Pan Sino International Holding Limited

環新國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 502)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

FINAL RESULTS

The board of directors (the "Board") of Pan Sino International Holding Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December, 2006, together with the comparative results for the previous year:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2006

	Notes	**2006** *HK$'000*	2005 *HK$'000*
TURNOVER	2	**800,696**	712,236
Cost of sales		**(606,501)**	(545,704)
Other income	3	**23,475**	10,978
Gain on disposal of property, plant and equipment		**—**	29
Selling and distribution expenses		**(5,544)**	(2,704)
General and administrative expenses		**(13,770)**	(8,755)
Net exchange (loss)/gain	4	**(7,703)**	20
Release of negative goodwill to income statement		**11,132**	—
PROFIT BEFORE TAXATION	5	**201,785**	166,100
TAX EXPENSE	6(a)	**(53,366)**	(48,181)
PROFIT FOR THE YEAR	7	**148,419**	117,919
Attributable to:			
Equity holders of the Company		**142,286**	111,853
Minority interests		**6,133**	6,066
		148,419	117,919
EARNINGS PER SHARE — (HK CENTS)			
— basic	8(a)	**14.82 cents**	12.5 cents
— diluted	8(b)	**14.15 cents**	11.8 cents

CONSOLIDATED BALANCE SHEET
As at 31st December, 2006

	Note	2006 HK$'000	2006 HK$'000	2005 HK$'000
NON-CURRENT ASSETS				
Property, plant and equipment			**149,093**	—
Deferred tax assets	6(b)		**281**	170
			149,374	170
CURRENT ASSETS				
Inventories		**8,334**		8,244
Trade debtors	9	**89,066**		76,542
Advances to suppliers	10	**18,015**		17,297
Deposits, prepayments and other receivables		**3,896**		1,500
Fixed deposits		**311,958**		336,988
Cash and bank balances		**45,304**		35,978
		476,573		476,549
Deduct:				
CURRENT LIABILITIES				
Tax payable		**5,259**		14,351
Other payable and accrued expenses		**9,230**		979
		14,489		15,330
NET CURRENT ASSETS			**462,084**	461,219
TOTAL ASSETS LESS CURRENT LIABILITIES			**611,458**	461,389
NON-CURRENT LIABILITY				
Provision for post employment benefits			**938**	566
NET ASSETS			**610,520**	460,823

CONSOLIDATED BALANCE SHEET

As at 31st December, 2006

	2006	2005
	HK$'000	*HK$'000*
Representing:		
SHARE CAPITAL	**9,600**	9,600
RESERVES	**600,920**	435,100
	610,520	444,700
MINORITY INTERESTS	**—**	16,123
TOTAL EQUITY	**610,520**	460,823

AUDITOR'S REPORT

The auditor has issued a disclaimer of opinion on the Group's financial statements for the year ended 31st December, 2006 resulting from the limitation of the scope of their work on the following specific matters:

i) Inventory of the Group of approximately HK$8,334,000 at 31st December, 2006.

ii) Turnover of approximately HK$800,696,000 for the year ended 31st December, 2006 and accounts receivable of approximately HK$89,066,000.

iii) Deposit for construction of factory-in-progress and plant and machinery of approximately HK$149,008,000.

iv) Material post balance sheet events.

(Full details of the auditor's report could be referred to in the annual report of the Group to be despatched to shareholders.)

NOTES TO THE FINANCIAL STATEMENTS

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.

The accounting policies and methods of computation are consistent with those used in the annual financial statements for the year ended 31st December, 2005 with the addition of the following amendments to standards and interpretation which are relevant to the Group's operation and are mandatory for the financial year ended 31st December, 2006.

HKAS 39 Amendments	Transition and Initial Recognition of Financial Assets and Financial Liabilities
	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Instruments: Recognition and Measurement and Insurance Contracts — Financial Guarantee Contracts

These amendments to standards and interpretations had no material effect on the Group's accounting policies.

