
Unallocated assets				7,941
Total assets				301,907
Segment liabilities	26,210	—	27	26,237
Unallocated liabilities				4,474
Total liabilities				30,711
Other segment items include:				
Capital expenditure				
— segment	1,116	—	—	1,116
— unallocated				1,363
Depreciation and amortisation				
— segment	3,022	—	—	3,022
— unallocated				170
Provision for impairment of trade receivables				
— segment	251	—	—	251
Provision for impairment of inventories				
— segment	361	—	—	361

	2004			
	Continuing operations		Discontinued operation	
	Design and distribution of integrated circuits and semi-conductor parts	Investments holding	Property rental	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenues	160,086	—	3,875	163,961
Segment results	37,093	(94,256)	3,372	(53,791)
Unallocated income				946
Unallocated costs				(28,909)
Finance costs				(1,234)
Loss before taxation				(82,988)
Taxation				(2,888)
Loss for the year				(85,876)
Segment assets	128,569	199,203	54,697	382,469
Unallocated assets				2,966
Total assets				385,435
Segment liabilities	29,942	—	31,396	61,338
Unallocated liabilities				23,833
Total liabilities				85,171
Other segment items include:				
Capital expenditure				
— segment	1,571	—	—	1,571
Depreciation and amortisation				
— segment	7,110	—	—	7,110
— unallocated				366
Reversal of trade receivables impairment				
— segment	653	—	—	653
Reversal of inventory impairment				
— segment	482	—	—	482
Provision for impairment of intangible assets and goodwill				
— segment	377	—	—	377
— unallocated				3,498

(b) By geographical segments:

	2005			
	Turnover *HK$'000*	**Segment results** *HK$'000*	**Total assets** *HK$'000*	**Capital expenditure** *HK$'000*
Hong Kong	**726**	**(18,046)**	**183,830**	**1,363**
Taiwan	**142,987**	**25,502**	**113,143**	**1,087**
PRC	**4,974**	**1,544**	**4,934**	**29**
	148,687	**9,000**	**301,907**	**2,479**

	2004			
	Turnover *HK$'000*	Segment results *HK$'000*	Total assets *HK$'000*	Capital expenditure *HK$'000*
Hong Kong	3,875	(90,961)	256,866	—
Taiwan	152,533	34,389	120,392	1,314
PRC	7,553	2,781	8,177	257
	163,961	(53,791)	385,435	1,571

4. Discontinued operation

Wellba Investment Limited, a wholly owned subsidiary of the Company, had disposed of the investment property situated at 18 Lee Chung Street, Chai Wan, Hong Kong (the "Property"), to a third party at a total cash consideration of HK$51,700,000. The completion date for the disposal of the Property was on 10th March 2005.

The turnover and results reflected in the consolidated financial statements are as follows:

	2005 *HK$'000*	2004 *HK$'000*
Turnover — rental income	**726**	3,875
Other operating expense — Indirect outgoings	**(1,468)**	(503)
(Loss)/profit from operations	**(742)**	3,372
Finance costs	**(132)**	(651)
(Loss)/profit before taxation	**(874)**	2,721
Taxation	**—**	(190)
(Loss)/profit for the year	**(874)**	2,531

5. Loss from operations

Loss from operations is stated after charging and crediting the following:

	2005	2004
	HK$'000	*HK$'000*
Charging:		
Amortisation/impairment of goodwill	**—**	4,391
Amortisation/impairment of intangible assets	**365**	2,637
Depreciation of plant and equipment	**2,827**	4,323
Exchange loss, net	**—**	1,481
Fair value losses on financial assets at fair value through profit or loss/other investments	**17,351**	94,333
Loss on disposal of investment property	**300**	—
Loss on disposal of plant and equipment, net	**—**	1,700
Operating lease rentals in respect of land and buildings	**3,035**	1,711
Provision for impairment of inventories	**361**	—
Provision for impairment of trade receivables	**251**	—
Research costs	**14,759**	12,177
Staff costs (including Directors' emoluments)	**20,813**	15,784
Crediting:		
Exchange gain, net	**382**	—
Negative goodwill recognised as income	**—**	537
Realised gain on disposal of financial assets at fair value through profit or loss/other investments	**47**	77
Reversal of inventory impairment	**—**	482
Reversal of trade receivables impairment	**—**	653

