

Dear Shareholders,

I am pleased to become the Chairman of the Board since 12 April 2006. Although I am very new, I understand that the Company experienced a difficult period in the past and up to now. I am now looking into the affairs of the Company so that I am able to prepare a strategic plan in order to bring the Company into a healthy and profitable position.

Looking back, our Group has recorded a loss of HK\$23,273,000 for the year ended 31 December 2005. The Company's principal subsidiary, 河北壩上林木種苗有限公司(Hebei Bashang Nursery Company Limited), experienced a difficult operation during the current year. Despite this and the substantial changes in the board of directors, the Group's overall results can still achieve a significant improvement from last year's loss of HK\$198,545,000. Also, the Company was able to achieve a number of settlements with the creditors and, as a result, certain creditors made considerable repayment concessions.

Looking ahead, I will lead the present board of directors to bring the Company into a healthy and profitable position. To achieve such aim, a resumption proposal will be prepared for submission to the Stock Exchange. Details of this proposal will be released to you in due course. At this stage, I have great confidence, in the not too distant future, in bringing the Company, both in terms of corporate governance and profitability, into a position where all shareholders will get excited.

Taking this opportunity, I would like to thank all of the directors and staff both past and present, who were involved in helping the Company struggle through this difficult period. On behalf of the board of directors, I am grateful for their past efforts and look forward to their continuing support.

**Zhou Wenjun**

*Chairman*

27 April 2006