

CHAIRMAN'S STATEMENT

TO THE SHAREHOLDERS

On behalf of the board of directors (the "Board") of Softbank Investment International (Strategic) Limited (the "Company"), I wish to present the annual report of the Company for the financial year ended 31 December 2006.

BUSINESS REVIEW

Over the past year, the Directors and the management of the Group have continued to demonstrate diligence, enthusiasm and unflagging vitality towards building upon the Group's existing areas of strength while at the same time forging new frontiers both geographically and in terms of its investment opportunities. With the resurgence in market sentiment, the Group has seized the opportunity to divest its interest in a series of companies while marginally shifting its focus to its overseas interests, including its activities in Malaysia and the PRC, establishing what the Group considers to be the foundation for future growth.

Despite recording a consolidated attributable loss to shareholders of HK\$83,006,000 for the past year, this represents an improvement in performance over last year, and corroborates the Group's belief that its previous readjustment of objectives and strategies to capitalise on the reviving market environment has firmly laid the foundations for a turnaround in prospects.

PROSPECTS

On the back of the reviving local economy and the sustained growth of the PRC market and as a result of the fine-tuning of its investment strategy in building upon existing areas of strength while at the same time forging new frontiers both geographically and in terms of its investment strategy, the Group has seen a slow, but sure improvement in its prospects and is confident that, while the true potential and benefits to be gained have yet to be felt immediately, this new direction and strategy will bear fruit.

The Group will continue to maintain its vision in developing strong and diversified investment businesses in the Greater China and the Asia Pacific region through direct investments as well as continuing to participate proactively in the overall strategic planning and business development of investee companies.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our employees, shareholders and customers for their continued support and commitment.

YU KAM KEE, LAWRENCE BBS, MBE, JP

Chairman

HONG KONG, 18 April 2007