

# Chairman's Statement

I hereby report to all shareholders that 2006 was the first year for the PRC to fully implement the "Eleventh Five Year Plan for the Development of the National Economy and the Society". During the past year, steady growth was demonstrated in the national economy, with improvement in structure. There were good trends shown in efficiency enhancement. There was also accelerated development of various businesses in the society. The livelihood of the people continued to enhance. The goals and missions for the development of economy and social determined at the beginning of the year were fully accomplished. It has marked a good beginning for the "Eleventh Fifth Period".

During the year of 2006, the government of the PRC implemented certain macro-economic control measures involving certain aspects such as land, loan relating to property, structure of supply in residential properties and tax, for which the influences are gradually reflecting. The development of the property markets throughout China have been developing in a rational and healthy pace following the ongoing implementation of the macroeconomic control measures, and demand was seen to be gradually returning.

## Performance Review

In 2006, the Group recorded a net revenue of approximately HK\$2,621 million (2005: approximately HK\$1,309 million), which is increased by 100% compared with that of 2005. Profit attributable to shareholders was approximately HK\$252 million, a 16% decrease compared with approximately HK\$301 million in 2005. Earnings per share were HK\$13.63 cents on a weighted average basis or HK\$12.27 cents on a diluted average basis.

## Dividends

The Board of Directors proposed a final dividend of HK\$0.02 per share.

## Business Review

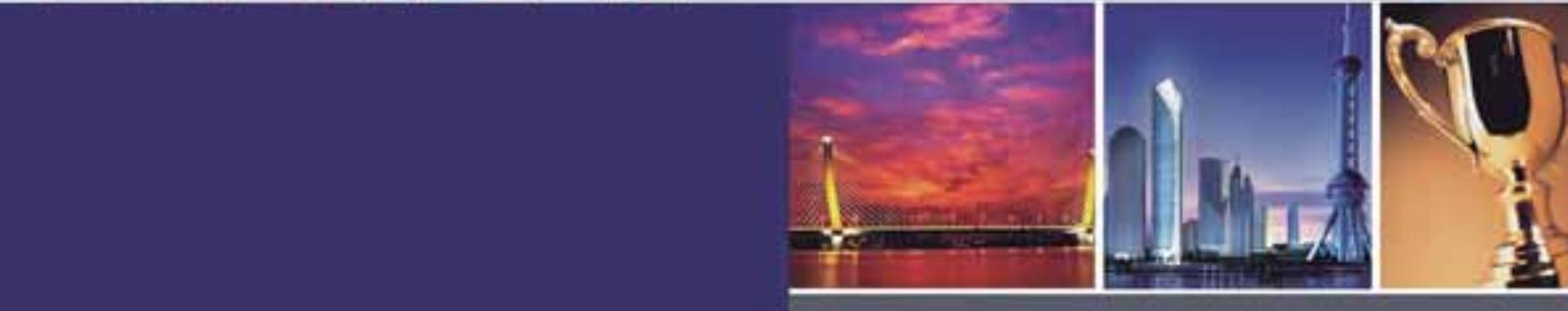
During the year of 2006, subject to the ongoing implementation of macro-economic control measures to real estate industry and real estate market by the State, the Group developed further measures to tackle with the situation. Emphasis was placed on overall strategic planning and market development strategies. Focus was given to sustainable development. Investment in real estates, development and construction, as well as marketing and sales proceeded smoothly and commenced orderly. The Group has achieved the operating results as expected.

