美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

RESULT ANNOUNCEMENT 2005

The board of directors of Mayer Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2005

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2005

	Note	2005 RMB'000	2004 RMB'000
TURNOVER	5	**1,056,629**	941,577
COST OF SALES		**(1,015,562)**	(842,199)
GROSS PROFIT		**41,067**	99,378
Other revenue	5	**4,162**	288
Other income	6	**14,178**	7,869
Distribution costs		**(9,853)**	(9,954)
Administrative expenses		**(30,558)**	(28,124)
Other operating expenses		**(2,986)**	(3,922)
Profit from operations	7	**16,010**	65,535
Finance costs	8	**(14,372)**	(5,375)
Profit before taxation		**1,638**	60,160
Taxation	9	**(878)**	(5,019)
Profit for the year		**760**	55,141
Attributable to:			
Equity holders of the Company		**308**	41,229
Minority interests		**452**	13,912
		760	55,141
Dividends	10	**4,000**	12,000
Earnings per share for profit attributable to the equity holders of the Company during the year			
– Basic	11	**0.08 cents**	11.7 cents
– Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

At 31 December 2005

	Note	2005 RMB'000	2004 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**195,160**	77,975
Leasehold land and land use rights for own use under operating lease		**8,860**	9,082
Available-for-sale financial assets		**720**	720
Intangible assets		**12,708**	–
Deferred tax assets		**27**	268
		217,475	88,045
Current assets			
Inventories		**212,867**	113,378
Trade receivables	*12*	**299,529**	226,075
Prepayments, deposits and other receivables		**16,340**	10,920
Amount due from a related company		**2,733**	–
Taxation recoverable		**1,596**	–
Time deposits		**95,747**	–
Cash and cash equivalents		**27,136**	103,481
		655,948	453,854
LIABILITIES			
Current liabilities			
Trade payables	*13*	**135,171**	17,880
Other payables and accruals		**29,648**	11,843
Taxation payable		**–**	468
Borrowings		**379,025**	230,807
		543,844	260,998
Net current assets		**112,104**	192,856
Total assets less current liabilities		**329,579**	280,901
Non-current liabilities			
Borrowings		**48,486**	–
NET ASSETS		**281,093**	280,901
CAPITAL AND RESERVES			
Issued capital		**42,480**	42,480
Reserves		**168,744**	174,666
Proposed final dividend		**4,000**	12,000
Equity attributable to equity shareholders of the Company		**215,224**	229,146
Minority interests		**65,869**	51,755
TOTAL EQUITY		**281,093**	280,901

Note:

1. CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 9 October 2003 as an exempt company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company is an investment holding company. Its subsidiaries' principal activities consisted of the manufacturing and trading of steel pipes, steel sheets and other products made of steel and the aluminum forged and forged-spun wheels and other spare parts for automobiles.

2. CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has adopted, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations. This includes the following new, revised and renamed standards:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 37	Provision, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS Int 15	Operating Leases – Incentives
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 23, 24, 27, 33, 37, HKAS Int 15 and HKFRS 2 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest and other disclosures of the financial statements;

- HKASs 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 23, 27, 33, 37, HKAS Int 15 and HKFRS 2 had no material effect on the Group's policies;

- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard; and

- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

(a) HKAS 17 Leases

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of land use rights from intangible assets to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease. In prior years, land use rights are carried at cost less accumulated depreciation and accumulated impairment.

(b) HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement

HKAS 32 and HKAS 39 establish principles for disclosure, presentation, recognition and measurement of financial instruments, including non-derivative financial assets, non-derivative financial liabilities and derivative instruments for hedging activities.

On the adoption of HKAS 39, the Group classified its investments into the following categories: held-to maturity, available-for-sale and fair value through profit and loss and measured its financial assets at either fair value or at amortised cost according to the classification. It also requires the recognition of derivative financial instruments at fair value and changes in the recognition and measurement of hedging activities.

In accordance with the transitional provisions of HKAS 39, it does not permit the recognition, derecognition and measurement of financial assets and liabilities in accordance with the standard on a retrospective basis. Accordingly, any adjustment to the previous carrying amount is recognised in the opening balance of retained earnings on 1 January 2005 and the comparative figures have not been restated. HKAS 32 requires all disclosure and presentation rules regarding financial instruments to be applied retrospectively.

