TECHNOLOGY VENTURE HOLDINGS LIMITED
(宏昌科技集團有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 61)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors (the "Directors") of Technology Venture Holdings Limited (the "Company") announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2005 together with comparative figures for the corresponding period in 2004 as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2005

	Notes	2005 HK$'000	2004 HK$'000
CONTINUING OPERATIONS			
Revenue	2	**128,884**	237,841
Cost of sales		**(119,990)**	(210,676)
Gross profit		**8,894**	27,165
Other income		**8,902**	1,816
Selling and distribution expenses		**(4,039)**	(11,627)
Administrative expenses		**(23,948)**	(37,118)
Other expenses		**(1,046)**	(9,468)
Impairment losses of goodwill		**(602)**	–
LOSS FROM CONTINUING OPERATIONS		**(11,839)**	(29,232)
Finance costs		**(567)**	(523)
LOSS BEFORE TAX		**(12,406)**	(29,755)
Income tax income (expense)	3	**2,413**	(175)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(9,993)**	(29,930)
DISCONTINUED OPERATION			
Loss for the year from discontinued operation		**(27,850)**	–
Loss for the year		**(37,843)**	(29,930)
Attributable to:			
– Equity holders of the parent		**(35,672)**	(26,853)
– Minority interest		**(2,171)**	(3,077)
		(37,843)	(29,930)
LOSS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT	4		
Basic		**HK$0.02**	HK$0.05
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET
Year ended 31 December 2005

	2005 HK$'000	2004 HK$'000
NON-CURRENT ASSETS		
Fixed assets	**1,916**	4,601
Intangible assets	**12,772**	1,387
Interest in a jointly controlled entity	**–**	104
Financial assets	**91,700**	66,681
Deposits	**–**	14,151
	106,388	86,924

* *for identification purpose only*

CURRENT ASSETS		
Inventories	**3,444**	28,197
Accounts and bills receivable	**24,718**	52,267
Prepayments, deposits and other receivables	**16,006**	50,019
Financial assets	**–**	23,045
Pledged time deposits	**139**	5,141
Cash and cash equivalents	**52,173**	79,857
	96,480	238,526
TOTAL ASSETS	**202,868**	325,450
CURRENT LIABILITIES		
Accounts and bills payable	**2,002**	52,304
Tax payable	**8,993**	11,670
Accrued liabilities and other payables	**35,525**	79,953
Bank and other borrowings	**626**	45,617
Current portion of obligation under finance lease	**203**	275
	47,349	189,819
NET CURRENT ASSETS	**49,131**	48,707
TOTAL ASSETS LESS CURRENT LIABILITIES	**155,519**	135,631
NON-CURRENT LIABILITIES		
Obligation under finance lease	**51**	254
Deferred tax	**159**	233
	210	487
NET ASSETS	**155,309**	135,144
CAPITAL AND RESERVES		
Issued capital	**55,735**	50,273
Reserves	**99,574**	80,417
	155,309	130,690
MINORITY INTERESTS	**–**	4,454
TOTAL EQUITY	**155,309**	135,144

Notes:

1. **Basis of preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

The adoption of HKFRS

In 2005, the Group adopts the standards and interpretations of HKFRS below, which are relevant to its operations.

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 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 31	Interests in Joint Ventures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, contingent liabilities and contingent assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

The adoption of HKASs 1, 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 24, 27, 31, 33 and 37 did not result in substantial changes to the Group's accounting policies. In summary:

– HKAS 1 has affected the presentation of minority interest.

– HKASs 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 24, 27, 31, 33 and 37 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. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the reclassification of long term investment to available-for-sale financial assets.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31 December 2004, the provision of share options to employees did not result in an expense in the income statements. Effective on 1 January 2005, the Group expends the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1 January 2005 was expended retrospectively in the income statement of the respective periods.

There was no grant of option in 2005 and all grants made in the period between 7 November 2002 to 31 December 2004 have either vested or lapsed due to non-acceptance of the grants. Accordingly, there is no expending of cost of share option during the year.

The adoption of HKFRS 3, HKAS 36 and HKAS 38 results in a change in the accounting policy for goodwill. Until 31 December 2004, goodwill was eliminated against consolidated reserves and not assessed for indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3, goodwill is tested annually for impairment, as well as when there is indication of impairment, starting from 1 January 2005.

The Group has also reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards, wherever applicable. All standards adopted by the Group require retrospective application other than HKFRS 3, HKASs 38 and 39.