The following new standards, amendments to standards and interpretations are relevant to the Group's operation but are not effective for 2006 and have not been early adopted:

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC) — Interpretation 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) — Interpretation 8	Scope of HKFRS 2

HK(IFRIC) — Interpretation 9	Reassessment of Embedded Derivatives
HK(IFRIC) — Interpretation 10	Interim Financial Reporting and Impairment
HK(IFRIC) — Interpretation 11	Group and Treasury Share Transactions
HK(IFRIC) — Interpretation 12	Service Concession Arrangements

The Group believes that the adoption of the above new standards, amendments to standards and interpretations will not result in substantial changes to the Group's accounting policies except that there will be additional disclosures required by HKAS 1 Amendment.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the trading of cocoa beans. Turnover represents the invoiced value of goods sold during the year.

Segment information is prepared in respect of the Group's business and geographical segments.

a) Business segments:

No information has been disclosed in respect of the Group's business segments as the Group operates only one business segment which is the trading of cocoa beans.

b) Geographical segments:

In presenting information on the basis of geographical segments, segment revenue is based on the location of customers. Segment assets and capital expenditure are based on the location of the assets.

	France	**Netherlands**	**United Kingdom**	**Republic of Indonesia**	**Republic of Singapore**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31st December, 2006						
Turnover	**120,304**	**511,866**	**168,526**	**—**	**—**	**800,696**
Segment assets	**14,001**	**59,796**	**15,269**	**374,040**	**162,841**	**625,947**
Capital expenditure	**—**	**—**	**—**	**—**	**149,093**	**149,093**
Year ended 31st December, 2005						
Turnover	79,127	461,825	171,284	—	—	712,236
Segment assets	6,566	51,452	18,524	400,177	—	476,719
Capital expenditure	—	—	—	—	—	—

3. OTHER INCOME

	2006	2005
	HK$'000	*HK$'000*
Bank interest income	**23,471**	10,741
Others	**4**	237
	23,475	10,978

4. NET EXCHANGE (LOSS)/GAIN

	2006	2005
	HK$'000	*HK$'000*
Exchange (loss)/gain arising from:		
Trading operations	**(7,446)**	394
Other non-trading operations	**(257)**	(374)
	(7,703)	20

5. PROFIT BEFORE TAXATION

	2006	2005
	HK$'000	*HK$'000*
Profit before taxation is arrived at after charging:		
Cost of inventories sold	**606,501**	545,704
Auditors' remuneration	**815**	471
Depreciation	**6**	—
Staff costs (including directors' remuneration)	**1,858**	2,032
Post employment benefits	**372**	495
Gain on disposal of property, plant and equipment	**—**	29
Minimum lease payments in respect of land and buildings	**521**	493

6. TAXATION

(a) Tax expense in the consolidated income statement represents:

	2006	2005
	HK$'000	*HK$'000*
Overseas taxation		
Current year tax provision	**53,477**	48,333
Deferred tax — Note 6(b)	**(111)**	(152)
	53,366	48,181

During the year, all of the Group's profits were derived from P.T. Nataki Bamasa, a subsidiary incorporated and operated in the Republic of Indonesia. No provision for Hong Kong profits tax has been made in these financial statements as the Group has no assessable profits derived from Hong Kong during the years ended 31st December, 2005 and 2006. Provision for Indonesian corporate income tax for the current year is based on the applicable income tax rates ranging from 10% to 30% (2005: 10% to 30%).

The tax expense for the year can be reconciled to the profit before taxation per income statement as follows:

	2006	2005
	HK$'000	*HK$'000*
Profit before taxation	**201,785**	166,100
Taxation at the Indonesian applicable income tax rates	**60,536**	49,817
Tax effect of non-deductible expenses	**105**	1,643
Tax effect of non-taxable income	**(7,275)**	(3,279)
Tax expense for the year	**53,366**	48,181

(b) The following are the major deferred tax (assets)/liabilities recognised by the Group and movements thereon during the year:

	The Group		
	Accelerated/ (decelerated) depreciation allowances	Post employment benefit	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1.1.2005	(21)	—	(21)
Exchange adjustments	1	2	3
Charge/(credit) to income statement for the year	20	(172)	(152)
At 31.12.2005 and 1.1.2006	—	(170)	(170)
Charge to income statement for the year	—	(111)	(111)
At 31.12.2006	**—**	**(281)**	**(281)**

As at 31st December, 2006, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately HK$388,487,000 (2005: HK$223,548,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

7. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Result attributable to equity holders of the Company represents a loss of approximately HK$2,766,000 (2005: HK$3,588,000) which has been dealt with in the financial statements of the Company.

