

Dear fellow shareholders,

We have renamed the company as Signal Media and Communications Holdings Limited ("Signal Media") on 21 December 2005 in keeping its new business direction as a pioneer in new media and communications leveraging on the best technology, business models, human and financial resources and opportunities in China and Japan.

For the year ended 31 December, 2005, the chemical pesticide business remained as its core business and was the sole contribution to the Group, of which turnover was HK\$3,120,000 (2004: HK\$24,997,000). Operating cost was HK\$28,392,000 (2004: HK\$15,255,000) and, after including non-cash exceptional loss of HK\$5,979,000 (2004: HK\$9,649,000), loss attributable to shareholders was HK\$32,479,000 (2004: HK\$12,668,000). The Board of Directors does not recommend dividends for the year.

The Company underwent a change of control on 17 October 2005 with i-cf International Limited, an established media and investment company listed on Mothers Market of Tokyo Stock Exchange, became the major shareholder of the Company. Several new directors who are veteran professionals in media and communications have been appointed to the Company's Board of Directors. To symbolize the tremendous growth opportunities with its new direction, the Company changed its name to "Signal Media and Communications Holdings Limited". The name, in particular in its Chinese form, was inspired by the famous communications system that was used on the Great Wall of China for many centuries to great effect. It was a communications system that made a significant contribution to the development of China's history and culture.

Looking ahead, the Group will focus on opportunities that bring significant growth, broadening its income stream while continuing with the existing core business. With significant strength in China – Japan cross-border expertise, the Group is uniquely positioned to seize the tremendous growth opportunities now emerging from continued robust economic growth in China and the sustained Japanese economic recovery.

致各股東：

本公司於二零零五年十二月二十一日將公司名稱改為烽火傳媒控股有限公司（「烽火傳媒」），以因應其作為新傳媒及通訊之先鋒之新業務方向，充分發揮其最佳技術優勢、業務模式、人力及財務資源及於中國及日本涌現的商機。

截至二零零五年十二月三十一日止年度，化學農藥業務仍為本集團之核心業務，並為本集團之唯一收入來源，其中錄得營業額3,120,000港元（二零零四年：24,997,000港元），經營成本為28,392,000港元（二零零四年：15,255,000港元），經計入非現金額外虧損5,979,000港元（二零零四年：9,649,000港元），股東應佔虧損32,479,000港元（二零零四年：12,668,000港元）。董事會並不建議宣派本年度股息。

本公司於二零零五年十月十七日經歷了控制權變動，在東京證券交易所創業板上市之媒體及投資公司i-cf International Limited成為本公司之主要股東。多位媒體及通訊的資深專業人士獲委任為本公司董事會之新董事。為表示其於新方向之龐大發展商機，本公司將其名稱改為「烽火傳媒控股有限公司」。此名稱，尤其是其中文名稱，是受到多個世紀前中國長城所使用之著名通訊系統所啟發。該通訊系統為中國歷史及文化作出了傑出貢獻。

展望未來，本集團將專注在大幅增長之商機，及在繼續現有核心業務的同時擴闊收入來源。憑藉中日跨國專才，本集團已準備就緒，開拓中國經濟持續強勁的增長及日本經濟持續復甦所帶來的龐大商機。

CHAIRMAN'S STATEMENT

主席報告

In April 2006, we completed the acquisition of an established financial public relations company named JOVIAN Financial Communications Ltd., through which we will develop and execute a growth strategy in the financial media segment in China and Japan.

We intend to continue to make investments especially in businesses with strong growth potential, bringing the best of Japan to China and from China to Japan.

On behalf of the Board, I would like to take this opportunity to express our gratitude to our staff, shareholders and business partners for their joint effort in facilitating the business growth of Signal Media and Communications Holdings Ltd.

Mr. Isao Matsushima

Chairman

Hong Kong, 26 April 2006

於二零零六年四月，本公司完成收購財經公關公司溢星財經傳播有限公司。藉此，本公司可於中日兩地發展及執行財經傳媒業務。

本公司擬繼續於高增長潛力業務作出投資，以為中日帶來最佳效益。

本人謹代表董事會，向致力促進烽火傳媒控股有限公司業務發展之員工、股東及業務夥伴致以衷心謝意。

松島庸先生

主席

香港，二零零六年四月二十六日