## Property Sales

In 2006, several major property projects including Albany Oasis Garden developed by the Group and associated company were under sale. Based on the concept of "Helping owner to create new home", the Group and associated company completed development projects in best endeavours. Sales effort in the target market was strengthened. Distribution channels were expanded and accelerated cash return. A total gross floor area under sale contract of 166,299.42 square meters was sold involving 1,248 units and a contracted amount of approximately HK\$2,342 million. In which:

Albany Oasis Garden: The high rise residential Tower 1, Tower 2 and Tower 3 of Albany Oasis Garden Phase I were the latest developed property being launched by the Group to the market between April and May 2006. It is strategically located within 2.5 km city center radius in the heart of Shanghai, and is positioned as the latest "HOPSCA" concept of being an "innovative and high quality property". As a luxurious property situated in the city center, it had achieved recognition in the marketplace in terms of its investment potential. The property had been well-received in the market since it was launched, and sales continued to rise. As at 31 December 2006, a total gross floor area under sale contract of 58,129.67 square meters was sold involving 545 units and a contracted amount of approximately HK\$1,014 million.





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Rich-Gate Oasis Garden: Being a landmark of luxurious property in city centre of Shanghai, Rich-Gate Oasis Garden maintained good momentum in sales during the year of 2006, and its average sale price had climbed steadily. As at 31 December 2006, a total gross floor area under sale contract of 6,011.96 square meters was sold involving 19 units and a contracted amount of approximately HK\$390 million.

Thousand Island Oasis Garden: Villas has become more precious in China as land supply for villas has been suspended. As at 31 December 2006, a total gross floor area under sale contract of 14,668.94 square meters was sold involving 28 units and a contracted amount of approximately HK\$165 million.

Cedar Oasis Garden: The 184 units of Phase IV Lot B of Cedar Oasis Garden, which are fully decorated apartments in European classic style, commenced sales in May 2006. As at 31 December 2006, together with the remaining units Lot A units, a total gross floor area under sale contract of 46,942.79 square meters was sold involving 297 units and a contracted amount of approximately HK\$381 million.

Jiangnan Oasis Garden: Jiangnan Oasis Garden achieved good results during the year of 2006. As at 31 December 2006, a total gross floor area under sale contract of 10,560.99 square meters was sold involving 19 units and a contracted amount of approximately HK\$166 million.

Lakefront Oasis Garden: Following the success of Tower 11 and Tower 12, Tower 10 of the Lakefront Oasis Garden continued to record good results. As at 31 December 2006, a total gross floor area under sale contract of 7,142.43 square meters was sold involving 50 units and a contracted amount of approximately HK\$78 million.

## Land Development

From August 2006, Shanghai resumed the transfer of State-owned Land Use Right in land for residential properties. As at the end of 2006, there were 85 lots of land launched in four times, with a total area of nearly 6,450,000 square metres.

Luodian North Europe Town is a large size real estate development project of the Group. During 2006, the State-owned Land Use Rights for Lot No. C3-3, 4, 5 and No. C5-3 of Luodian Town were transferred through auction by competent land administration government authorities in two batches. The land area is 231,753 square metres in total, which is approximately 347.6 acres. The consideration for the transfer was RMB704 million.

## The Relocation Work

The relocation and resettlement work is critical to determine the success of certain project development. During 2006, under the exerted efforts of related project companies under the Group and the strong support from the local government, the Group actively coordinated various sectors and practically arranged the source of house to ensure a stable local community, and made an active progress on the relocation and resettlement work. Among such: Albany Oasis Garden, a project of Shanghai Shuo Cheng Real Estate Limited, had completed the location of 4,060 residence families and 64 enterprises for the location work of Phase I development land site. Qinhai Villa, a project of Shanghai Qinhai Real Estate Co., Ltd., had completed the location of one major enterprise and 294 residence families. Luodian North Europe Town, a development project of Shanghai Golden Luodian Development Co., Ltd., had completed the relocation of enterprises and residence families basically.

## The Construction of Project

In 2006, under the exerted efforts of all staff in group companies and active execution of the general construction contractor, the construction work of each project went smoothly as scheduled.

**Skyway Landis Hotel:** The main body glass and stone work for the curtain wall project was basically completed in October 2006. The decoration work for first and second floor in the lower ground, first to fifth floor of the auxiliary structure, office at the sixth floor, guest rooms at the seventh to nineteenth floor will be completed by the end of January 2007. The guest rooms at 21st to 26th Floor will be completed on 8 February 2007. The guest rooms at 27th to 52nd Floor will be completed before 31 March 2007. The commissioning of all main plant rooms was completed at the end of 2006. Single machine commissioning was achieved, and all plants rooms were transferred to the engineering department of the management company for the management. Skyway Landis Hotel is expected to commence trial operation before the Golden Week holiday for May 1 in 2007.