8. EARNINGS PER SHARE

a) The basic earnings per share is based on the Group's profit attributable to equity holders of the Company of approximately HK$142,286,000 (2005: HK$111,853,000) and the number of 960,000,000 (2005: weighted average of 896,876,712) ordinary shares in issue during the year.

b) Diluted earnings per share for the year ended 31st December, 2006 is based on the profit attributable to equity holders of the Company and the weighted average number of 1,005,774,763 shares in issue during the year (2005: 950,636,712). The number of shares used in the calculation comprises 960,000,000 shares referred to in note 8(a) above and 457,747,763 shares assumed to have been issued at no consideration on the deemed exercise of the options under the Pre-IPO Share Option Scheme based on the fair value per share of HK$0.5011.

9. TRADE DEBTORS

Customers are normally required to pay the Group approximately within one month following shipment of goods.

The following is an aging analysis of trade debtors:

	The Group	
	2006	2005
	HK$'000	*HK$'000*
0 – 30 days	**89,066**	71,185
31 – 60 days	**—**	5,357
	89,066	76,542

The above trade debtors are denominated at United States Dollars.

10. ADVANCES TO SUPPLIERS

The amounts represents deposits (normally 50% of purchase prices) paid in advance to the suppliers according to the purchase orders.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Source and sell cocoa beans at competitive prices

Cocoa growing regions are found in Africa, Asia, Central America and South America, all within 20 degrees of the equator. There are between 5–6 million farmers who depend on farming cocoa for their income and about 80 million people rely on cocoa or some part of the cocoa industry for their livelihoods.

Annual cocoa production worldwide is estimated at 3 million tons and the global market value of the annual cocoa crop was estimated at more than US$5.1 billion. Annual increase in demand for cocoa has averaged approximately 3 percent per year for the past 100 years. Notably, 70% of total cocoa beans come from West Africa (source: World Cocoa Foundation).

Most of the production growth in Asia has come from Indonesia, the world's third largest cocoa beans producer after Côte d'Ivoire and Ghana. Côte d'Ivoire and Ghana continues to produce more than 85 percent of all cocoa grown in the world.

Cocoa cultivation in Indonesia is spread over approximately 1.05 million hectares of land mostly owned by small farmers. Production in Indonesia is projected to grow by 3.5 percent annually to 574 000 tonnes in 2010 and account for 16 percent of the global production by 2010, compared to 14 percent between 1998 till 2000. The Indonesian Government's policies have encouraged expansion of production and most of the increases during the last two decades were bulk cocoa coming from hybrid trees.

The Group is still one of the few purchasers in Indonesia who provide farmers with 50% advance payments for the purchase of cocoa beans. This continues to be an important strategy of the Group in dealing with the farmers since the Directors believe that farmers will sell the better quality cocoa beans from their harvest at a more competitive price to purchasers who provides them with meaningful advance payment. In addition, the Directors believe that the Group's ability to place large orders with farmers also enables the Group to obtain more competitive prices from the farmers. This way, the Group continues to offer its export customers quality cocoa beans at attractive prices.

For each of the three years ended 31st December, 2004, 2005 and 2006 the Group sourced from over 1,778, 2,244 and 2,467 farmers respectively. Having direct access to such a diversified base of farmers allows the Group: (i) to better control the quality and price of its purchases; (ii) to maintain a stable and reliable supply; and (iii) to improve its efficiency and cost effectiveness without going through intermediaries. There are many farmers in Indonesia that can supply the Group with the cocoa beans that meet the Group's requirements. The Group has maintained good relationships with farmers and selects its suppliers mainly based on the availability of the cocoa beans that meet the Group's quality requirements.

Cocoa beans prices quoted on The Coffee, Sugar and Cocoa Exchange of New York ("NYCSCE"), has been stable on an average of approximately US$1,506 per tonne compared to US$1,504 on average from the previous year.

