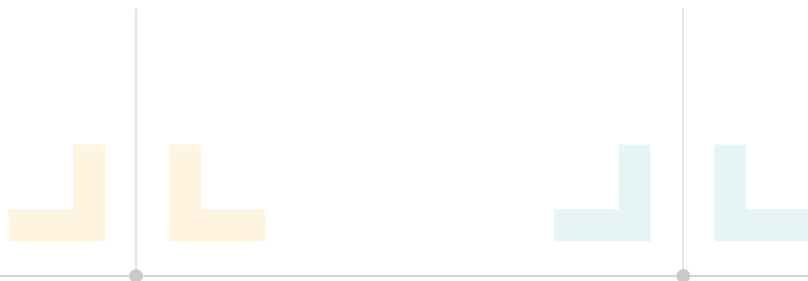


Chairman's Statement



Our fundamentals remained strong and, looking forwards to **the future**, the Group will continue to seek for opportunities for long term growth under **structural and prudent strategies**.



Lau Siu Ying
Chairman and Chief Executive Officer

Dear shareholders,

I am pleased to report that the Group continued to record an overall growth during the year. It is the seventh consecutive year for the Group to record a profit since its first listing in 2000. This indicated that our fundamentals remained strong and stable. Looking forwards to the future, the Group will continue to seek for opportunities for long term growth under structural and prudent strategies. Other than obtaining more national distribution rights for new model, the Group continued the magnificent business partnership with Nokia during the year and obtained the Fulfillment Distributorship for around a hundred Nokia Stores and Nokia Professional Centres all over China. By obtaining this new fulfillment distribution right, the distribution product line of the Group is widened and the revenue becomes more stable.

On the other hand, the Group started the business relationship with another leading mobile brand – Samsung during the year. The nationwide distribution rights of eight new Samsung models were granted to the Group. This new business partnership helps the Group to enrich its product line mix and ensures the diversification of the Group's business module.

HANDSET DISTRIBUTION IN CHINA

Challenges are still everywhere. The PRC mobile phone industry was overwhelmingly competitive during the year, especially among the distribution market. Competitors like other nationwide-distributors and chain stores were eager to enlarge their market shares. Inter-brand competitions were still keen, domestic and foreign leading brands established different direct and indirect distribution channels in order to deepen their infiltration. As concerned, the potential market of traditional mobile phone distribution is narrowing down chronically. The senior management team is intently monitoring this phenomenon. The Group, notwithstanding, recorded a net profit attributable to shareholders of HK\$31.3 million

for the year as compared with that of HK\$11.4 million for last year, as a result of the diversification strategy carried out successfully.

The top three brands, Nokia, Motorola and Samsung still dominated the market and continued to increase their market shares in 2006. The domestic brands, nevertheless, still found their rooms of survival. According to the figures of Ministry of Information Industry ("MII"), the PRC, 480 million of domestic brand handsets were manufactured during the year. This figure showed that there is a massive demand of domestic made handsets in the market. As the MII pledged that 3G service will be available during the Beijing 2008 Olympic Game, it is presumed that the 3G licenses will come down to a decision within 2007. It is expected that the operators will play an important role in the market in the coming 3G era. As a result, to establish good relationships and cooperation with all these market players becomes a key successful factor to secure a leading position in the market. The Group will continue to strengthen our existing relationships with the leading manufacturers and to look for new cooperation opportunities with all other manufacturers and operators with a view to establish a firm foundation for our future growth.

SMARTPHONE DISTRIBUTION IN HONG KONG

The Group, through its wholly-owned subsidiary, Synergy Technologies (Asia) Limited ("Synergy"), obtained the distribution rights of new smartphone models, namely Treo 680 and 750v, in Hong Kong from Palm during the year. Synergy has been the authorized distributor of Palm in Hong Kong for more than 10 years and our good relationship is expected to continue strengthening the Group's distribution business in Hong Kong.

NEW INVESTMENTS

During the year, the Group has made a significant investment – the acquisition of the controlling stake in a retail chain stores group in Zhuhai, the PRC, namely 珠海市雷鳴達通訊設備有限公司. It sets the debut step

of the Group's new diversification strategy in the PRC telecom market. That is one small step for the Group, one giant leap for the meaning.

Another significant step that the Group made during the year was the acquisition of 50% stake in DW Mobile Technology Limited, which is specialized in outlook and content design, marketing and distribution of licensed, characterized and premium mobile phones. I believe that the said acquisition could consolidate the fundamental basis of the Group further and marks the new era of the Group's diversified development.

On 23rd April, 2007, the Company has entered into a non-binding memorandum with TeleChoice International Limited ("TeleChoice"), a company incorporated in Singapore and listed on the Main-Board of the Singapore Exchange Securities Trading Limited, to establish a joint venture company to be principally engaged in the mobile fulfillment business in the PRC. TeleChoice is a regional diversified provider and enabler of innovative communications and is a subsidiary of Singapore Technologies Telemedia Pte Ltd., a leading information communications company with operations in Asia-Pacific, the Americas and Europe. This co-operation with a leading company in telecommunications industry will no doubt enhance the Group's competitive edges in this business area.

APPRECIATION

Finally, I wish to sincerely thank our employees and business partners for their continued dedication and commitment to the Group, and I would like to express my appreciation to our financial institutions, shareholders and investors for their continuing supports and trust towards the Group.



Lau Siu Ying

Chairman and Chief Executive Officer
Hong Kong, 23rd April, 2007