

CHAIRMAN'S STATEMENT

On behalf of the Board of the Directors (the "Board"), I hereby present the annual results of the Group for the financial year ended 31 December 2006.

2006 was a year of consolidation for the businesses of the Group. In view of the continuous inversion of the international and domestic oil products market, as well as the practical circumstances of the Group, we entered into an agreement with Central Grain Reserve Guangdong Xingshangang Depot and China Grain Reserve Oriental Trading Company Limited to dispose the entire equity interests in China Force Oils & Grains Industrial (Dongguan) Co., Ltd ("China Force (Dongguan)") in June 2006. It was expected to reduce the loss brought by the refining business to the Group, so as to concentrate human resources and funds in the development of small pack oil product businesses. As the scale of refining business was reduced and the scale of pack oil product business was expanded, the operation conditions of the Group in 2006 improved significantly.

The Group successfully launched small pack brand oil products in 2006. They are fully introduced in the markets in Northern China and provided the Group with valuable experience and a good foundation for developing end-products market. The launch of small pack oils was an important milestone for the development of the Group and is expected to deliver more profitability in the years to come.

Looking forward into 2007, the Group will continue to consolidate the refining business, and seize every opportunity to strengthen the competitiveness, re-engineer the business model and marketing strategies of its existing businesses. We will seek to a further expand our market share in pack oil products in the PRC and the recognition of our brand. Through continuous enhancement of product quality and growth in the retail market, we will reduce various costs and tighten expenses on a consolidated basis with an aim to become a premier brand in the market. The Company will, at the same time, seek promising return for its shareholders ("Shareholders").

APPRECIATION

On behalf of the Board, I thank our customers, suppliers, bankers, investors and business partners for their support over the years. My special thanks also go to every member of the management team and staff for their unreserved efforts and contribution to the Group in the past year.

LIM Wa
Chairman

Hong Kong, 24 April 2007