

Chairman's Statement

RESULTS:

Turnover of the Group for the year 2003 was HK\$190.7 million, compared to HK\$137.6 million for the year 2002, representing a increase of 38.6%. Profit attributable to shareholders amounted to HK\$32.5 million, compared to last year's HK\$27.5 million, a increase of 18.1%. Earnings per share was 11.12 cents per share, a increase of 4.6% over the previous year's figure.

The improvement in the Group's turnover and profit was mainly attributable to the satisfactory sales results of Village Garden in Shanghai recorded for the year 2003, which has had almost 90% of its gross floor area ("GFA") sold out in accumulation. It has resulted in a positive effect on the Group's results for the year.

FENGHUA PROJECT:

In the second half of the year, total land area newly acquired by the Group in Xikou Fenghua, Ningbo is 133,333 sq.m, which will be developed into a large-scale luxury residential development. The project had provoked strong reaction in the market during the sales promotion meeting of the Ningbo Residential Exhibition held in November 2003, and will become one of the Group's key projects for 2004.

OVERVIEW OF CHINA RESIDENTIAL PROPERTY MARKET:

The outbreak of Severe Acute Respiratory Syndrome ("SARS") in the first half year had only short-term impact on the economy of China as its GDP recorded a significant growth of 9.1%. China residential property market maintained soaring development momentum in 2003 with booming residential investment and sales situation. However, there was overheated property investment in certain areas as well. The PRC government has taken measures to assure healthy and steady development of the residential property market by adjusting in succession its financial and land policies.

PROSPECTS:

The national per-capita income of China has reached US\$1,000 and, in particular, in some large and medium cities, the increase in per-capita income and the intensification of urbanization process have brought about increasing demand for the long-term development of residential property market. Looking forward to 2004, besides speeding up the construction of projects in progress such as Fenghua, Changchun Projects, and replenishing land bank, the Group is also intended to invest in "Changchun China Fair Land Industrial Park", with an aim to increase income stream and profits.

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ACKNOWLEDGMENTS:

On behalf of the Group, I would like to take this opportunity to thank the Directors, our staff, partners, shareholders and all parties who have rendered their support and contribution to the Group.

So Pang Gen

Chairman

23rd April, 2004