(c) HKFRS 3 Business Combinations, HKAS 36 Impairment of Assets and HKAS 38 Intangible Assets

The adoption has resulted in a change in accounting policy for goodwill. Under HKFRS 3, goodwill is no longer amortised. Instead, it is tested for impairment annually, or more frequently, if events or changes in circumstances indicate a possible impairment. Any excess of fair value of assets and liabilities acquired over cost is recognised immediately as income under HKFRS 3. However, HKFRS 3 requires, if an entity previously recognised goodwill as a deduction from equity, it shall not recognised that goodwill in profit and loss account when it disposes of all or part of the business to which that goodwill relates or when a cash-generating unit to which the goodwill relates becomes impaired. There is no transitional arrangement for goodwill which has previously been eliminated against reserves as a matter of accounting policy.

(d) New standards or interpretations that have been issued but are not yet effective

At the date of authorisation of the financial statements, the Group has not early adopted the following new standards and interpretations which have been issued but not yet effective. The Directors anticipate that the adoption of these standards or interpretations or amendments will have no material impact on the financial statements of the Company and the Group and will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	The Effect of Changes in Foreign Exchange Rate – Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK (IFRIC)-Int 5	Rights to interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK (IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK (IFRIC)-Int 7	Applying the Restatement Approach Under HKAS 29 Financial Reporting in Hyperinflationary Economies

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The adoption of HKASs 32 and 39 has resulted in an adjustment to the opening balance of retained profits of RMB1,520,000 as at 1 January 2005 as shown in "Consolidated Statement of Changes in Equity" and net profit for the year ended 31 December 2005 has been decreased by RMB124,000. Comparative amounts have not been restated as HKAS 39 is adopted prospectively as of 1 January 2005.

4. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format. Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group comprises the following main business segments:

(i) Steel – the manufacture and trade of steel pipes, steel sheets and other products made of steel.

(ii) Aluminum – the design, develop, manufacture and trade of aluminum forged and forged-spun wheels and other spare parts for automobiles.

	Steel		Aluminum		Consolidated	
	2005	2004	**2005**	2004	**2005**	2004
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue						
– External sales	**1,048,532**	941,577	**8,097**	–	**1,056,629**	941,577
– Inter-segment sales	**–**	–	**–**	–	**–**	–
	1,048,532	941,577	**8,097**	–	**1,056,629**	941,577
Segment results	**22,227**	72,279	**(1,586)**	–	**20,641**	72,279
Unallocated operating income and expenses					**(4,631)**	(6,744)
Profit from operations					**16,010**	65,535
Finance costs					**(14,372)**	(5,375)
Taxation					**(878)**	(5,019)
Profit for the year					**760**	55,141
Segment assets	**676,955**	541,899	**169,747**	–	**846,702**	541,899
Unallocated assets					**26,721**	–
Total assets					**873,423**	541,899
Segment liabilities	**450,969**	260,998	**100,587**	–	**551,556**	260,998
Unallocated liabilities					**40,774**	–
Total liabilities					**592,330**	260,998
Capital expenditure	**20,119**	22,538	**1,420**	–	**21,539**	22,538
Unallocated amounts					**15,611**	–
					37,150	22,538
Depreciation and amortisation	**10,457**	8,159	**3,051**	–	**13,508**	8,159
Unallocated amounts					**785**	–
					14,293	8,159

(b) Geographical segments

The Group's revenue for the year ended 31 December 2005 is substantially made to customers based in the PRC, no separate analysis of sales by geographical locations is presented accordingly.

The following is an analysis of the carrying amount of segment assets and capital expenditure of the Group analysed by the geographical areas in which the assets are located.

	Segment assets		Capital expenditure	
	2005	2004	**2005**	2004
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong	**6,882**	53,365	**–**	300
Mainland China	**676,955**	487,543	**20,119**	22,238
Taiwan	**187,122**	–	**17,031**	–
Unallocated amounts	**2,464**	991	**–**	–
	873,423	541,899	**37,150**	22,538

5. TURNOVER AND OTHER REVENUE

Turnover represents the net amounts received and receivable for sale of goods by the Group to outside customers.

