

The Group's results recorded a satisfactory growth in 2005. The audited consolidated profit attributable to equity shareholders of the Company was HK\$175,759,000, representing an increase of 19.9% compared with HK\$146,616,000 (restated) in 2004. The basic earnings per share was 19.5 HK cents, representing an increase of 19.6% from 16.3 HK cents (restated) in 2004.

DIVIDEND

The Directors recommend the payment of a final dividend of 1.5 HK cents per share for the year ended 31 December 2005. The proposed final dividend, subject to the approval by the shareholders of the Company at the annual general meeting, is expected to be paid on 30 June 2006.

REVIEW

In 2005, consolidated turnover was HK\$921,217,000, a substantial increase of HK\$239,342,000 or 35.1% from HK\$681,875,000 in 2004. Such increase was attributable to the growth of the Group's businesses. The tinsplating business recorded an increase in production and sales volume due to the commencement of the operation of the new production line and the ease of the shortage in supply of black-plates since May 2005, leading to the surge in turnover of HK\$223,355,000 or 38.9%. Turnover of the live and fresh foodstuffs distribution business, foodstuffs trading business and property leasing business increased by HK\$10,493,000, HK\$5,387,000 and HK\$107,000 respectively, which resulted in the growth in profit from operations. Together with the revaluation gains of the Group's properties in 2005, profit from operations increased by HK\$11,300,000 to HK\$100,866,000. Despite the decrease in non-operating income and share of profit of associates as compared with 2004, the overall profit attributable to equity shareholders of the Company still recorded a promising increase.

In 2005, the Group recorded outstanding results as well as successfully commenced the "five-year development plan" of the tinsplating business. With the commencement of the operation of third production line, annual production capacity of Zhongshan Zhongyue Tinplate Industrial Co., Ltd. ("Zhongyue Tinplate") increased from 120,000 tonnes to 200,000 tonnes and realized the economies of scale. The black-plate manufacturing factory which is under construction is expected to commence operation by the end of this year. The Group will then have a more steady supply of black-plates and better control over production cost. As such, the adjustment in product mix and expansion into new markets for medium- to low-end products will gain a strong momentum.

Following the completion of debt restructuring and the turnaround in 2000, the Group has managed to generate a promising profit with sufficient funding. However, the substantial loss arising from the restructuring hampered our declaration of dividend. In 2005, the completion of capital reorganization removed the legal barrier for dividend payment.



Chairman's Statement

PROSPECT

With the steady growth in the PRC economy and gradual recovery of consumer's purchasing power, the demand for tinplates, being one of the major materials for metal packaging, will continue to be strong. Moreover, the drop in the price of steel and tinplates from its peak will further stimulate the demand. These favourable market factors attract industry players to go for business expansion and it is anticipated that the competition in the tinplating market will become fiercer this year. The Group will continue to devote resources on expanding the tinplating business chain into upstream cold-roll products and optimising the mix of high-, medium- and low-end tinplate products. With Zhongyue Tinplate's comparative advantages in its brand, technology and cost, new markets can be explored significantly thereby increasing its market share and achieving more promising results.

Liang Jiang

Chairman

Hong Kong, 19 April 2006