**Oasis Central-Ring Centre:** No. 11 and 12 Block of the high rise residential apartments was successfully delivered for occupancy. No. 10 Block of the high rise residential apartments was completed and ready to deliver for occupancy. The top up work for No. 1 & 2 buildings (office tower), No. 3 building (service apartment & hotel), No. 4, 5, 8 & 9 blocks (shopping mall) and No. 7 block (office tower) was all completed. The works for external curtain walls and internal decoration had commenced.

**Rich-Gate Oasis Garden:** It was delivered for occupancy as scheduled on 30 June 2006.

**Cedar Oasis Garden:** Lot B No. 2.1, with a GFA of 76,000 square meters in total obtained pre-sales permit in October 2006. The top up work was completed in November. No. 2.2 with a GFA of 67,000 square meters in total obtained pre-sales permit in April 2006. The top up work was completed in June 2006.

**Thousand Island Oasis Garden:** The construction works for the 94 villas and clubhouse in Phase III had commenced in April 2006. The top up work was all completed in September 2006. All 94 villas passed structural inspection in December 2006.

**Albany Oasis Garden (Phase 1):** The top up work of Tower No. 1, No. 2 & 3 Blocks of high rise residential apartments in Lot D was completed in 2006, of which the internal sophisticated decoration work for No. 2 Block high rise apartments was completed.

**Jiangnan Oasis Garden:** 33 villas in Phase II Jiangnan Oasis Garden was completed in 2006 as scheduled.

**Luodian North European New Town:** The museum at Lake Meilan was completed in April 2006. The expansion work for Panjing Road was completed in May 2006. The fitness centre and tennis court at Lake Meilan were completed in September 2006.

**Qinhai:** The change in registration for the land administration of Qinhai was completed, which was applied to adjust the parameters for planning and design for engineering planning.

**Shenyang Rich-Gate:** The top up work for the shopping mall with a GFA of 240,000 square metres, a 130,000 square meter hotel and apartment hotel owned by the project and offices with approximately 19,000 square metres in Phase I was fully completed, of which installation of equipment had begun for the shopping mall.

## Property Management

Property management is an important aspect in real estate development and operation, also a critical to the quality of property. On the one hand the Group relies on its subsidiary, Shanghai Real Estate Property Management Company Limited, while renowned international property management companies are also engaged to participate in the management of the projects developed by the Group, striving to provide more individual and customer-oriented service, so as to maintain the good image of the properties branded with "Oasis Garden".

Shanghai Real Estate Property Management Company Limited ("SREP"), a subsidiary of the Group implemented central management to seven residential communities of the Group. Upon the examination and approval by the Ministry of Construction in the PRC, SREP obtained first class qualification for property management. Shanghai Real Estate Journal and the website of SREP were created by SREP. SREP is preparing the establishment of Shanghai Real Estate Club, for which will be comprised of members who are the owners of the properties developed by the Group. The management service of SREP is on a track for favourable development and innovative works.

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Lake Meilan Property Management Company Limited, which is invested and established by Shanghai Golden Luodian Development Co., Ltd., passed the certifications of ISO9001-2002 quality assurance system and ISO14001-2004 environment management system in March 2006. It obtained second class qualification for property management in November and officially took over the early stage property management of Lake Meilan Villa in September 2006. This represented the first step to operate at the market standard.

## Municipal Construction and Residential housing Technologies

Shanghai Wingo Infrastructure Co., Ltd. is the main provider for residential housing technology service and the main participant for municipal construction projects of the Group. It mainly serves for the residential community and commercial real estate project developed by the group companies of the Group. At the same time, it progressively conducts market expansion to provide services for other real estate developers.