For the year ended 31 December 2005, there are the following impacts on the financial information:

	HK$'000
The adoption of HKAS 39 results in:	
Increase in available-for-sale investments	10,228
Increase in revaluation reserve	10,228
The adoption of HKFRS 3 results in:	
Decrease in goodwill previously taken directly to reserves	602
Increase in accumulated losses	602

Application of new standards and interpretations issued but not yet effective by the time of this report would have no significant impact on the financial information.

2. Revenue and other income

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered. All significant intra-Group transactions have been eliminated on consolidation.

3. Income tax income (expense)

	Continuing Operations 2005 *HK$'000*	**Discontinued operation 2005** *HK$'000*	**2005 Total** *HK$'000*	**2004 Total** *HK$'000*
Current tax:				
Mainland China	1,160	131	1,291	1,415
Underprovision (Overprovision) in prior year	(3,499)	609	(2,890)	(1,240)
Tax (income) charge	(2,339)	740	(1,599)	175
Deferred tax	(74)	–	(74)	–
	(2,413)	740	(1,673)	175

No Hong Kong profits tax has been provided (2004: Nil) as the Group had no assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

4. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2005 ***HK$'000***	2004 *HK$'000*
Loss attributable to equity holders of the Company		
– Continuing operations	**7,822**	26,853
– Discontinued operation	**27,850**	–
	35,672	26,853
Weighted average number of ordinary shares in issue (thousands)	**516,048**	502,435
Basic loss per share (HK$ per share)		
– Continuing operations	**0.02**	0.05
– Discontinued operation	**0.05**	–

Diluted loss per share amounts are not presented as the share options outstanding during the years had an anti-dilutive effect on the basic loss per share.

5. Segment information

(a) *Business segments*

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments.

2005

	Banking and finance systems integration services ***HK$'000***	**Software solution for banks and the public sector** ***HK$'000***	**IT management and support** ***HK$'000***	**Eliminations** ***HK$'000***	**Total for continuing operations** ***HK$'000***
Segment revenue:					
Sales to external customers	**124,899**	**3,462**	**523**	**–**	**128,884**
Interest income	**550**	**–**	**2**	**–**	**552**
Other income	**5,514**	**12**	**–**	**–**	**5,526**

Total	**130,963**	**3,474**	**525**	**–**	**134,962**
Segment results	**(2,017)**	**1,527**	**141**	**–**	**(349)**
Unallocated interest income					**41**
Unallocated gains					**2,783**
Unallocated expenses					**(14,314)**
Loss from continuing operations					**(11,839)**
Finance costs					**(567)**
Loss before tax					**(12,406)**
Income tax income					**2,413**
Loss for the year from continuing operations					**(9,993)**

2004

	Banking and finance systems integration services *HK$'000*	Software solution for banks and the public sector *HK$'000*	IT management and support *HK$'000*	Eliminations *HK$'000*	Total for continuing operations *HK$'000*
Segment revenue:					
Sales to external customers	78,270	159,571	–	–	237,841
Intersegment sales	–	820	–	(820)	–
Interest income	194	213	–	–	407
Other income	178	657	–	–	835
Total	78,642	161,261	–	(820)	239,083
Segment results	(5,314)	(6,527)	–	–	(11,841)
Unallocated interest income					235
Unallocated gains					339
Unallocated expenses					(17,965)
Loss from continuing operations					(29,232)
Finance costs					(523)
Loss before tax					(29,755)
Income tax expense					(175)
Loss for the year from continuing operations					(29,930)

(b) *Geographical segments*

2005

	Hong Kong ***HK$'000***	**Elsewhere in the PRC** ***HK$'000***	**Eliminations** ***HK$'000***	**Total for continuing operations** ***HK$'000***
Segment revenue:				
Sales to external customers	**524**	**128,360**	**–**	**128,884**
Total	**524**	**128,360**	**–**	**128,884**

2004

	Hong Kong *HK$'000*	Elsewhere in the PRC *HK$'000*	Eliminations *HK$'000*	Total for continuing operations *HK$'000*
Segment revenue:				
Sales to external customers	430	237,411	–	237,841
Intersegment sales	–	820	(820)	–
Total	430	238,231	(820)	237,841

6. Loss from continuing operations

The Group's loss from continuing operations is arrived at after charging:

	2005 ***HK$'000***	2004 *HK$'000*
Cost of inventories sold and services provided	**119,990**	210,676
Depreciation	**1,754**	2,700
Provision for doubtful debts	**843**	8,589
Amortisation of deferred development costs	**–**	879

7. Accounts and bills receivable

	2005 ***HK$'000***	2004 *HK$'000*
Accounts receivable	**70,720**	102,799
Less: Provision for impairment	**(46,002)**	(50,532)
Accounts receivable, net	**24,718**	52,267

