

Chairman's Statement

On behalf of your Board, I am pleased to report to you our results for the year ended 31 December 2005. The Group has achieved a good financial performance for 2005, building on the encouraging results of 2004, which I believe is indicative of the progress that the Group is making.

FINANCIAL RESULTS

In 2005, Group revenue increased by 60.3% to HK\$5,786.4 million. Profit attributable to shareholders was HK\$221.7 million, representing a 46 times increase over the HK\$4.8 million of 2004 and reflecting an increased contribution from all of our main business streams. Earnings per share were HK 5.14 cents, compared with HK 0.12 cent in 2004.

The Board does not recommend the payment of any dividend in respect of the year.

BUSINESS REVIEW AND OUTLOOK

We have been implementing our strategy as an integrated provider of key natural resources and commodities and this has improved the Group's financial performance for the second year since turning a profit in 2004.

Global demand for natural resources and commodities remained high in 2005. We are pleased with the performance of our aluminium smelting, coal mining and import and export of commodities businesses and interests, which

together have been the principal contributors and formed the basis for our positive performance in 2005. The respective business lines have benefited from increasing sales volumes and higher prices.

While we continue to enhance our existing businesses organically, we have also continued with our efforts to improve shareholder value through acquisitions and new investments.

In January 2005, we agreed to form a joint venture with a Chevron Corporation subsidiary to develop a regional network of Caltex branded service stations in Southern China and to explore development possibilities in the Yangtze river delta. The completion of the transaction is subject to PRC approval which needs to be obtained before 7 June 2006.

Another noteworthy investment by the Group in 2005 was the establishment of a manganese joint venture. In August, we and CITIC United Asia Investments Limited, a wholly-owned subsidiary of CITIC Group, agreed with Guangxi Dameng Manganese Industrial Co., Ltd. to establish a joint venture to manage and operate the largest manganese mines in the PRC and one of the

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largest manufacturers and suppliers of manganese products in the world. This transaction recently closed in March 2006 and the joint venture is expected to increase the Group's long term profitability.

In 2005, we strengthened our management expertise by appointing and engaging personnel who have significant petroleum expertise and technical know-how. In particular, Mr. Shou Xuancheng joined the Board in September as a Vice Chairman. Mr. Shou brings to the Group considerable experience in the oil and gas industry having previously occupied a number of high-level positions in the China National Petroleum Corporation group of companies.

We have made steady progress during 2005 in implementing our key natural resources and commodities focused business strategy. Moving into 2006, the Group now has manganese interests, in addition to aluminium, coal and import and export of commodities. We will continue to explore appropriate natural resources and commodities investment opportunities in the PRC and elsewhere to further enhance the Group's value and maximise shareholder value. Energy resources are a particular focus as the demand for such products in the PRC and elsewhere remain robust.

Whilst global competition for natural resources and commodities is strong and represents a challenge for us, we remain confident that the

Group is positively positioned to continue with the implementation of its business strategy. The Board and I believe that 2006 will be an extremely challenging year for the Company and it will see a doubling of effort by the Group to ensure sustainable growth.

APPRECIATION

I would like to express my deep thanks to my fellow directors for their valuable contribution and my heartfelt gratitude to all of our employees for their dedicated efforts and hard work. For myself and on behalf of the Board, I would like to extend my sincere thanks to our shareholders, customers, suppliers, bankers and business associates for their continued strong support.



Kwok Peter Viem

Chairman

Hong Kong, 21 April 2006