As at the end of 2006, 45 intelligent system integrated projects have been completed or under construction in a total. The broadband project involved in approximately 700 residential communities, and the network covered 0.55 million users.

## Market expansion and financing activities

During 2006, the Group continued its progressive yet steady growth strategy, focused on seeking for good investment opportunity, and increased its land bank and projects, to further support the sustainable growth. Among which:

In April, both Standard & Poor's and Moody's, international credit rating agencies, issued reports on positive long term credit rating for the Company. The analysts stated that the ratings reflected the outlook of the Company being stable. The credit analysts of S&P and Moody's also stated that the rating reflected the Group has acquired land bank at low costs, the prime location of certain properties under development and the Company's experience of operating businesses in and knowledge of the local market. Thereafter, the Group issued US\$200,000,000 7-year long term bonds, which further strengthened the cash inflow of the Company, and provided strong support for the Group to invest and develop in the PRC.

In June, Shanghai Oasis Garden Real Estate Co., Ltd., a subsidiary of the Group was transferred with certain interests in the shopping mall properties of Rich Gate in Shanghai held by the minority shareholders. This enabled the Group to own the entire retail shops in the longer term. It is expected that stable and recurrent investment revenue will be generated from the leasing of this high quality commercial property.

In July, Starweb Investment Limited, a subsidiary of the Group was transferred with 51% equity interests in Shenyang Huarui Shiji Investment Development Limited ("Huarui Shiji"). Huarui Shiji has the development right of No. 2003-059 land in Financial Development Zone of Shenyang North Station. The lot is located in the city center of Financial and Commercial Development Zone of Shenyang North Station with a total area of 161,798.7 square meters and planned GFA of 1,900,000 square meters. It is planned to develop into shopping malls, highend office tower, star grade hotel, apartment hotel, etc. and is a showcase project of the Shenyang Financial Corridor. Phase I with a GFA of approximately 390,000 square meters comprises shopping mall, hotel apartments and offices. The main building was top up in August 2006. Leasing of the shopping mall has commenced and it is expected to put into operation by the end of 2007. The acquisition of Shenyang "Rich-Gate" project did not only further increase the high quality land bank for the Group but also marked an important step for the strategic move of the Group's real estate development outside Shanghai.

In October, Gaken Investment Limited, a wholly-owned subsidiary of the Company, was transferred with the entire equity interests held by minority shareholders in Shanghai Qin Hai Real Estate Co., Ltd. ("Qin Hai Real Estate"). At the same time, the registered capital of Qin Hai Real Estate was increased to RMB 700 million. Together with the 70% of equity interests in Qin Hai Real Estate previously transferred to Shunlink Investment Limited, a subsidiary of the Group, the Group owned 100% of equity interests in Qin Hai Real Estate. Qin Hai Real Estate owns the land use right in a parcel of land located to the east of Da Xing Jie of Huangpu District in Shanghai, to the south of Zhong Hua Lu and Huang Jia Que Lu, to the west of Ying Xun Lu and to the north of Lu Jia Bang Lu of approximately 37,129 square metres. The total GFA of Qin Hai Villa is approximately 200,000 square meters and is divided into southern and northern districts. Southern district is planned to construct 5A grade offices with commercial service complementary facilities, while the Northern district will be developed for modern commercial properties and high end residential apartments. Relocation for certain portion had already commenced. The project is still conducting design for the plan.

