

Chairman's Statement

For the financial year ended 2006, the Company and its subsidiaries (the "Group") recorded a net loss of approximately HK\$61.79 million. Further details of the Group's past performance are explained under the "Management Discussion and Analysis" section. The Board of Directors does not recommend the payment of any final dividend for the year ended 31 December 2006.

I would like to take this opportunity to express my appreciation to all management and staff members for their contribution during the past year.

Chiu Kong

Chairman

Hong Kong, 25 April 2007