

CHAIRMAN'S STATEMENT

I am pleased to present the annual report of the Company for the year ended 31st December, 2006.

The Hong Kong economy continued to improve in 2006. Continuing strong domestic consumption and improving market confidence provided added momentum for local economic growth. The strong growth of the economies in the surrounding Asian region has helped boost business and investment opportunities. The local economy also benefited from the Mainland Individual Traveler Scheme and the Closer Economic Partnership Arrangements. Gross domestic product rose 6.8 per cent. in 2006 which saw unemployment rate falling to a six-year low of 4.4 per cent. by end of 2006.

The Group performed well in 2006 and achieved a consolidated profit attributable to shareholders of HK\$391 million for the year ended 31st December, 2006 compared to a profit of HK\$112 million in 2005.

I would like to take this opportunity to thank shareholders for their continuing support and especially my fellow directors and all staff for their dedication and hard work in the past year.

Dr. Mochtar Riady

Chairman

23rd April, 2007