Relationship with Customers

The Group has maintained good and stable relationships with its overseas customers as evidenced by the renewal of Sales Agreements with three of its five existing customers, namely, Unicom, ICBT and Westermann. Such customers agreed to purchase an annual aggregate minimum amount of 34,000 tonnes of cocoa beans for a further term of another three years from October 2005 to October 2008. Orebi and Theobroma have continued to maintain a strict internal policy that does not allow them to sign any long-term purchase agreements with any external parties.

The Directors believe that these customers are important as they are well established cocoa product suppliers who source cocoa beans all over the world.

Stringent quality control systems

The Group maintains a high standard of quality control by performing on-site quality control inspections of the cocoa beans purchased at the farmers' warehouses. The Group's quality control staff also undertake regular quality control inspections at the Group's warehouse and before shipment to customers. The adoption of these stringent quality control procedures ensures that the quality of the cocoa beans sourced from the farmers meets our customers' requirements.

Sales and Marketing

The Indonesian Government's determination to make Indonesia the world's largest cocoa producer and exporter has seen help extended to the farmers in Sulawesi where 70% of the cocoa plantations are located in Indonesia. This assistance from the Indonesian Government helps the farmers to expand and modernize their farms as part of the revitalization program that the Indonesian Government introduced. The expansion of cocoa plantations in Indonesia should result in an increase in the crop production available to the Group and this will help the Group to increase its sales to the export market. The Group hopes to become an essential trading partner with the international trading cocoa companies.

The Group's sales and marketing team maintains close contact with its customers, from whom they collect the latest market information and provide it to the farmers through the purchasing department of the Group. The Directors believe this assists the Group in enabling it to source from farmers the products that satisfy customers' requirements.

Currently the Group sells its products to five established importers based in Europe who resell the products to other cocoa beans trading companies and cocoa processing and or manufacturing companies in the United States of America.

As indicated in the following table, the Netherlands is the major market for the Company's products. Sales to the Netherlands accounted for more than half of the Company's turnover during each of the three years ended 31st December, 2004, 2005 and 2006. The breakdown of the Company's sales to the three geographic locations are as follows:

Geographical location	**For the year ended 31st December, 2004**		**2005**		**2006**	
	(HK$ million)	*%*	*(HK$ million)*	*%*	*(HK$ million)*	*%*
The Netherlands	371.4	60.0	461.8	64.8	511.9	63.9
The UK	164.1	26.5	171.3	24.1	168.5	21.0
France	83.6	13.5	79.1	11.1	120.3	15.1
Total	619.1	100.0	712.2	100.0	800.7	100.0

Pursuant to the Group's sales agreements with its customers, the price of each purchase shall be determined by mutual agreement between the Group and the respective customer with reference to, amongst other things, the prices of the cocoa beans quoted on the NYCSCE. Each customer is required to purchase the minimum amount stated in its respective sales agreement insofar as the Group can reasonably supply such amount.

The Directors do not believe the Group will have any problems sourcing cocoa beans to meet the minimum purchase amounts under the Sales Agreements since the Group has never experienced any problems sourcing cocoa beans and there is an abundant supply of farmers, which can supply such cocoa beans that meet the Group's requirements.

The Group will continue to expand its sales to its existing customers and to diversify its customer base in overseas markets. The Directors are confident that the Group will be able to increase sales to its existing customers, acquire new customers and achieve a larger share of cocoa beans purchases in the future.

All of the Group's shipments of cocoa beans are made on a "free-on-board" basis to the shipping point. Under this arrangement, the Group's customers are responsible for the costs of the shipment and insurance in connection with the transportation of cocoa beans from the shipping point in Sulawesi, Indonesia to the destination designated by the customers. In addition, the customers also bear the risk of loss and damage to the cocoa beans during transportation from the shipping port in Indonesia to its destination. This arrangement allows the Group to minimize its transportation and insurance costs. All of the Group's sales are denominated in US dollars.