6. Finance costs

	2005	2004
	HK$'000	*HK$'000*
Interest expense on bank loan		
— wholly repayable within five years	**193**	583

7. Taxation

The Company is exempted from taxation in Bermuda. Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the year. Overseas taxation has been calculated on the estimated assessable profit for the year at the rates prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

	2005	2004
	HK$'000	*HK$'000*
Current taxation		
— Overseas taxation	**1,367**	2,722
— Overprovision in prior years	**—**	(24)
	1,367	2,698

8. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share for the year ended 31st December 2005 is based on the consolidated net loss attributable to the equity holders of the Company of approximately HK$26,655,000 (2004: HK$91,388,000) and 336,587,142 shares (2004: 336,587,142 shares) in issue during the year. Details of basic (loss)/earnings per share are analysed as follows:

	2005	2004
	HK cents	*HK cents*
Basic (loss)/earnings per share		
Continuing operations	**(7.66)**	(27.90)
Discontinued operation	**(0.26)**	0.75
	(7.92)	(27.15)

As there are no dilutive potential ordinary shares as at 31st December 2005 and 2004, the dilutive (loss)/earnings per share is equal to the basic (loss)/earnings per share.

9. Trade and other receivables

	2005	2004
	HK$'000	*HK$'000*
Trade receivables	**15,926**	19,194
Prepayments, deposits and other receivables	**6,754**	2,834
	22,680	22,028

At 31st December 2005, the aging analysis of trade receivables were as follows:

	2005	2004
	HK$'000	*HK$'000*
0-90 days	**16,091**	19,194
91-180 days	**87**	1
	16,178	19,195
Less: Provision for impairment of trade receivables	**(252)**	(1)
	15,926	19,194

10. Trade payables and accruals

	2005	2004
	HK$'000	*HK$'000*
Trade payables	**15,723**	20,996
Accrued charges and other payables	**10,773**	9,743
	26,496	30,739

At 31st December 2005, the aging analysis of trade payables were as follows:

	2005	2004
	HK$'000	*HK$'000*
0-90 days	**15,692**	20,996
91-180 days	**31**	—
	15,723	20,996

RESULTS

For the year under review, the Group registered a turnover (including discontinued operation) of approximately HK$148.7 million, as compared to that of last year of approximately HK$164.0 million. The loss attributable to shareholders was approximately HK$26.7 million (2004: HK$91.4 million).

DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31st December 2005.

BUSINESS REVIEW

Design and distribution of integrated circuit and semi-conductor parts

The sales of this segment have been relatively stable for the year under review as compared to the strong recovery in 2004. The turnover of this segment, which contributes most of the turnover of the Group, amounted to approximately HK$148.0 million for the year under review, as compared to approximately HK$160.1 million for the year ended 31st December 2004.

Due to limited production capacities of foundries, there was a sharp increase in wafer costs at the beginning of the year. The costs of wafer returned to normal from the second quarter onwards. As a result, this segment achieved a segment result of approximately HK$27.0 million for the current year as compared to that of last year of approximately HK$37.1 million. The segment result as a percentage of the segment turnover was approximately 18.3% for the current year as compared to approximately 23.2% for the year ended 31st December 2004.

Investment holding

As at 31st December 2005, the Group held approximately 3.9 million shares of ChipMOS Technologies (Bermuda) Limited ("ChipMOS"), a company listed in the NASDAQ. ChipMOS is a leading provider of semi-conductor testing and assembly services to customers in Taiwan, Japan and the United States.

