

FINANCIAL REVIEW

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level.

As at 30 June 2006, the Group had current assets of HK\$68,931,000 (31 December 2005: HK\$17,586,000) and current liabilities of HK\$68,873,000 (31 December 2005: HK\$42,855,000) and cash and bank balances of HK\$8,280,000 (31 December 2005: HK\$3,976,000).

During the Period, the Company had successfully procured one placement of a total of 120,000,000 new shares in the share capital of the Company in May 2006 generating approximately HK\$29.3 million net proceeds to the Group. HK\$20 million was applied as part of the consideration for the acquisition of Sanxia Gas and the remaining HK\$9.3 million has been used for general working capital.

As most of the cash reserves were placed in HK dollar short-term deposits with major banks in Hong Kong, exposure to exchange fluctuation is minimal.

PROSPECTS

The Board is optimistic towards the business prospect of SWIL in the forthcoming years and its future business developments in Mainland China.

Following the completion of the acquisition of Sanxia Gas on 7 August 2006, the Group has successfully diversified its business operations into gas supply in Mainland China and plans to concentrate its business operations and development in the field of energy resources-related business.

The Company has formulated its new direction to migrate to natural gas related business. After the Period, the Company has entered into a non-legally binding letter of intent on 3 July 2006 regarding a possible acquisition of interest in a gas supply company in Qingdao, the PRC for an estimated consideration of approximately HK\$264 million. This proposed acquisition is in line with the revised business plan. It enables the Group to further solidify and strengthen its natural gas related business and to expand the base for this type of business in the city of Qingdao, the PRC.

As a whole, the Group will actively identify opportunities to invest in the natural gas related business and other investment opportunities, mainly in Mainland China, so as to bring in significantly improved returns and contribute enhanced value to the shareholders of the Company.