Customers normally expect shipment to take place within two months after the order is placed. Customers are normally required to pay the Group by telegraphic transfer within one to two months following the shipment of the goods. For each of the three years ended 31st December, 2004, 2005 and 2006, the average debtors' turnover period of the Group was approximately 49.1, 43.7 and 40.6 days respectively. There has not been, and the Group has not made any provisions for, any bad and doubtful debts during the year.

BUSINESS PROSPECT

In 2010, it is expected that world grindings of cocoa beans will amount to 3.6 million tonnes, reflecting an average annual increase of 2.1 percent from 2.8 million tonnes during 1998-2000 to 2010 (the base period). Consumption is expected continue to be concentrated in developed counties, which are expected to account for 64 percent of world cocoa consumption in 2010. Consumption in these countries is projected to increase at an annual rate of 2.2 percent from 1.8 million tonnes during the base period to 2.3 million tonnes in 2010.

Consumption in Europe is projected to grow by 1.7 percent per annum and reach 1.4 million tonnes. Europe is expected to continue to be the world's largest cocoa consuming area, accounting for 40 percent of global cocoa consumption in 2010. In North America, the world's second largest cocoa consuming area, growth is expected to increase by 3.6 percent per annum and reach 703 000 tonnes. In the former Soviet Union/ the Commonwealth of Independent States (CIS), consumption is expected to grow by 0.8 percent per annum from 65 000 tonnes to 71 000 tonnes, reflecting expected increase in income in these countries. In Japan, consumption is expected to increase from 48 000 tonnes during the base period to 56 000 tonnes in 2010.

Consumption in developing countries as a group is expected to amount to 1.3 million tonnes by 2010, an annual growth rate of 1.8 percent. Africa, where capital formation for grindings has grown rapidly over the past decade, is expected to remain the largest consuming region in this group, accounting for 35 percent of the consumption of developing countries. The share of consumption in Latin America and Caribbean, where the relative cost for grindings are higher compared to Africa, is expected to decrease from 32 percent to 28 percent by 2010. In the Far East, where per capita consumption is still small, the share in consumption is projected to increase from 31 percent during the same period to 34 percent by 2010.

By 2010 beans are expected to continue to form the majority of cocoa exports, despite some increase of processing capacity in producing countries, especially those in Africa. Global cocoa beans exports are projected to reach 3.0 million tonnes by 2010, an average annual growth rate of 2.8 percent. Total exports from Africa are expected to grow by 2.8 percent annually from 1.7 million tonnes during the base period to 2.3 million tonnes in 2010, with Côte d'Ivoire, Ghana and Nigeria achieving an annual average growth rate of about 3 percent. Exports from Côte d'Ivoire are projected to increase to 1.5 million tonnes by 2010, or 51 percent of the projected global cocoa exports. Exports from Ghana are expect to reach 469 000 tonnes or 16 percent of the world total. The share of African exports in the world market are expected to remain stable, about 78 percent of the global exports.

Exports from the Far East, which increased rapidly during the 1980s and continued to grow at a slower rate during the 1990s, are expected to grow further and reach 529 000 tonnes by 2010. The increase in the exports from the Far East during the 1980s resulted mainly from rapidly growing shipments from Malaysia that accounted for 54 percent of the exports from the region. However, exports fell dramatically during the 1990s when farmers switched production. The increase in exports during the current decade is likely to result mostly from the increase in yields, and the share of the Malaysian exports in the region should increase only slightly, from 4.6 percent during the base period to 5.3 percent in 2010. On the other hand, exports from Indonesia grew rapidly during the 1980s and 1990s and are projected to continue to grow at 4.3 percent per year over the next decade and account for 98 percent of cocoa beans exports from the Far East by 2010, compared to 30 percent during the 1980s and 84 percent during the 1990s.

In Latin America and the Caribbean, cocoa exports are projected to increase from 97 000 tonnes during the base period to 130 000 tonnes reflecting expected increasing exports from Brazil where production is expected to recover from the loss caused by the witches' broom disease.

