On behalf of the Board of Directors, I submit to the Shareholders the Annual Report of the Group for the year ended 31st March, 2005.

RESULTS

During the year, the Group's profits attributable to Shareholders was HK$7,037,536 (2003/2004: HK$22,513,900). Earnings per share was HK3.6 cents (2003/2004: HK11.4 cents). Turnover was HK$269,010,159 (2003/2004: HK$207,702,804).

During the year, the Group's profit before taxation was HK$9,711,583 (2003/2004: HK$23,889,028). Given below is an analysis of the profit from operations of the Group's principal activities:

	2005 HK$	2004 HK$
Property investments and development	**262,906**	(3,689,920)
Manufacturing and trading of plastic packaging materials	**12,147,262**	16,471,883
Stock broking and finance	**6,027,355**	16,209,590
Profit from operations	**18,437,523**	28,991,553
Gain on disposal of associates	**2,154,640**	–
Finance costs	**(5,016,766)**	(4,309,259)
Share of loss of associates	**(5,863,814)**	(793,266)
Profit before taxation	**9,711,583**	23,889,028

DIVIDENDS

No interim dividend was paid during the year. The Directors have recommended the payment of a final dividend of HK1.5 cents per share, subject to the Shareholders' approval at the forthcoming Annual General Meeting. The total dividend distribution for this year will be HK1.5 cents per share.

DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE

Review of operations

Property investments and development

During this year, the Group's overall rental income amounted to HK$14.21 million, a slight increase of 1% as compared with that of last year.

Hong Kong

(a) Dragon House, Tsimshatsui

This nine-storey commercial/residential building is located in the commercial and shopping centre of Tsimshatsui and its total gross floor area is approximately 2,800 square meters. After the Group's head office moving to Silvercord, the project regarding the alteration of the building into a hotel is in progress and is expected to be completed by the fourth quarter of 2006. In order to carry out the project, all existing tenants, except the tenants of the shops at the ground floor, have to surrender the vacant premises to us. Consequently, we expect that the rental income from this property will be adversely effected. During the year, the rental income just amounted to HK$9.86 million, a slight increase of 1.5% as compared with that of last year.

(b) Units 406-410, 4th Floor, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui

During the year, the Group purchased this property with a total gross floor area of approximately 1,097 square meters at a consideration of HK$52.3 million. 752 square meters of which has been used as the Group's head office and the remaining 345 square meters has been reserved for leasing purpose.

(c) Nan Sing Industrial Building, Kwai Chung

This ten-storey industrial building is located in Kwai Chung industrial area and its total gross floor area is approximately 11,000 square meters. During this year, this property was still wholly let to a third party for running godown business. The net rental income amounted to HK$4.35 million, more or less the same as compared with that of last year.

(d) 24 Essex Road, Kowloon Tong

This two-storey building is located in Kowloon Tong and its total gross floor area is approximately 600 square meters. This property was still used for operating guesthouse business. During this year, this business recorded a turnover of HK2.42 million, an increase of 10% over that of last year.

DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE (Cont'd)

Review of operations (Cont'd)

Property investments and development (Cont'd)

Mainland China

(a) Tower 1 Residential Building , Ming Yue Hua Yuan, Futian District, Shenzhen

Our joint venture company of this project, Shenzhen Dongshan Development Company Limited ("Dongshan") commenced court winding up at the end of 2004. Notwithstanding that the company designated by the Group to handle this project had already entered into an agreement with Dongshan regarding the reconciliation of this project's accounts, the court's liquidation committee still urged us to do so again and we believe that it still entails some time to complete the related work.

(b) Shopping mall and car parks in Ming Yue Hua Yuan, Futian District, Shenzhen

The Group, through an associated company, owns 20% interest in the shopping mall situated at the Ground floor of Ming Yue Hua Yuan with an area of over 2,000 square meters as well as 36 car parks in the basement thereof. The whole shopping mall were for lease. During this year, the associated company had won the lawsuit and had received the outstanding rent of HK$1.1 million.

(c) Tianjian Yangguang Hua Yuan, Futian District, Shenzhen

During this year, the Group had got back all account receivables from our China partner of this project according to the terms and conditions of the agreement made between us.

(d) Huaxin Garden & Nan Sing Building in Zhangmutou, Dongguan

The Group had completed the construction of four blocks of two-storey factories and related facilities on part of the land previously reserved for building Huaxin Garden. The Group had already commenced production in the factories. With regard to the land previously reserved for Dongguan Nan Sing Building, the Group had in fact completed a new plan and design for erecting a commercial building thereon. However, in view of the complicated procedures involving in the application for resuming construction, the Group had asked the relevant government authority to give us further extension of the date of completion and such approval had been granted.

DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE (Cont'd)

Review of operations (Cont'd)

Property investments and development (Cont'd)

Philippines

The Group is still holding 49% equity interest in an associated company, Titan Dragon Properties Corporation. It holds a land of approximately 71,000 square meters in the residential area of Quezon City, Manila for developing residential properties. During this year, owing to the persistent declination of the local economy and property market, the associated company still deferred the development of this project.

