

The Group recorded satisfactory results in 2006. The consolidated profit attributable to equity shareholders of the Company was HK\$121,320,000, representing a decrease of 31.0% compared with HK\$175,759,000 in 2005. Excluding factors such as valuation gains on investment properties, non-operating income and tax refund for re-investment, the profit from operations of the Group was HK\$110,794,000 in 2006, representing an increase of 37.9% compared with 2005. The basic earnings per share was HK13.5 cents, representing a decrease of 30.8% from HK19.5 cents in 2005.

DIVIDEND

The Directors recommend the payment of a final dividend of HK2.0 cents per share for the year 2006. The final dividend for 2006, subject to the approval by the shareholders of the Company at the annual general meeting, is expected to be paid on 29 June 2007.

REVIEW

In 2006, consolidated turnover was HK\$1,221,254,000, a substantial increase of HK\$300,037,000 or 32.6% from HK\$921,217,000 in 2005. Such increase was attributable to the growth of the tinsplating business. 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 sufficient supply of black-plates, leading to the surge in turnover of HK\$311,141,000 or 39.0%. The increase in consolidated turnover resulted in the growth in profit from operations. Profit from operations was HK\$110,794,000 for 2006, representing an increase of 37.9% compared with HK\$80,369,000 in 2005.

In 2006, Zhongshan Zhongyue Tinplate Industrial Co., Ltd. ("Zhongyue Tinplate") realized an annual production capacity of 200,000 tonnes and the production capacity utilization rate reached 83.5% for the year, which broke the highest records of tinsplating business in terms of its sales and production volume since its operations commenced in 1990, compared with 74% for 2005. As a primary business of the Group, the proportion of its contribution to the profit from operations of the Group increased from 68.6% in 2005 to 73.8% in 2006, which brought a stable source of profit to the Group.

The new highest record of tinsplating business was just the beginning of a new stage. In the end of 2006, the construction of black-plate manufacturing factory completed, and the entering into a joint venture agreement with POSCO Co. Ltd. ("POSCO"), an international steel company, to build a new factory with annual production capacity of 250,000 tonnes of tinplates in the northern region of PRC which is expected to complete and commence production at the end of this year. The production capacity of tinplates and black-plates increased from 120,000 tonnes in the middle of 2005 to 200,000 tonnes in 2006 to 350,000 tonnes this year and further to 600,000 tonnes next year. With the help of production and sales, the Group's profit will reach a higher rung on the ladder.



Chairman's Statement

PROSPECT

The domestic and overseas demand for tinplates will maintain strong in line with the development of metal packaging, particularly the domestic metal packaging. With the commencement of production of the black-plate manufacturing factory, the self-produced black-plates together with the supply of black-plates from POSCO, the Group has established a stable and adequate black-plates resources supply system. The Group will continue to devote on strengthening and maximizing its tinplate business with the help of Zhongyue Tinplate's comparative advantages in its production capacity, brand, technology, costing as well as resources, lowering transportation cost, increasing its market share and achieving more promising operating results.

Liang Jiang

Chairman

Hong Kong, 20 April 2007