



Directors' Report

The Directors are pleased to present to the shareholders their annual report together with the audited financial statements for the year ended 31st December, 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year was investment holding and those of the subsidiaries are set out in note 12 to the financial statements. There were no significant changes, the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31st December, 2005 are set out in the consolidated income statement on page 30.

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

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 29th May, 2006 to Friday, 2nd June, 2006, (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the annual general meeting of the Company to be held on Friday, 2nd June, 2006, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 26th May, 2006.

FINANCIAL SUMMARY

The summary of the results of the Group for the five years ended 31st December, 2005 and the assets and liabilities of the Group as at 31st December, 2001, 2002, 2003, 2004 and 2005 are set out on page 60.

FIXED ASSETS

Details of movements in fixed assets of the Group during the year are set out in note 11 to the financial statements.

SHARE CAPITAL AND SHARE OPTION

Details of movement in the Company's share capital during the year are set out in note 16. There were no movements in the Company's share options during the year.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in note 18 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest subsisted at the end of the year or at any time during the year.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company who held office during the year were:

Executive Directors:

Mr. Harmiono Judianto

Mr. Johanas Herkiamto

Mr. Rudi Zulfian

Independent non-executive Directors:

Mr. Gandhi Prawira

Ms. Novayanti

Ms. Goh Hwee Chow, Jacqueline

Subsequent to the balance sheet date, Ms. Wang Poey Foon, Angela was appointed as an independent-non-executive Director on 6th January, 2006 and Ms. Roseline Marjuki was appointed as an executive Director on 21st April, 2006.

In accordance with Article 108 of the Company's Articles of Association and for the purpose of complying with the code provision A.4.2 of the Code on Corporate Governance Practice set out in Appendix 14 of the Listing Rules, Mr. Harmiono Judianto and Mr. Johanas Herkiamto, the existing Directors, will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the said meeting.

In accordance with Article 112 of the Company's Articles of Association, Ms. Wang Poey Foon, Angela and Ms. Roseline Marjuki who were appointed by the board of directors of the Company will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the said meeting.

The Company has received annual confirmations of independence from Mr. Gandhi Prawira, Ms. Novayanti, Ms. Goh Hwee Chow, Jacqueline and Ms. Wang Poey Foon, Angela, and as at the date of this report still considers them to be independent.

Each of the Executive Directors, except for Ms. Roseline Marjuki, has entered into a service contract for an initial term of 3 years commencing from 2nd December, 2003 (the "Listing Date") and renewable automatically for successive terms of 1 year each commencing from the date immediately after the expiry of the then current term of the service contract until terminated by not less than 3 months' notice in writing served by either party on the other. On 21st April, 2006, Ms. Roseline Marjuki entered into a service contract with the Company commencing on 21st April, 2006 for a period of 3 years.

On 6th January, 2006, Ms. Wang Poey Foon, Angela entered into a service contract with the Company commencing on 6th January, 2006 for a period of 3 years.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, none of the Directors and Chief Executives had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long position in shares of the Company

Name of director	Nature of interest	Capacity	Number of shares	Percentage of shareholding
Mr. Harmiono Judianto	Personal	Beneficial Owner	456,400,000	47.54%

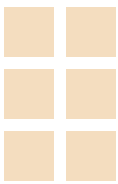
Long position in underlying shares of the Company (under physically settled equity derivatives)

Name of director	Nature of interest	Capacity	Number of underlying shares in respect of the share options granted	Percentage of the underlying shares over the issued share capital of the Company
Mr. Johanas Herkiamto	Personal	Beneficial owner	16,000,000	1.67%
Mr. Rudi Zulfian	Personal	Beneficial owner	16,000,000	1.67%

Note: The share options were granted under the Pre-IPO Share Option Scheme. Such share options were unlisted and physically settled equity derivatives. Details of such share options are set out in note 17 to the financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and Chief Executives' interests and short positions in shares, underlying shares and debentures" above and the share option scheme disclosures in note 17 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's Directors, their respective spouse, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Save as disclosed above, no other person (other than a Director or Chief Executive of the Company) has an interest or short position in the shares and underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPETING INTERESTS

None of the Directors, the substantial shareholder or the management shareholders (as defined in the GEM Listing Rules) had any interests in any business, which competed with or might compete with the business of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The Group had five customers during the year and sales to the largest customer included therein amounted to approximately 29%. During the year, the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

To the best knowledge of the Directors, neither the Directors, their associates, nor any shareholders, who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers during the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2005.

PRE-EMPTIVE RIGHTS

There are no provisions for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

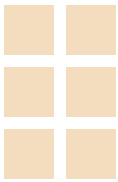
COMPLIANCE ADVISER'S INTERESTS

As updated and notified by the Company's compliance adviser, First Asia Finance Group Limited ("First Asia"), as at 31st December, 2005, neither First Asia nor any of its Directors, employees or associates had any interests in the shares of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the shares of the Company or any member of the Group.

Pursuant to the compliance adviser agreement dated 30th December 2005, entered with the Company, First Asia received and will receive fees for acting as the Company's compliance adviser for the period commencing on the date of listing of the shares on the Main Board and ending on the date which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial result for the first full financial year after the date of listing.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.



CORPORATE GOVERNANCE

Details of the corporate governance are set out in the section headed "Corporate Governance Report" in this report.

AUDITORS

A resolution to re-appoint the retiring auditors, Messrs. PKF, is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Mr. Harmiono Judianto

Chairman

Hong Kong, 21st April, 2006