

Chairman's Statement

For the financial year ended 2005, the Company and its subsidiaries (the "Group") recorded a net loss of approximately HK\$51.71 million. Further details of the Group's past performance are explained under the "Management Discussion and Analysis" section.

As the interest rate is still on the rise and if coupled with other factors such as the possibility of outbreak of the avian flu, the economy in the year 2006 may become more volatile. The Group hopes to explore and seek new business opportunities in future. The Board of Directors does not recommend the payment of any final dividend for the year ended 31 December 2005.

I would like to take this opportunity to express my appreciation to all management and staff members for their contribution during the past year.

Chiu Kong

Chairman

Hong Kong, 26 April 2006