An analysis of the Group's turnover and other revenue is as follows:

	2005	2004
	RMB'000	*RMB'000*
Turnover		
Sale of goods	**1,056,629**	941,577
Other revenue		
Interest income	**964**	288
Rental income	**2,840**	–
Consultancy fee	**358**	–
	4,162	288
	1,060,791	941,865

6. OTHER INCOME

	2005	2004
	RMB'000	*RMB'000*
Scrap sales	**5,916**	6,366
Exchange gains, net	**3,019**	1,388
Fair value gain on foreign currency contracts	**1,396**	–
Reversal of previous impairment loss recognised on trade receivables	**3,229**	–
Sundry income	**618**	115
	14,178	7,869

7. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging:

	2005	2004
	RMB'000	*RMB'000*
Cost of inventories recognised as expenses	**993,240**	827,767
Depreciation	**14,071**	7,937
Amortisation of operating lease prepayment	**222**	222
Loss on disposal of property, plant and equipment	**124**	142
Operating leases in respect of		
– rented premises	**698**	239
– motor vehicles	**845**	660
Impairment loss on trade receivables	**–**	200
Contribution to defined contribution retirement schemes	**1,474**	1,397
Staff costs (including directors' remuneration)	**17,166**	17,731

8. FINANCE COSTS

	2005	2004
	RMB'000	*RMB'000*
Interest on bank and other borrowings wholly repayable		
– within five years	**14,262**	5,375
– after five years	**110**	–
	14,372	5,375

9. TAXATION

The charge comprises:

	2005	2004
	RMB'000	*RMB'000*
Income tax		
Current year	**612**	5,019
Underprovision of prior years	**25**	–
Deferred taxation	**241**	–
	878	5,019

Pursuant to the tax authorities in the PRC, Guangzhou Mayer Corporation Limited ("Guangzhou Mayer") is entitled to a preferential rate on PRC enterprise income tax of 10% for 2005 to 2006 (2004: 7.5%). The charge of PRC enterprise income tax for the year has been provided for after taking these tax incentives into account.

Income tax of the other companies comprising the Group is calculated at tax rates applicable to the jurisdictions in which they are incorporated/registered.

10. DIVIDENDS

The directors proposed the payment of final dividend of RMB1 cent per ordinary share, totalling RMB4,000,000, out of the Company's special reserve in respect of the year ended 31 December 2005 (2004: RMB12,000,000).

11. EARNINGS PER SHARE

The calculations of the basic earnings per share is based on the net profit from ordinary activities attributable to equity holders for the year of approximately RMB308,000 (2004: RMB41,229,000) and the weighted average of 400,000,000 (2004: 353,150,685) shares in issue during the year.

There were no potential dilutive shares in existence for the year ended 31 December 2005 and 2004, and accordingly, no diluted earnings per share amount has been presented.

12. TRADE RECEIVABLES

The Group has a policy of allowing an average credit period of 30-100 days to its trade customers and may be extended to selected customers depending on their trade volume and settlement with the Group.

An ageing analysis of trade receivables is as follows:

	2005 ***RMB'000***	2004 *RMB'000*
1-30 days	**70,501**	97,072
31-60 days	**70,294**	75,993
61-90 days	**58,240**	37,514
91-180 days	**92,283**	17,898
Over 180 days	**19,637**	746
	310,955	229,223
Provision for impairment of receivables	**(11,426)**	(3,148)
	299,529	226,075

13. TRADE PAYABLES

An ageing analysis of the trade payables is as follows:

	2005 ***RMB'000***	2004 *RMB'000*
1-30 days	**35,555**	15,776
31-60 days	**26,135**	1,000
61-90 days	**23,267**	1,076
91-180 days	**33,361**	21
Over 180 days	**16,853**	7
	135,171	17,880

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results

The turnover of the Group for the year was approximately RMB1,056,629,000, representing an increase of approximately 12.2% compared with approximately RMB941,577,000 for the last year while the net profit attributable to shareholders was approximately RMB308,000, representing a decrease of approximately 99.3% compared with approximately RMB41,229,000 for the last year.

