

CHAIRMAN'S STATEMENT

The year of 2006 was still a challenging year for the Group in both segments of steel trading and electronics products. The Group did not engage in steel trading during the year since the management adopted a prudent approach to minimize risk exposure of steel prices which fluctuated significantly. For the year under review, the electronics division continued to operate at a loss. In order to further consolidate the Group's resources, it is our intention to seek a potential buyer to dispose of the related business.

During the year, the Group continued to undertake portfolio investments. Apart from the Hong Kong market, the Group also focused in the investments among Thailand, Japan and other overseas stock markets in order to further diversify investment risks and enhance the Group's profitability. However, the Hong Kong and other overseas stock markets were very volatile and vulnerable during the year and as a result, the Group only performed to an acceptable level when marking the investment portfolios to the market valuation as at 31 December 2006.

The global economy is generally positive despite growing concerns about the impact of interest rates, oil prices, and political developments on economic growth. Hong Kong's economy is therefore expected to remain stable for the year of 2007. We are optimistic that the future is good and the Group will pay more attention on expansion and seeking opportunities which are profitable and deliver a strong recurring income to the Group while continuing to concentrate on organic growth.

Finally, on behalf of the Board and the management team, I would like to thank our shareholders who have extended to us their trust and have been patient with our efforts on consolidating the Group's resources. Again, I would like to thank all the staff and Board colleagues for their loyalty and efforts during the past year. I believe we will create and deliver greater value to our investors in the future.

Lau Chi Yung, Kenneth
Chairman

Hong Kong, 25 April 2007