

Chairman's Statement

The Group made a loss before minority interests of HK\$14.4 million for the year ended 31 December 2006 (the "Year") compared with a loss of HK\$6.4 million for 2005. Net loss attributable to shareholders for the Year amounted to HK\$30.7 million compared with a net loss of HK\$19.8 million for 2005.

The Group's 77.04 % subsidiary, Omnitech Holdings Limited ("OHL"), a company listed on the Australian Stock Exchange, disposed of its investment in the smart card technology division, VFJ Technology Holdings Limited ("VFJ") towards the end of 2006. VFJ has not been operating in a profitable situation for years and has not recorded any encouraging revenue growth. OHL therefore decided to dispose of its investment in VFJ. Without the adverse impact of VFJ, OHL contributed positively to the Group's operating results through its wholly-owned electronic components division, Lik Hang Holdings Limited ("Lik Hang").

Lik Hang recorded healthy growth in both revenue and operating profit this Year as compared to 2005 as a result of its diversification into power supply related components. Lik Hang will continue its efforts in developing products in this area specially those components that are energy efficient and reduce warming emissions. Global warming and environmental control is a major concern in today's world. There will be increasing demand for products that make global energy supply more efficient. Lik Hang is determined to further develop electronic components to meet this increasing demand.

During the Year, the Group realised its investment in the home furniture division, Windsor Treasure Group Holdings Limited ("WTG"). The disposal of this investment was approved by our shareholders during the Special Shareholders' Meeting held on 19 July 2006. This investment has contributed positively to our operating results and generated good cash inflows for the Group on completion of the disposal. As a result, a special interim dividend of HK\$0.2 per ordinary share was declared and paid during the Year.

The Group's results were adversely affected by the increase in its administrative, other operating expenses and finance costs which in aggregate increased from HK\$54.2 million in 2005 to HK\$66.9 million for the current year. In view of that the Group has now adopted more stringent measures to control costs and expenses.

Chairman's Statement (Continued)

Looking forward, the Group will concentrate on its electronic components business to capture this multi-billion dollar market worldwide. The Group will also look for other investments that have the potential to provide healthy return to our shareholders.

Finally, I would like to thank Mr. Shaw Wen Fei and Mr. Sung Kai Hing, Simon who resigned as Directors on 15 June 2006 and 11 January 2007 respectively for their years of contribution to the Group.

Wong Kin Chi

Chairman

Hong Kong, 23 March 2007