As at 31st December 2005, the quoted market price of ChipMOS was US$5.80 per share as compared to US$6.37 per share as at 31st December 2004. As a result, an unrealised loss of approximately HK$17.3 million was recorded by the Group due to mark to market valuation of the shares for the year under review.

During the year, the Group sold 120,000 shares of ChipMOS in the NASDAQ market with an average price of approximately US$6.4 per share.

Property rental

The investment property situated at 18 Lee Chung Street, Chai Wan, Hong Kong was sold to a third party in March 2005 at a cash consideration of HK$51.7 million, representing a disposal loss of approximately HK$0.3 million.

Future plans and prospects

The Group will continue to focus on its main business in design and distribution of integrated circuit and semi-conductor parts, with emphasis in the Greater China region. Reported market forecasts generally expect a moderate single digit growth in the semi-conductor industry. Though greater market competitions are in expectation, we believe that, with efforts of the management and our staff, we are able to meet the coming challenges to our business.

LIQUIDITY AND FINANCIAL RESOURCES

For the year under review, the net cash inflow of the Group amounted to approximately HK$19.1 million, of which approximately HK$16.4 million was cash inflow from operating activities.

As at 31st December 2005, the cash and cash equivalents of the Group amounted to approximately HK$78.2 million (2004: HK$59.1 million).

In March 2005, the Group sold its investment property in Hong Kong and discharged the related mortgage liability of approximately HK$30.5 million. The Group had also repaid all other outstanding bank loans of approximately HK$19.5 million during the year under review.

GEARING RATIO

The gearing ratio of the Group, defined as total liabilities (excluding capital, reserves and minority interest) expressed as a percentage of total assets, was approximately 10.2% (2004: approximately 22.1%). The gearing ratio improved significantly as the group repaid all its outstanding bank loans during the year under review.

Finance costs for continuing operations incurred for the year under review was approximately HK$0.2 million as compared to approximately HK$0.6 million for the last year.

FOREIGN CURRENCY EXPOSURE

For the year review, an exchange adjustment of approximately HK$0.3 was credited to reserves upon translation of overseas operations.

As the main operation of the Group is in Taiwan, it is exposed to exchange fluctuations of New Taiwan dollars. However, such exchange risk is expected not to be significant under the current economic environment.

CAPITAL STRUCTURE

There was no change in the capital of the Company for the year under review. The loss attributable to shareholders of approximately HK$26.7 million was transferred to reserves. As at 31st December 2005, the shareholders' fund was approximately HK$229.7 million (2004: HK$256.1 million).

INVESTMENTS AND CAPITAL ASSETS

As at 31st December 2005, the Group held approximately 3.9 million shares of ChipMOS, of which is listed in NASDAQ. The share price of ChipMOS as at 31st December 2005 was US$5.80 per share as compared to that of US$6.37 per share as at 31st December 2004. As a result, an unrealised loss of approximately HK$17.3 million was recorded in the income statement for the year under review due to mark to market valuation of the investment. ChipMOS is an independent provider of semi-conductor testing and assembly services to customers in Taiwan, Japan and the United States. In accordance with its latest results announcement, for the year ended 31st December 2005, ChipMOS achieved an unaudited net income of approximately US$28.3 million with a earnings per share of approximately US$0.42. On 18th April 2006, the quoted market price of ChipMOS was US$7.15. As disclosed in the latest annual report of ChipMOS, Mosel Vitelic Inc., an indirect substantial shareholder of the Company, owned approximately 38.8% of ChipMOS's equity shares.

In November 2004, the Group's investment property in Hong Kong was sold to a third party at a cash consideration of HK$51.7 million. The sale was completed on 10th March 2005.

For the year under review, total additions to plant and equipment and intangible assets amounted to approximately HK$2.5 million (2004: HK$1.6 million).

CHARGE ON ASSETS

Upon completion of the sale of the investment property in Hong Kong on 10th March 2005, the related mortgage and charge to bank deposits were released.