The ageing analysis of the accounts and bills receivable as at the balance sheet date, based on invoice date and net of provision, is as follows:

	2005 *HK$'000*	2004 *HK$'000*
Current to 90 days	**13,865**	37,143
91 days to 180 days	**6,994**	2,990
181 days to 365 days	**3,289**	5,007
Over 365 days	**570**	7,127
Accounts receivable, net	**24,718**	52,267

8. Accounts and bills payable

	2005 *HK$'000*	2004 *HK$'000*
Accounts and bills payable	**1,677**	51,372
Due to certain minority shareholders	**325**	325
Due to related companies	**–**	607
	2,002	52,304

The amounts due to the minority shareholders and related companies are unsecured, interest-free and repayable on demand.

The ageing analysis of the balances is as follows:

	2005 *HK$'000*	2004 *HK$'000*
Current to 90 days	**–**	25,981
91 days to 180 days	**160**	187
181 days to 365 days	**8**	10,740
Over 365 days	**1,834**	15,396
	2,002	52,304

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The Group reported revenue of HK$225,108,000 (including revenue of HK$96,224,000 from discontinued operation) from its ordinary business in 2005, representing a decrease of 5% compared with HK$237,841,000 in 2004. Loss from its operating business narrowed by 42% to HK$17,303,000 (including loss of HK$4,897,000 from discontinued operation) from an operating loss of HK$29,755,000 in 2004 due to successful cost control.

Gross profit dropped 37% to HK$17,119,000 (including gross profit of HK$8,225,000 from discontinued operation) from HK$27,165,000 in 2004 as a result of diminished turnover achieved during the year, gross profit margin reducing to 8% from 11.4% in 2004 due to fierce competition.

The Group reported loss on disposal of its shareholding in Beijing Advanced Digital Technology Co., Ltd. ("ADT BJ"), resulting in an increase in net loss attributable to shareholders to HK$35,672,000 from a net loss of HK$26,853,000 in 2004. Loss per share were HK7 cents, compared with a net loss of HK5 cents per share last year.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2005 (2004: Nil).

REVIEW OF CORE BUSINESSES

The Group's business portfolio has been re-defined with the acquisition of Acacia Asia Partners Limited ("Acacia") announced in August 2005 and the option for exchange of all the shares it held in ChinaCast for shares in Great Wall in September and the disposal of ADT in October 2005.

Subsequently after the close of the financial year, the Group announced the acquisition of the entire share capital of Grand Panorama Limited, a property consultancy agency in Shanghai, for HK$30 million.

To reflect the Group's latest structural changes and business nature as a holding company, a new corporate identity and name – Venture International Investment Holdings Limited – was proposed in January 2006 with a special general meeting to be convened.

Ultimately, the Group will become an integrated investment group with three business streams – the existing ATM maintenance service through TopAsia, the provision of computer technology services primarily to property agency business in Shanghai through Acacia, and real estate consulting services through Grand Panorama upon completion of the transaction.

Continuing Core Business – ATM maintenance service and IT solutions: TopAsia

TopAsia remains a core operation of the Group, targeting at the provision of repair and maintenance services to self-service facilities to the banking and finance sector of China. Despite other structural changes within the Group, the TopAsia team remained highly focused and was able to achieve a turnover of HK$120,188,000 and a net profit growth from the previous year.

Significant progress was made in the provision of Automatic Teller Machines (ATM) and after sales repair and maintenance services to Bank of China ("BOC") and China Postal Bureau. The successful bid of the BOC Yunnan Branch tender represented a major breakthrough in making business inroads into the Southwestern region of China.

TopAsia also came out as the clear winner in the annual tender of the China Merchants Bank ("CMB"), retaining its pre-eminent service provider standing for ATMs, automatic deposit machines and automatic enquiry machines, and also two product dealerships for Diebold ATMs and revolving cash deposit and withdrawal machines. Importantly, there was a double growth in both customer base and product sales.

TopAsia's technical expertise to empower the China Postal Bureau to enhance the standardized ATMP software for its ATM system also allowed it to win the tenders in 11 provinces, including Anhui, Hubei, Hunan, Shaanxi, Zhejiang, Jiangxi and Hebei.

This core business of the Group continued to lead in the marketing and sales of ATMs in China. Orders in the amount of RMB40 million were obtained from Postal Bureaus of Hubei and Zhejiang, BOC Jiangsu Branch, Bank of Shanghai, Nanjing City Commercial Bank, and the Shenzhen, Beijing and Xining Branches of CMB.

