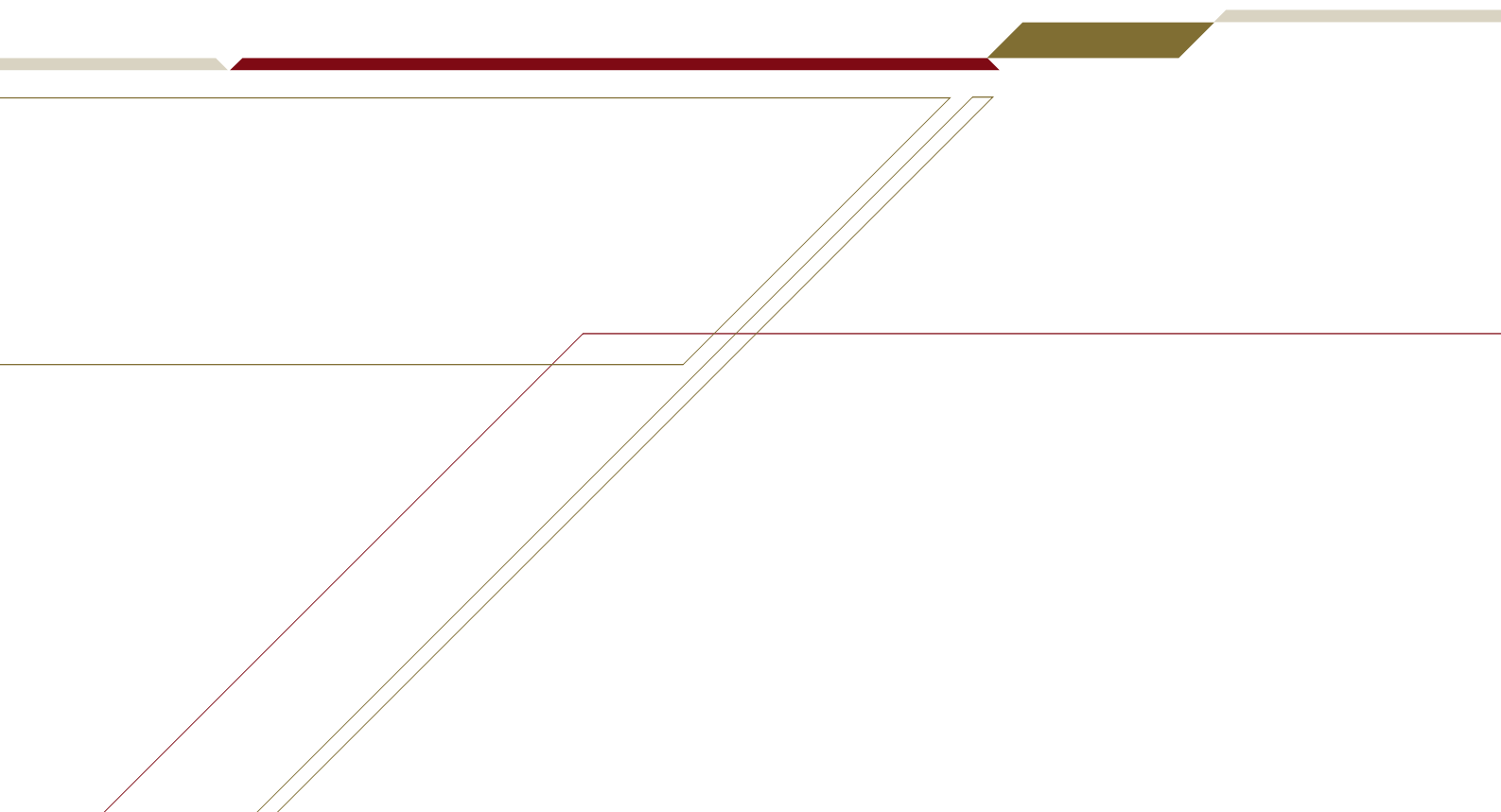


.....LEE KEE will be celebrating its 60th Anniversary this year. The successful listing of the Company not only marked a milestone in LEE KEE's development, but also set a platform for realising our goal to become market leader in managing the global supply chain of non-ferrous metals.....

.....利記於本年度踏入60週年。本公司成功上市不僅標誌着利記發展的一個里程碑，亦為本集團邁向全球有色金屬供應鏈市場領導者之目標設立平台.....





Chairman's Statement

主席報告

Chairman's Statement

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I am very delighted that in 2006, the Group has continued its leading market position in the sales of zinc alloy that represents approximately 76% of the total volume of imported zinc alloy into China.

