

Chairman's Statement

I herewith present the annual report of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006. The report is also the first report I submit since I was elected the Chairman after the change of control of the Company in May 2006.

The period under review was a challenging year for the Company, especially in light of the event which occurred in late September 2005. On 29 September 2005, the Independent Commission Against Corruption issued a press release in relation to the arrest of 22 individuals for alleged corruption over the misappropriation of funds from listed companies. It was subsequently reported in certain press articles that several former directors of the Company had been arrested. At the request of the Company, trading in the shares of the Company was suspended from 9:30 a.m. on 29 September 2005.

Since then, the composition of the Board had undergone various changes. Most of the members of the current Board were appointed in May 2006. The new Board is now in the course of reviewing the existing financial, business and operational positions of the Company and undertaking a wide-ranging strategic review.

The prime goal for the Board is to formulate a proposal for resumption of trading of the shares of the Company so as to protect the interest of the Company. The Board is in the course of reviewing the draft reports on the financial due diligence review conducted by CCIF CPA Limited for the period from 1 April 2005 to 31 December 2005.

A number of proposed acquisitions during the year had to be terminated by the Company. The Board is pleased to note that such termination does not affect the existing businesses of the Group, namely, electrical engineering contracting business, trading in electrical materials and components, investment holding, securities brokerage, financing, money-lending and sea freight forwarding services.

Last, but not the least, I deeply appreciate that, during this difficult time of the Company, although my colleagues are facing a lot of challenges, they have remained dedicated to their job. May I take this opportunity to extend my gratitude for their loyalty and efforts. I look forward to their ongoing contributions to achieve further progress in the years to come.

By Order of the Board

YOU Wei
Chairman

Hong Kong, 27 July 2006