TopAsia's cooperation with reputable IT operator in China, UTStarcom, which is the inventor of "Little Smart" (or Xiaolingtong) mobile services, continued to bring mutual benefits to both parties. Orders in the amount of RMB22 million were secured for the provision of peripherals to IPTV multi-media workstations. Cooperation with EMC, the world's largest manufacturer of storage facilities, also produced orders of RMB16 million for the Industrial Bank's Head Office, Anhui Mobile and Zhejiang Unicom.

New Investment – IT investment and management: Acacia
On 19 August 2005, the Group made a strategic decision to acquire the entire issued share capital of Acacia from an independent party for HK$13 million, representing a P/E ratio of 7.88 times. The transaction was completed in October 2005.

Acacia is primarily a provider of IT management, online and support services as well as Internet portal and data management services to property agencies in Mainland China. It focuses on providing web-based platforms to small to medium-sized property agencies in accessing key information in respect of the property market and potential investors in China, initially in Shanghai.

The Group believes in the tremendous potential of the IT sector in China as the market continues to open up, and Acacia's pursuit of constructing and developing web-based software to provide an interface for property agents in managing customers' data is a niche data management business with minimal direct competition at present, and an exciting new prospect for the Group to tap into.

Currently, the property agency market in China is going through a transitional consolidation phase and as a result of regulatory measures, there was a 60% drop in transaction volume since April 2005. However, it is expected that the pent-up demand will help stabilize the market by the second half of the year 2006.

As the market becomes increasingly competitive, local property agencies are more acutely aware of the importance of systematic management of client data for team sharing as widely adopted by Hong Kong and international agencies. This opens a window of opportunities for Acacia.

At the time of the acquisition, Acacia had already secured a service contract with a reputable growing property agency in Shanghai as a steady income source. Since then, three new customers have been secured.

New Investment – real estate consultancy services: Grand Panorama
Subsequently after the close of the financial year, the Group announced on 10 Feb 2006 that it would acquire the entire share capital of Grand Panorama, a property consultancy agency in Shanghai, for HK$30 million. Turnover of the company's real estate agency services business has been among the sector's top five in Shanghai for the past couple of years and the Group believes that the fast growing affluence of the middle class in the city will continue to drive demand and buoy the development potential of this new investment.

Divestments: ADT
In September 2005, the Group announced the disposal of its entire 55% shareholding in the software vehicle ADT BJ for RMB27 million (HK$26 million) to another substantial shareholder of ADT. As ADT (Hong Kong) is now a dormant operation, application for de-registration is being made and this is expected to come into effect in the middle of 2006.

The Group had arrived at the decision after careful consideration of the related unfavorable business environment in China, primarily fierce competition and reduced IT spending among customers – and the loss-making status of ADT BJ. The Directors believe that the time and resources previously allocated to ADT BJ could be more profitably deployed for greater shareholder gains.

The Group recorded net sales proceeds of HK$24.4 million from the disposal.

Also in September, the Group announced the undertaking to exchange its 14.96% shareholding in the Singapore-listed ChinaCast, a provider of technology services by using satellite, with 3,103,543 shares ("Consideration Shares") in Great Wall which is being traded over-the-counter on NASDAQ in the US.

Based on the closing price of Great Wall on September 13 before the announcement, the Consideration Shares were valued at HK$128.3 million, representing 11.81% of the enlarged issued share capital of Great Wall.

The transaction is under approval from relevant regulatory bodies. If approval is obtained within the deadline, the transaction will be completed in the second half of 2006 and the Group will achieve a gain of HK$60 million from the deal.

Great Wall is principally engaged in effecting mergers, capital stock exchanges and asset acquisitions. It intends to focus its initial target search on technology, media and telecommunications businesses in China.

The Directors believe that an investment in NASDAQ-listed shares is of higher potential in value appreciation.

OUTLOOK
2005 was a pivotal year of evolution for the Group with the acquisition of Acacia, the consent to the exchange of ChinaCast shares with Great Wall shares, and the disposal of ADT. The latest acquisition of Grand Panorama moves the Group further towards becoming an investment holding company.

With the new business fundamentals as reflected by the proposed company name change, the Directors believe that the Group is now more positively poised to secure favorable yields for the shareholders. The year ahead is one of actively integrating Acacia into the core operation of the Group, aggressively developing TopAsia, proactively looking for new investments of potential, and optimizing the business constitution of the Group, including the newly acquired real estate agency business of Grand Panorama upon completion of the transaction.