In December, Mayson Resources Ltd., a subsidiary of the Company was transferred with the equity interests held by the original shareholders of Shanghai Shuo Cheng Real Estate Limited ("Shuo Cheng"), and thus obtained 100% control in Shuo Cheng. At the same time, the registered capital of Shuo Cheng was increased to RMB450 million. The renewed business licence of Shuo Cheng was obtained in January 2007, and approval from the Company's special shareholders' meeting was obtained in January 2007 also. Thereafter Shuo Cheng becomes a subsidiary of the Group. Shuo Cheng owns the right to develop the project Albany Oasis Garden, which is an urban renewal project surrounded by Xi Zhang North Road (the West), Zhong Xing Road (the South), Bao Tong Road (the East) and Tian Tong An Road (the North) in Zhabei District, Shanghai. The total GFA of the project is approximately 480,000 square metres. Of which there are residential apartments of approximately 340,000 square metres and an ultra high rise structure with offices, shopping malls and hotels of approximately 140,000 square metres. As at December 2006, nearly 80% of the residence families and enterprises in Phase I of the project completed the relocation work. The sales for the three blocks of high rise residential apartments at Lot D in Phase I was good, with more than RMB one billion of cash flow received. The relocation work for Phase II of the project is now under preparation.

In December, in order to promote the separate listing of Shanghai Golden Luodian Development Co., Ltd., for which the Group has 45.26% equity interests, as planned, Sinopower Investment Limited ("Sinopower"), a subsidiary of the Group and Grand Wealth Resources Limited ("Grand Wealth"), an independent party entered into an agreement with China New Town Development Company Limited ("CNTD"). Sinopower agreed to dispose to CNTD its entire interests in Meeko Investment Limited, which directly owns 45.26% of equity interests in Shanghai Golden Luodian Development Co., Ltd. In return, CNTD allotted 4,900 shares to Sinopower, representing 49% of capital in Sinopower, which was equivalent to 35.59% equity interest in Shanghai Golden Luodian Development Co., Ltd. CNTD also issued convertible notes to Sinopower, which was with principal amount equivalent to 9.67% of the carrying value net assets of Shanghai Golden Luodian Development Co., Ltd. The restructuring plan for the separate listing was thus completed.

As at the end of 2006, the total floor area of the land bank for 10 real estate projects developed by the Group at present amount to approximately 3,300,000 square meters, which is available for continuous development of the Group for 3-5 years.

## Awards

The Group always emphasizes in brand building and the maintenance of the social public awareness and intrinsic value of the brand "Oasis Garden" and "Rich Gate" in the market. During 2006, the Group and its subsidiaries and associated companies obtained various important awards. Among which:

Shanghai Oasis Garden Real Estate Co., Ltd.: Its qualification, in terms of real estate development, is promoted to "second class". Cedar Oasis Garden developed by it was awarded Best Top Ten Fully Decorated Classic Style Demonstration Flats in Shanghai in its first session. It was also awarded Consolidated Gold Award of the Most Popular Project in Shanghai in 2006.

Shanghai Shuo Cheng Real Estate Limited: Albany Oasis Garden developed by it was awarded Best Top Ten Fully Decorated Classic Style Demonstration Flats in Shanghai by the Association of Real Estate Industry in Shanghai in 2006.

Shanghai Jinwu Real Estate Co., Ltd.: Tower 1, Tower 2 and Tower 7 of the office building at Lakefront Oasis Garden developed by it was awarded "Quality Structure Award in Shanghai".

Shanghai Anderson Fuxing Land Co., Ltd.: the residential apartments of Rich-Gate Oasis Garden developed by it has obtained the "Baiyulan Residence Community" award in Shanghai.

Shanghai Skyway Oasis Garden Hotel and Condominium Co., Ltd.: The main building of Skyway Landis Hotel developed by it was awarded "premium structure of hotel".

Shanghai Hangtou Govern Real Estate Co., Ltd.: Thousand Island Oasis Garden developed by it was selected as a component of the real estate index in the PRC and the Model Classical Villa Projects in Shanghai, the PRC for 2006 assessed by the Institute of Index in China.

Shanghai Real Estate Property Management Company Limited: It was awarded the Excellent Member Unit in Shanghai. Its qualification in property management was enhanced to "first class". "Heartfelt Unity of Owners" organized by the residential communities managed by it was awarded "Excellent Awards on Groups in Shanghai".

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Shanghai Lake Meilan Property Management Company Limited: It was awarded with "Leading Unit of Property Management in Shanghai".

