

Chairman's Statement

RESULTS:

Turnover of the Group for 2004 amounted to approximately HK\$260.4 million representing an increase of 36.6% as compared to HK\$190.7 million for the previous year. Profit attributable to shareholders amounted to approximately HK\$15.4 million, which was 52.7% less as compared to HK\$32.5 million for the previous year. Earnings per share were 5.26 HK cents, 52.7% less compared to the previous year.

The Group's growth in turnover was mainly attributable to encouraging sales of the Fenghua Project in Ningbo, which the Group held 37.5% interest currently. The decline in profit attributable to shareholders mainly reflected the decreasing of developed residential properties in Changchun and Shanghai.

THE CHANGCHUN INDUSTRIAL PROPERTY PROJECT:

The Group invested in the development of an industrial property project in Changchun in the latter half of 2004. The property was completed as scheduled and is currently occupied by the tenant. With a gross floor area of 23,000 sq.m. approximately, the project is expected to generate long term stable rental income for the Group.

OVERVIEW OF THE PRC RESIDENTIAL PROPERTY MARKET:

The residential property market in PRC maintained a general growth trend in 2004 despite macroeconomic-control measures implemented by the government, notably tightened land supply and monetary policy, to curb excessive economic growth and overheated investments in fixed assets.

PROSPECTS:

PRC currently stands as the sixth largest economy and the third largest trading nation in the world. Given substantial improvements in economic strengths and per capita income, the domestic market for residential properties is expected to enjoy stable growth in the long term. In 2005, a new commercial property project in Ningbo with a total GFA of approximately 33,000 sq.m. will be developed. The Group will continue to identify opportunities for new project development in cities such as Shanghai, Changchun, Qingdao and Ningbo, in a bid to broaden its source of revenue and enhance profitability.

ACKNOWLEDGEMENT:

On behalf of the Group, I would like to express sincere gratitude to our Directors, staff, partners, shareholders and all other parties who have rendered their support and made invaluable contributions to the Group.

So Pang Gen
Chairman

26th April, 2005