Business Review

Steel price roared to historical high in the first quarter, due to lower increase in new resources of steel in the PRC in the beginning of the year, as well as the expected impact of rising price of iron ore. Subsequently, following the escalating macro-economic control over the market, steel demand grew at a slower pace, in addition to the release of production capacity within the industry, new resources in the PRC increased substantially. Eventually, the prices of steel products have dropped significantly in the second half of 2005. The profitability of the Group's main business recorded a considerable shrink. Sales volume of steel products decreased 2.1% from approximately 142,000 tonnes for the last year to approximately 139,000 tonnes. Although the selling price of the Group's steel products increased by approximately 15.0% compared with that for the last year, the gross profit decreased and was mainly because of relatively lower growth rate of the selling prices of our steel products as compared to that of the purchasing costs of raw materials and fuels during the year.

Production and Sales

The revenue from domestic sales of steel products in the PRC during the year was approximately RMB120,095,000, representing an decrease of approximately 17.4% compared with approximately RMB145,406,000 last year.

The revenue from indirect export sales of steel products in the PRC during the year was approximately RMB919,835.000, representing an increase of approximately 16.5% compared with approximately RMB789,859,000 for the last year. The market for indirect export sales in the PRC continued to be the core market for the Group.

The revenue from direct export sales of steel products outside the PRC during the year was approximately RMB8,602,000 while it was approximately RMB6,312,000 for the last year. The Group will continue to develop and maintain a good momentum of the international market, especially the newly launched product (stainless steel pipes) which has been exported to countries such as the U.S. and Vietnam.

The revenue from export sales of aluminum forged wheel products outside Taiwan during the two months period since the Group's acquisition of Fullchamp Technologies Co., Ltd in October 2005 was approximately RMB8,097,000. The Group will put great effort on developing its marketing and sales channels in order to achieve a profitable economic of scale.

Gross Profit

The Group recorded a gross profit of approximately RMB41,067,000 for the year, with a gross profit margin of approximately 3.9%, compared with the gross profit of approximately RMB99,378,000 and a gross profit margin of approximately 10.6% for the last year. This was mainly attributable to the lower growth rate of the selling prices of our products as compared to that of the purchasing costs of raw materials and fuels, coupled with tight supply of power and transport.

Operating Expenses

The total operating expenses of the Group for the year were approximately RMB57,769,000, of which approximately RMB9,853,000 in distribution costs, RMB30,558,000 in administrative expenses, RMB2,986,000 in other operating expenses and RMB14,372,000 in finance costs, accounting for approximately 0.9%, 2.9%, 0.3% and 1.4% of turnover respectively while the amounts for the last year were approximately RMB9,954,000, RMB28,124,000, RMB3,922,000 and RMB5,375,000 respectively, accounting for approximately 1.1%, 3.0%, 0.4% and 0.6% respectively.

Financial Resources and Treasury Policies

The Group continues to adhere to prudent treasury policies. The gearing ratio (borrowings divided by shareholders' funds) as of 31 December 2005 was approximately 198.6% (2004: 100.7%). The total borrowings of the Group amounted to approximately RMB427,511,000 (2004: RMB230,807,000), mainly denominated in US dollars, HK dollars, Renminbi and new Taiwan dollars with floating interest rates. The Group's short term loans from banks accounted for approximately 43.4% of the total assets (2004: 42.6%).

The current ratio (current assets divided by current liabilities) as of 31 December 2005 was approximately 1.21 (2004: 1.74). The Group continued to insure against receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

Cash Flow

Net cash outflow of approximately RMB142,085,000 was used in operating activities for the year, mainly resulted from the increase of inventories level of the Group. Despite approximately RMB957,388,000 raised from bank borrowings, the net decrease in cash and cash equivalents amounted to approximately RMB75,687,000, as a result of net cash outflow of approximately RMB37,150,000 used for plant expansion and purchase of machinery and equipment and RMB12,000,000 dividend paid. Cash and cash equivalents as at 31 December 2005 amounted approximately RMB27,136,000, mainly denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars.

Exchange Rate Exposures

As most of the Group's monetary assets and liabilities are denominated in US dollars, HK, Renminbi and new Taiwan dollars and those currencies remained relatively stable during the year, the Group was not exposed to any significant exchange risk. Meanwhile, the Group is also studying and implementing various measures in relation to reducing any exchange impact from the revalued of Renminbi against US dollars and new Taiwan dollars.

Pledge of Assets

As at 31 December 2005, property, plant and equipment and interest in leasehold land held for own use under an operating lease of the Group with net book value of approximately RMB159,791,000 and RMB8,860,000 respectively were pledged to secure bank borrowings.