TopAsia will continue to control cost and develop new business for higher profitability. A 10% growth target has been set for 2006 and TopAsia plans to achieve this by maintaining its top-notch service standards to existing clients such as BOC, CMB and Bank of Communications, and also expanding its customer and market coverage for its self-service products and services.

It will also step up the cooperation with EMC to market storage and contingency back-up systems of different levels to financial and securities enterprises and government institutions. Given the promising development of IPTV, TopAsia will also work closely with UTStarcom to bolster sales of related peripherals and products.

Robust business development is the key for the Group. More resources will be devoted to strengthening supplier relationship, identifying new business partners, securing new products and establishing additional growth drivers. Internally, TopAsia will seek to re-affirm its ISO9000 corporate management certification with more efficient resources deployment, effective management, and importantly higher profitably.

As a newcomer to the Group, Acacia will be assimilated with corporate philosophy and culture fully aligned. Despite the latest market consolidation, the property agency sector in Shanghai and other major cities in China are fast developing and it is obvious to operators that efficient data access and management is indispensable to successful competition.

Acacia enjoys the first mover advantage of being one of the very first to provide web-based data platforms to property agencies. The primary task is to promote and market Acacia's expertise and services extensively to corner this fledging market, initially in Shanghai, and to create a formidable entry barrier for potential competitors.

While consolidating the business of Acacia, TopAsia and Grand Panorama is the primary task for 2006, the Group will continue to search for new investments in China to bring greater yields to the shareholders.

EVENTS AFTER THE BALANCE SHEET DATE
Technology Venture Investments Limited, a wholly owned subsidiary of the Company, entered into an agreement on 10 February 2006 with an independent third party to acquire the entire issued capital of Grand Panorama Limited at a total consideration of HK$30,000,000.

LIQUIDITY AND FINANCIAL RESOURCES

Net assets

As at 31 December 2005, the Group recorded total assets of approximately HK$202,868,000 which were financed by liabilities of approximately HK$47,559,000 and equity of approximately HK$155,309,000. The Group's net asset value as at 31 December 2005 increased by 19% to approximately HK$155,309,000 as compared to approximately HK$130,690,000 as at 31 December 2004.

Liquidity

The Group had total cash and bank balances of approximately HK$52,312,000 as at 31 December 2005 (2004: approximately HK$84,998,000). After deducting bank loans and overdrafts of approximately HK$626,000 (2004: approximately HK$45,617,000), the Group recorded a net cash balance of approximately HK$51,686,200 as compared to that of approximately HK$39,381,000 as at 31 December 2004. As at 31 December 2005, the current ratio was 2.04 (2004: 1.26) and the gearing ratio was 0.01 (2004: 0.35) which was defined as the Group's interest-bearing bank loans and finance lease payables over its total equity.

Charges on assets

At 31 December 2005, fixed deposits of approximately HK$139,000 (2004: HK$5,141,000) were pledged to banks to secure banking facilities granted.

Treasury policies

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in PRC use short-term borrowings in PRC to finance working capital during the year, there was no borrowings outstanding as at 31 December 2005. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and United States dollars ("US dollars").

Contingent liabilities

At 31 December 2005, the Company had contingent liabilities in relation to guarantees given to banks in connection with facilities granted to certain subsidiaries amounting to approximately HK$20,000,000 (2004: HK$20,000,000).

As at 31 December 2005, the banking facilities granted to the subsidiaries were utilized to the extent of approximately HK$626,000 (2004: HK$1,170,000).

The Group has no material contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as some of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. Provision has been recognised as at 31 December 2005 in respect of such possible payments.

Foreign exchange exposure

The Group mainly earns revenue and incurs costs in US dollars and Renminbi. Foreign exchange exposure of the Group is minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect.

Employee and remuneration policies

As at 31 December 2005, the Group employed approximately 130 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, work experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

Model Code for Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix 10 of the Listing Rules of the Stock Exchange of Hong Kong Limited (the "Listing Rule"). On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2005.

Compliance with the Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2005.

Full details on the subject of corporate governance are set out in the Company's 2005 Annual Report.

PUBLICATION OF ANNUAL RESULTS ON THE INTERNET WEBSITE OF THE STOCK EXCHANGE

A results announcement containing the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board
Chan Tze Ngon
Chairman

Hong Kong, 13 April 2006

As at the date of this announcement, Mr. Chan Tze Ngon, Mr. Wu Emmy and Mr. Tang Kin Hung are the Executive Directors of the Company. Mr. Lo Siew Kiong, John, Mr. Fu Yan Yan and Ms. Wang Xi Ling are the Independent Non-executive Directors of the Company.

"Please also refer to the published version of this announcement in International Herald Tribune."