本人對於集團在二零零六年繼續保持其銷售鋅合金的市場領導地位，佔中國鋅合金總進口量約76%，感到非常滿意。



Chan Pak Chung

陳伯中

Chairman
主席

Dear Shareholders,

I am pleased to present you the first annual report of Lee Kee Holdings Limited (the "Company") and its subsidiaries (collectively "LEE KEE" or the "Group") since our listing on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 4th October 2006. Founded in 1947, LEE KEE will be celebrating its 60th Anniversary this year. The successful listing of the Company not only marked a milestone in the LEE KEE development, but also set a platform for realising our goal to become market leader in managing the global supply chain of non-ferrous metals and entering into the international market.

I am very delighted that in 2006, the Group has continued its leading market position in the sales of zinc alloy that represents approximately 76% of the total volume of imported zinc alloy into China. During the year under review, the Group achieved remarkable results with a record revenue of HK\$5,522 million, a 75.7% jump from the preceding year and profit attributable to equity holders of HK\$389 million, an increase of 92.0% over 2005. Basic earnings per share were HK59.34 cents, representing a 75.9% increase over 2005. To commemorate the special occasion of the 60th Anniversary of LEE KEE, the Board has recommended a special dividend of HK10 cents per share to shareholders. Together with a proposed final dividend of HK1.93 cents per share out of the profit for the period from the date of listing to 31st December 2006 in line with the Group's dividend policy, the Board has recommended total dividends of HK11.93 cents per share for the year to the shareholders.

The strong performance in 2006 was attributable to the Group's enhanced supply chain business model and the robust secular demand in China for premium grade base metals, aided by the dramatic run-up of metal prices during the year. For instance in early November 2006, LME (London Metal Exchange) cash settlement zinc prices were around US\$4,500 per metric tonne, the highest ever in nominal terms and almost 3.3 times the 2005 average price of US\$1,380 per metric tonne.

China has been the most significant driver for global metals demand, and the powerhouse behind the record prices of most base metals in 2006, which were also fueled by tight stocks and little development of new mines. The Chinese economy, already the world's fourth largest, expanded by 10.7% and its industrial output, an indicator for metals consumption, rose by more than 15% in 2006.

各位股東：

本人欣然向閣下呈列利記控股有限公司（「本公司」）及其附屬公司（統稱「利記」或「本集團」）自二零零六年十月四日在香港聯合交易所有限公司（「聯交所」）主板上市起首份年度報告。於一九四七年創立，利記於本年度踏入60週年。本公司成功上市不僅標誌着利記發展的里程碑，亦為本集團邁向全球有色金屬供應鏈市場領導者之目標設立平台。

本人對於本集團在二零零六年繼續保持其銷售鋅合金的市場領導地位，佔中國鋅合金總進口量約76%感到非常滿意。於回顧年度，本集團取得驕人成績，收益達5,522,000,000港元，較去年躍升75.7%，而股權持有人應佔溢利為389,000,000港元，較二零零五年增加92.0%。每股基本盈利為59.34港仙，較二零零五年增加75.9%。為慶祝利記60週年紀念，董事會建議向股東派發特別股息每股10港仙，連同按照本公司之股息政策，自上市日期至二零零六年十二月三十一日止期間溢利中擬派之末期股息每股1.93港仙，董事會建議於年內向股東派發股息合共每股11.93港仙。

二零零六年之強勁表現實有賴本集團之經擴大供應鏈業務模式作為基礎，加上中國對特級基本金屬之需求殷切及年內之金屬價格飆升，例如於二零零六年十一月初，LME（倫敦金屬交易所）現金結算鋅價格創新高，達每公噸4,500美元，較二零零五年之平均價格每公噸1,380美元增長接近3.3倍。

中國一直為全球金屬需求增長之最主要動力，加上緊拙之金屬存貨及較少開發新礦場，均推動大部份基本金屬之價格於二零零六年屢創新高。於二零零六年，全球第四大之中國經濟增長了10.7%，而其作為金屬消費指標之工業出口量增長超過15%。

Benefiting from China's "World Factory" role in manufactured products for exports, LEE KEE witnessed enormous business growth in the past decade in supplying non-ferrous metals to around 1,200 customers, the majority of which are die-casting manufacturers from over 20 industries, particularly in the Pearl River Delta region. Apart from the Greater China region, which is currently the predominant market for LEE KEE, the Group is also covering region including Malaysia, Indonesia, Singapore, Thailand and Vietnam where there are non-ferrous metals requirements from die-casting manufacturers.

Besides its "World Factory" role, China is putting more emphasis to boost up its domestic demand and to improve living standards in rural areas that account for over two thirds of its 1.3 billion population, many of which are still less developed. Such domestic consumption power is mammoth and yet to be released. Its industrial output and metals consumption, whether to manufacture products for export or for domestic consumption, is poised to sustain high growth in the years to come. Other emerging Asian economies like Vietnam and India are following the development path of China and will portray similar growth potential in medium to long term.

Looking ahead, the buoyant Chinese economy and emerging Asian markets will continue to provide a major offset to an economic slowdown elsewhere in the world. I am very optimistic about the outlook of the metal industry and our strong market position in capitalising these opportunities.