Global cocoa imports are expected to increase by 2.2 percent annually between 1998 - 2000 and 2010, compared with 3.1 percent during the previous decade. Imports in developed counties as a group are expected to grow at an annual rate of 2.5 percent to 2.6 million tonnes. Europe should continue to be the main consumer of cocoa, accounting for 65 percent of global cocoa imports in 2010. In North America, imports are projected to grow by 0.3 percent per year, to reach 505 000 tonnes by 2010. Shipments to the countries of the former Soviet Union/ the Commonwealth of Independent States (CIS) are likely to decrease slightly by 1.1 percent per annum. In Japan, imports are expected to increase by 1.4 percent per year from 48 000 tonnes in 1998 - 2000 to 56 000 tonnes in 2010. Imports in developing countries as a group are projected to remain unchanged and would account for 11.3 percent of world cocoa imports, compared with the 14 percent during the previous decade. (Source: Food and Agriculture Organisation of the United Nations)

FINANCIAL REVIEW

Overview

As at 31st December, 2006, the equity attributable to the equity holders of the Company amounted to approximately HK$610.5 million (2005: HK$444.7 million). Current assets amounted to approximately HK$476.6 million (2005: HK$476.5 million) of which approximately HK$357.3 million (2005: HK$372.9 million) were cash and bank deposits. Current liabilities amounted to approximately HK$14.5 million (2005: HK$15.3 million), mainly in tax payable and accrued expenses.

Turnover

Turnover was approximately HK$800.7 million in the current year (2005: HK$712.2 million) which represent an increment of 12.43% compared to the previous year.

Cost of Sales

During the year ended 31st December, 2006, the Group's cost of sales was approximately HK$606.5 million compared to HK$545.7 million in the previous year. The increase was due to the increase in sales volume of the Group.

Gross Profit

The Group's gross profit during the year ended 31st December, 2006 was approximately HK$194.2 million, an increase of approximately 16.6% compared to gross profit of approximately HK$166.5 million in the previous year.

Other Income

For the year ended 31st December, 2006, the Group's income from bank interest amounted to approximately HK$23.5 million.

Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the consumption of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Profit Attributable to Equity holders of the Company

Due to the increase in sales volume of cocoa beans, the Group's profit attributable to equity holders of the Company during the year ended 31st December, 2006 amounted to approximately HK$142.3 million, which exceeds the profit attributable to equity holders of the Company of approximately HK$111.9 million for the year ended 31st December, 2005.

Employees

As at 31st December, 2006, the total number of employees of the Group was 78. For the year ended 31st December, 2006, the staff cost including directors of the Group amounted to approximately HK$1.9 million representing approximately 0.24% of the turnover of the Group and a decrease of approximately HK$174,000 or approximately 8.56% as compared to the staff cost for the year ended 31st December, 2005.

SUPPLEMENTARY INFORMATION

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, 2006.

Final dividend

The Board did not recommend the payment of a final dividend by the Company in respect of the year ended 31st December, 2006 (2005: Nil). In addition, the Company has not paid any interim dividend for the year ended 31st December, 2006 (2005: Nil).

Closure of Register of Members

The register of members of the Company will be closed from Monday, 7th January, 2008 to Wednesday, 9th January, 2008 (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 Wednesday, 9th January, 2008, unregistered holders of shares of the Company should ensure that 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, Tricor 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, 4th January, 2008.

Corporate Governance

The Company is committed to maintaining a good standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Main Board Listing Rules for the year ended 31st December, 2006.

Audit Committee

The Audit Committee of the Company, comprising four independent non-executive directors, namely Mr Erik Iskandar (the Chairman of the Audit Committee), Mr Lam Choong Fei, Ms Goh Hwee Chow, Jacqueline and Ms Wang Poey Foon, Angela, has reviewed with senior management of the Group and external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting process including the review of the Company's consolidated financial statements for the year ended 31st December, 2006.

Board of directors

As at the date of this announcement, Mr Harmiono Judianto, Mr Rudi Zulfian, Ms Roseline Marjuki and Mr Abdi Arif Rasdita are the executive directors of the Company; and Mr Erik Iskandar, Mr Lam Choong Fei, Ms Goh Hwee Chow, Jacqueline and Ms Wang Poey Foon, Angela are the independent non-executive directors of the Company.

By order of the Board
Rudi Zulfian
Director

Jakarta, Indonesia, 10th December, 2007

* *for identification purposes only*