

Chairman's Statement

RESULTS

The revenue of the Group for the year ended 31st December, 2006 ("Period Under Review") was HK\$632,501,000 (2005: HK\$430,930,000), representing an increase of 47% as compared with last year. The profit attributable to shareholders was HK\$20,079,000 (2005: HK\$13,413,000). The basic earnings per share was HK4.71 cents (2005: HK3.15 cents). The increase in revenue and operating net profit are further explained in the following sections.

CAPITAL STURCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2006, the Group had net assets of HK\$268,155,000 (2005: HK\$243,644,000). The gearing ratio was 53.1% (2005: 45.8%). This gearing ratio is calculated by dividing total liabilities of HK\$311,022,000 (2005: HK\$212,099,000) over total assets of HK\$585,247,000 (2005: HK\$462,716,000).

As at 31st December, 2006, the Group had HK\$70,144,000 of cash on hand, including both pledged bank deposits and unpledged bank balances (2005: HK\$64,182,000), net current assets value being HK\$128,901,000 (2005: HK\$115,247,000) and short-term bank loan amounted to HK\$37,291,000 (2005: HK\$28,900,000).

As at 31st December 2006, the Group has pledged bank deposits of HK\$7,000,000 (2005: HK\$6,000,000) to secure general banking facilities of approximately HK\$96,800,000 (2005: HK\$84,560,000) to the Group. Out of the secured facilities available, the Group has utilized approximately HK\$37,291,000 (2005: HK\$28,900,000) as at 31st December, 2006.

Most of the bank borrowing is charged at prevailing prime rate in the countries where the Company's subsidiaries are operating in.

Most of the assets and liabilities in the Group were mainly dominated in US dollars and HK dollars. Since HK dollars are backed against US dollars, the Group is subject to low risk of foreign exchange exposure.

CONTINGENT LIABILITIES

As at 31st December, 2006, the Company has guarantee of approximately HK\$90,500,000 (2005: HK\$81,800,000) to banks in respect of banking facilities granted to a subsidiary of the Company. The amount utilized by the subsidiary was approximately HK\$37,291,000 (2005: HK\$40,200,000).

DIVIDEND

No interim dividend (2005: nil) was recommended during the year. The Board does not recommend a final dividend for this year (2005: nil).

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EMPLOYEE AND REMUNERATION POLICIES

As at 31st December, 2006, the Group has approximately 900 employees. Employees are remunerated based on performance, experience and industry practice. Performance related bonus granted on discretionary basis. Other employee benefits included pension fund, insurance and medical cover.

APPRECIATION

On behalf of the Board, I would like to thank our customers, bankers, suppliers and friends for their continued confidence in and support for the Company. In particular, I would like to extend our warmest thank to our staff at all levels for working with our management teams over the year.

By Order of the Board

Lam Kwok Hing

Chairman and Managing Director

Hong Kong, 25th April, 2007