Chinese people traditionally believe that sixty years signifies the start of a new chapter in life. With a listing platform to embark upon, the Group is rolling out new expansion plans to strengthen its supply chain model by increasing distribution channels, enriching value added elements as well as expanding the China infrastructure to capture the huge domestic consumption opportunities mentioned above.

We plan to expand both up and down stream within the metal supply chain, and will also actively boost our product offerings. Upstream, our zinc alloy processing joint-venture plant in Ningbo has been producing round-the-clock but still could not satisfy the ever increasing order book. We are now studying the feasibility of putting forward our original schedule to increase the production capacity of zinc alloy in the second half of 2007 to accommodate domestic requirements for premium grade zinc alloys in the Yangtze River Delta region. In addition, we are locating a suitable site in the

受惠於中國作為製成品出口之「世界工廠」，利記於過去十年大力發展業務，為約1,200名客戶提供有色金屬原材料，該等客戶大部份為超過二十個行業之壓鑄製造商，尤其是位於中國珠江三角洲地區。利記之業務現已跨出大中華地區，並擴展至馬來西亞、印尼、新加坡、泰國及越南，該等地區之壓鑄製造商對有色金屬有所需求。

中國除了作為「世界工廠」外，亦致力推動國內消費需求及改善農村地區之生活水平，農村地區佔中國13億人口超過三分之二，其中不少地區仍未全面開發。此等國內消費需求潛力強勁。中國之工業出口及金屬消耗（不論製造產品以供出口或內需）於未來將保持高增長。其他新興亞洲市場（例如越南及印度）之經濟亦跟隨中國之發展步伐，於中期至長遠而言將擁有同樣的發展潛力。


展望將來，中國經濟及新興亞洲市場之蓬勃發展將可大大抵銷世界其他地區經濟放緩之影響。本人對金屬業之前景非常樂觀，本集團定可憑藉強勁之市場地位掌握湧現之商機。

利記於本年度踏入60週年，中國傳統相信六十年標誌著新里程的開始。藉著上市作為業務發展平台，本集團正推出新擴展計劃以加強其供應鏈模式，務求提升分銷能力、締造增值回報及擴展中國之網絡以捕捉上文所述之龐大國內消費商機。

本集團計劃擴展金屬供應鏈之上下游業務，並將積極推動產品銷售。上游業務方面，本集團位於寧波之鋅合金加工合營廠房已二十四小時運作，惟仍未能應付不斷增長之訂單需求。我們現正研究推前原訂時間表於二零零七年下半年增加鋅合金產能的可行性，藉以應付長江三角洲地區對特級鋅合金之國內需求。此外，我們現正於中國物色建立本身的鋁合金加工生產設施的合適地點。下游業務方面，本集團計劃如上市售股章程所述，於本年度第三季完成收購

PRC to establish our own production facilities for processing aluminium alloy. Downstream, we plan to complete the acquisition of Lee Yip Metal Products Company Limited, the stainless steel coil-cutting business, in the third quarter of this year in line with our listing prospectus. We will also pursue merger and acquisition projects in relation to our metal supply chain business whenever appropriate opportunities arise. This month we have commenced the operation of our Shenzhen sales and distribution center, covering southern China markets while our eastern China center is scheduled for operation in the next few months. We will continually enrich our one-stop supply chain services and improve the quality of service offered to the fast changing non-ferrous metal market in China and around the world. In conclusion, with profound knowledge of the non-ferrous metal industry and the die-casting industry, together with decades of market experience, LEE KEE will consider every business opportunity and develop business in areas with high growth potential in the Greater China region and beyond.

The Group's impressive performance in the past year was the result of the dedicated work by the management and its staff. On behalf of the Board of Directors, I would like to take this opportunity to express our sincere gratitude to our employees, business partners, customers, shareholders and the financial community for their support they have shown to the Group.



Chan Pak Chung 陳伯中

Chairman 主席

27th March 2007

二零零七年三月二十七日

不銹鋼卷料切片業務 — 利業金屬有限公司。本集團亦將於合適商機出現時為本集團之金屬供應鏈業務取得購併項目。本集團於深圳之銷售及分銷中心於本月份開始投入服務，為中國南部市場提供服務，而本集團位於華東之中心預計在未來數月可投入服務。本集團將繼續擴展一站式供應鏈服務，並提升為中國及世界各地瞬息萬變之有色金屬市場所提供服務之質素。總括而言，憑藉本集團於有色金屬及壓鑄行業之廣博知識，加上於過去數十年之豐富市場經驗，利記將密切留意各項業務商機，並將業務擴展至大中華地區及世界各地具優厚發展潛力之地區。

本集團於去年之卓越表現實為管理層及各員工努力之成果。本人謹代表董事會對各僱員、業務夥伴、客戶、股東及財務機構對利記所作出之支持致以衷心感謝。