As at 31st December 2005, restricted bank deposits amounted to approximately HK$0.2 million, mainly for the purpose of securing payment of value added tax as required by Taiwan Tax Bureau.

SEGMENTAL INFORMATION

Design and distribution of integrated circuit and semi-conductor parts is the main business of the Group which contributed over 99% of its turnover (including discontinued operation) for the year under review. Geographically, approximately 96% of the Group's turnover was contributed by the Taiwan operations for the year under review.

HUMAN RESOURCES

The headcount of the Group as at 31st December 2005 was approximately 84. The Group treasures experienced and knowledgeable staff to meet the competitive business environment. We recruit and retain high calibre staff by paying competitive remuneration packages including basic salaries, bonus, contributions to provident fund and medical benefits. Remuneration packages are reviewed annually with reference to market level and individual staff performance.

CONTINGENT LIABILITIES

No material contingent liabilities of the Group was noted as at 31st December 2005.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed 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.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

During the year, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules except the following deviations from Code A.4.1 and A.4.2:

1. the Chairman of the Board is not subject to retirement by rotation pursuant to the Bye-law 99, however, pursuant to the Bye-law 119, amongst other things, the Board shall as soon as practicable following each of the Company's annual general meeting elect one of its body to the office of Chairman of the Company and may from time to time elect or otherwise appoint other officers and determine the period to hold office;

2. the Independent Non-executive Directors were not appointed for specific terms but are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws;

3. the Directors may not retire by rotation at least once every three years, however, one-third of all the Directors (except the Chairman or Managing Director) for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire by rotation at the Company's annual general meeting and shall be eligible for re-election in accordance with the Bye-laws;

4. subsequent to the financial year end, the Board has designated Mr. Yip Chi Hung and Mr. Chen Che Yuan as Chairman and Chief Executive Officer with effect from 9th March 2006 respectively;

5. in early April 2006, the Company established the Remuneration and Nomination Committees, which comprise solely independent non-executive directors, namely Messrs. Wong Chi Keung *(chairman)*, Cheng Hok Ming, Albert and Ma Kwai Yuen, with primary duties to recommend, consider and review the remuneration and nomination of Directors respectively; and

6. the Board is scheduled to amend the Bye-laws in the Company's forthcoming 2006 annual general meeting to ensure the retirement of each Director by rotation at least once every three years in compliance with the Code to the Listing Rules.

The Board of the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Listing Rules and all Directors have confirmed that throughout 2005, they have complied with the provision of such Model Code.

The Company's audit committee held a meeting in April 2006 to review the Group's audited results for the year ended 31st December 2005. PricewaterhouseCoopers ("PwC"), the Group's external auditors, have conducted an audit on the Group's consolidated financial statements for the year ended 31st December 2005 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2005 have been agreed by PwC to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by PwC for this announcement.

AUDIT COMMITTEE

The Audit Committee comprises solely independent non-executive directors, namely Messrs. Wong Chi Keung *(chairman)*, Cheng Hok Ming, Albert and Ma Kwai Yuen. Its primary responsibilities include reviewing and supervising the Company's financial reporting process and internal control systems. The Audit Committee and the management have reviewed the accounting principles and practices which adopted by the Group and discussed auditing, internal control, and financial reporting matters include review of unaudited interim financial statements and audited annual financial statements. The Audit Committee has also reviewed the audited financial statements of the Group for the year ended 31st December 2005.

On behalf of the board
Yip Chi Hung
Chairman

Hong Kong, 19th April 2006

Compositions of the Board of Directors as at 19th April 2006

Executive directors:
Mr. Yip Chi Hung
Mr. Chen Che Yuan

Independent non-executive directors:
Mr. Wong Chi Keung
Mr. Cheng Hok Ming, Albert
Mr. Ma Kwai Yuen

* *For identification purpose only.*

Please also refer to the published version of this announcement in The Standard.