Shanghai Wingo Infrastructure Co., Ltd.: It was awarded with ISO9001-2000 certification by the Quality Assurance Audit Centre in Shanghai, and has obtained the "first class" qualification in the design and construction of public security protection project in Shanghai.

## Business Outlook

In 2006, the economic development in the mainland PRC continued to demonstrate strong momentum of growth.

According to the preliminary calculation of the State Statistics Bureau in the PRC, the national GDP for the year 2006 was RMB20,940.7 billion, which represented an increase of 10.7% compared to 2005 based on comparable price basis, and the rate of increase was 0.3 percentage points. For a quarterly aspect, the comparative figures of GDP for the four quarters increased by 10.4%, 11.5%, 10.6% and 10.4% respectively. Investment in fixed assets by the public was RMB10,987 billion for the year, which was increased by 24.0% in 2005, and decreased by 2.0 percentage points. Investments in real estate development for the year was RMB1,938.2 billion, which was increased by 21.8% as compared with the previous year, and 0.9 percentage points.

According to the Work Report of Shanghai's Chinese National Economic and Social Development of 2006 issued by the Bureau of Statistics of Shanghai and jointly examined and approved by the State Statistics Bureau, Shanghai's GDP of the year was RMB1,029.697 billion, which represented an increase of 12% compared to 2005 based on comparable price basis, the 15th year to sustain a double-digit growth rate. Of which value of tertiary industry increased by RMB520.535 billion or 11.5% from last year. The increase in value of the tertiary industry represented 50.6% of the GDP of the city. The rate of increase in investment on fixed assets in Shanghai decreased. Total investment in fixed assets by the public amounted to RMB392.509 billion for the year, which represented an increase of 10.8% and decreased by 4 percentage points from last year.

In 2006, the PRC government continued to implement macro-economic control measures on the real estate market, which involved aspects such as structure of supply in residential properties, land administration, tax, loan relating to property, and orderly execution of transaction in the market. The exercise of control over excessive increase in price of real estates further specified the policies objectives of steady development in the real estate market.

There are more signs showing that the real estate industry has moved into the consolidation stage. On the one hand more poorly performed development enterprises were out competed by well-performed enterprises. With the further tightening in the supply of funding and land, there will be change in the allocation of these two resources. The chain of supply in the funds for a large number of small and medium enterprises becomes increasing tense. The room for survival was reduced. A few major real estate enterprises seek to increase land bank through introduction of overseas investment funds or the issue of bond and the acquisition of small to medium real estate companies. On the other hand there is change to the means of survival for the entire industry. Demand is switched from solely growth in investment from the past to sophisticated management, emphasis in product qualities and functions, and pursuit for innovation and development in design.

The real estate market in Shanghai basically remained steady. Completed investment in real estate for the year in 2006 amounted to RMB127.559 billion, representing a 2.3% increase compared to the previous year and a decrease of 3.8 percentage points from the previous year. Total floor area of commodity housing under construction was 109.3875 million square meters, an increase of 4.6% compared to last year. Completed commodity housing was 32.7427 million square meters, an increase of 5.8% compared to last year. Area sold of commodity housing was 30.254 million square meters, a 4.2% decrease over last year, of which the sales of commodity housing decreased as a result of less sales in residential commodity housing. Total area sold for the year was 26.1549 million square meters, a decrease of 8.1% compared to the previous year. According to the statistics of the Shanghai Real Estate Transaction Centre, the area of recently completed commodity housing sold in the market for the year of 2006 amounted to 20.0475 million square metres, which represented an increase of 0.5% from the previous year. Sales of commodity housing for the year was RMB217.708 billion, an increase of 0.7% over last year. Sales of commodity housing was RMB184.104 billion, a decrease of 3.4%.

The preparation for World Expo in Shanghai is now in full force. As at the end of 2006, there were 107 countries and international organizations officially confirming to participate in the expo. The detail planning over the planning zone of the World Expo was completed. The location works for more than 18,000 residential facilities in the World Expo area were fully completed. Additional 50% of land is made available upon the location works. The construction of infrastructures in the expo area had officially commenced.