Contingent Liabilities

The Group did not have any significant contingent liabilities at the balance sheet date (2004: Nil). At 31 December 2005, the Company had provided corporate guarantees of RMB145,263,000 (2004: RMB173,808,000) in favour of certain banks for banking facilities granted to a subsidiary. These banking facilities had been utilised to the extent of approximately RMB96,983,000 at the balance sheet date (2004: RMB104,320,000).

Employment, Training and Development

As at 31 December 2005, the Group had a total of 480 employees. Total staff costs for the year ended 31 December 2005 were approximately RMB18,640,000, including retirement benefits cost of approximately RMB1,474,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motive employees and are reviewed on a periodic basis.

Outlook

Under the macro-economic control policy, the growth rate will slow down in 2006. According to the "Strategy on the Development of the Steel Industry" promulgated by the State, the development of the steel industry will be directed towards controlled volume, technology upgrade, industrial layout and product mix adjustment, so as to combine the impact of an increase in new capacity with the phasing out of backward capacity. Following the completion of Phase III of our plant and the new installation of steel-cutting and pipe-making machines, the Group's future production capacity and market competitiveness would be enhanced to meet the steady but moderately fast growth of the national economy of the PRC. Moreover, the Group's new product (stainless pipes) has already been launched to the domestic market in the PRC as well as the international market, and has duly obtained the Hygiene Permit for Stainless Steel Pipes from the Guangdong Province Health Bureau, which would significantly help to promote the Group's new products in those markets.

Looking forward to 2006, the Group's management is confident that the Group will fully capitalize its extensive experience in cost management and achieve greater cost effectiveness, increased output of high value-added products and welcome to every investment opportunity which are beneficial to the Group, with an aim to generate the best return from investments and generate the best returns to our investors.

FINAL DIVIDEND

The directors recommend the payment of final dividend of RMB1 cent per ordinary share, totaling RMB4,000,000, out of the Company's special reserve in respect of the year ended 31 December 2005, subject to shareholders' approval at the forthcoming annual general meeting to be held on 30 June 2006, to the shareholders whose names appear on the Register of Members of the Company on 30 June 2006.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the year ended 31 December 2005, except that regard to the CG Code provision A.4.2 in respect of the rotation of directors.

Under the code provision A.4.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to Article 112 of the Articles of Association of the Company, one-third of the Directors for the time being shall retire from the office by rotation at each annual general meeting provided that the Chairman of the Board, the Managing Director or joint Managing Director of the Company shall not be subject to retirement by rotation. To comply with the code provision A.4.2 of the CG Code, the Company proposes to amend Article 112 of the Articles of Association of the Company at the forthcoming annual general meeting of Company.

The Group has adopted the Model Code for securities transaction by directors of Listed Issuers of the Listing Rules ("Model Code"). Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2005.

AUDIT COMMITTEE

The Audit Committee reviewed with management and the external auditors the accounting principals and practices adopted by the Group and discussed auditing, internal control and financial report matters including the review of the audited financial statements for the year ended 31 December 2005.

PURCHASE, SALE AND REDEMPTION OF SECURITIES

During the year, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

BOOK CLOSURE

The Register of Members of the Company will be closed from Tuesday, 27 June 2006 to Friday, 30 June 2006, both days inclusive, for the purpose of determining shareholders' entitlements to the proposed final dividend. In order to qualify for the final dividend, all transfers, accomplished by the relevant share certificates, must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong, not later than 4:00 p.m. on Monday, 26 June 2006.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at 5th Floor, Room 501 Aon China Building 29 Queen's Road Central, Hong Kong on Friday, 30 June 2006 at 2:30 p.m.. Notice of the annual general meeting will be published and issued in due course.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company, which will contain all the information required by the Listing Rules will be sent to shareholders and published on the website of the Stock Exchange (www.hkex.com.hk) in due course.

BOARD COMPOSITION

As at the date of this announcement, the executive directors of the Company are Lai Yueh-hsing, Lo Haw, Shen Heng-chiang, Wu Kuo-lung, Cheng Dar-terng, Chiang Jen-chin, the non-executive directors of the Company are Hsiao Ming-chih, Huang Chun-fa and the independent non-executive directors are Lin Sheng-bin, Huang Jui-hsiang and Alvin Chiu.

By Order of the Board
Lai Yueh-hsing
Chairman

Hong Kong, 25 April 2006