Shenyang is a city lying in the heart of north-eastern PRC. It is the first city to implement to the Group's strategic move outside Shanghai.

Transportation in Shenyang, by way of road, railway, air or sea, is convenient. There are a number of major cities adjacent to Shenyang. A number of post-secondary colleges and scientific research institutes are also located in Shenyang. It is the district around the Bohai Economic Circle that has most potential in growth. Under the background of revitalizing north-eastern PRC, it is a strategy of the State establish Shenyang as a district that can rapidly attract foreign investment. In 2006, foreign investment actually deployed in Shenyang amounted to US\$3 billion, which represented an increase of 41.5% from the previous year. Projects invested by capital in the PRC with more than RMB five million amounted to 1,805.

The real estate industry in Shenyang is still in its early phase of rapid growth. It is mainly demonstrated from the increase in demand from the market, which pushed the steady increase in the prices of properties. Secondly the position of real estate industry as a pillar industry is strengthened. Thirdly, the favourable interaction with the secondary and tertiary real estate market has facilitated the healthy development of the real estate market.

In view of the prosperous economic development trend of the Mainland China, most of the property analysts shared a view that as the government aimed to adopt "soft landing" measures for the real estate market, it is unlikely that significant changes in the market will be seen in the short to medium term. In order to avoid the slump in property market, which would result in excessive impediment to investment, policy-makers might relax market supply. As such, the attitude demonstrated by the overseas investing institutions was even more proactive and aggressive. Take an example from the real

estate market in Shanghai. There were 15 acquisitions of real estates before August 2006 at a substantial amount, involving different types of properties such as offices, residential properties, shops and hotel service apartments. According to the statistics of the State Statistics Bureau, the investment in development of real estate made by foreign investors in the PRC amounted to RMB16.7 billion for the first half of 2006, which was increased by 32.5% as compared with the same period last year. According to the statistics for the last three quarters, the investment from foreign investors amounted to RMB25.9 billion, which was increased by 46.6% as compared with the same period last year.

Under the environment of continuous rapid economic growth, explicit trend in the appreciation of Renminbi, development in the real estate market becoming steady, effective and strong demand for real estates, the Group is confident that its business will grow in a steady and sustained manner in future after recovery from the macro-economic control measures on the real estate industry and the real estate market.

### Positioning and Strategies

Based on our view on the condition and trend of economic development in the Mainland China and Shanghai, coupled with our target of achieving steady and sustained growth, the Group will continue to devote in the implementation of overall development strategy as to transform itself from a residential property developer into an integrated real estate operator that develops and leases residential properties, shopping malls, hotels and office spaces. At the same time it will restrictively and gradually adjust itself according to the specific change in the market.

As the focus for business operation in 2007, the Group will emphasis the strengthening in sales, faster return of capital, control over total loans, and reduction in finance costs, so as to maintain the steady and healthy development of the Group as a whole.

By continuing to leverage on the concept of steady development, the Group will capitalize on the advantages from scale of economy and reasonably allocate resources, so as to identify projects with development potential in second tier cities of growth potential, and maintain the driving force for the sustainable development in future.

# Chairman's Statement

The Group will enhance central administration and segment operations for its entities. More efforts will be developed to the establishment of systems, corporate culture and branding. Corporate governance structure as well as management systems and mechanisms will be improved. Sound internal control mechanisms will be in place strictly in accordance with international standard.

The Group will further develop and maintain a human resources management system and mechanism that is sound and efficient. It has already established and equipment with a management team and technical staff team that is professional, extensively covered, experienced and devoted.

## Appreciation

Lastly, I would like to thank our strategic investors and shareholders for their constant trust and support and offer my heartfelt gratitude to all directors, executives of our subsidiaries and staff members for their continuous hard work and loyalty over the year.

**Shi Jian**

*Chairman of the Board*

Hong Kong,  
30 March 2007