Manufacturing and distribution of plastic packaging materials

During this year, this business recorded an operating profit before finance cost of HK$12.15 million (2003/2004: HK$16.47 million). Turnover amounted to HK$226.52 million, an increase of 35% over that of last year.

This business had suffered from the rise in fuel and resin prices which led to a drastic increase in production costs. On the other hand, the improvement in hardware and software of the business had increased the operating costs. Both the construction work of the first phase of the factory with a total floor area of 22,000 square meters and the construction work for improving existing factory had been completed. We expect that such measure will enhance the development capacity of our business. Moreover, to cope with the expansion of our business, we had increased expenditure in recruiting more staff both in China and Hong Kong, purchasing additional machinery and broadening our sales network. However, the increase in costs had not been matched by the increase in gross profit because of the strong market competition. As a result, the business during this period was comparably weaker than that of the last year despite of the increase in turnover by 35%.

The joint venture factory with our Japanese partner had started production and had reached expected production capacity. However, it had not brought profit to the Group during this year. We believe that the performance of this business will be improved by increasing production efficiency and imposing stricter costs control.

Regarding the business of our associate companies, the Group had formed a joint venture company for the sales of Pre-Opened Produce Bags and Wicket Bags in North America. The patent registration of the Pre-Opened Produce Bags had been done in USA, Taiwan and China. We believe that such products will have great potential development capacity. We had commenced the business in the second half of the year and the turnover had been gradually increasing. It is expected that the results of this business will be improved in the first half of the next year. As for Full Safe Industries Limited ("Full Safe"), the Group had sold all its interest in Full Safe and had acquired machinery and equipment used for cling films production and inventory of cling films from Full Safe and its subsidiaries ("Full Safe Group") so as to set up a new production line. For details, please refer to "Disclosure of Connected Transaction" below.

DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE (Cont'd)

Review of operations (Cont'd)

Stock broking and finance

The effect of the abolition of minimum brokerage commissions in 2003 fully floated on the surface during 2004 and the brokerage firms generally experienced a further profit margin squeeze. Facing strong competition, the operating environment has been very difficult. It appears that such industry has entered into a stage that only the fittest will survive. Brokerage income of HK$21.63 million was recorded, representing a decrease of 3.8% from that of the last year.

During the year, the profit of this business decreased. Such decrease was due to the fact that the Group had made a gain in the sum of HK$9.25 million on disposal of shares of the Hong Kong Exchanges and Clearing Ltd. ("Stock Exchange") in the last financial year. The shares were converted from the Group's membership in Hong Kong Futures Exchange after the listing of Stock Exchange and had been held until disposal in the last financial year.

Liquidity and financial resources

During the year, the Group required additional fund for the acquisition of new property used as our head office and for the financing of substantial increase in working capital caused by the high resin price. For this reason, the Group's bank borrowings and debt/equity ratio increased. At the year end date, the Group's bank borrowings increased from HK$103.4 million of the last year to HK$190.9 million of this year, in which the short term borrowings amounted to HK$132.74 million and long term borrowings amounted to HK$58.16 million. The Group's current year debt/equity ratio was 43% expressed as a percentage of the Group's total bank borrowings over the Shareholders' funds of HK$442.9 million. Nevertheless, the Group still keeps prudent financial management as our strategy.

To minimize exposure on foreign exchange fluctuations, the Group's borrowings are primarily denominated in Hong Kong dollars and United States dollars. The Group has no significant exposure to foreign exchange rate fluctuations.

Capital structure

As at 31st March, 2005, the Group's Shareholders' funds amounted to HK$442.9 million (2003/2004: HK$422.65 million). The Group's consolidated net assets per share as at the year end date was HK$2.24. Details of the Group's capital structure are set out in consolidated statement of changes in equity on page 22.

DISCUSSION AND ANALYSIS OF THE GROUP'S PERFORMANCE (Cont'd)

Pledge of assets

Details of the Group's pledge of assets are set out in note 33 to the financial statements on page 56.

Contingent liabilities

Details of the Group's contingent liabilities are set out in note 34 to the financial statements on page 57.

Employees

The Group had 1,252 employees as at 31st March, 2005. Employees were remunerated according to nature of the job and market trend.

Retirement scheme

The Group had joined a Mandatory Provident Fund Scheme to conform to the requirements as stipulated in the Mandatory Provident Schemes Ordinance. Details of the scheme are set out in note 30 to the financial statements on page 55.

DISCLOSURE OF CONNECTED TRANSACTION

Set out below is information in relation to a connected transaction involving the Company and/or its subsidiaries required under the Listing Rules to be disclosed in the Annual Report and Accounts of the Company:

Pursuant to the first agreement made on 30th March, 2005, Nan Sing Plastics Limited ("Nan Sing"), which is a subsidiary of the Company, agreed to sell its 30% interests in Full Safe to Mr. Kam Cheuk Sun ("the First Agreement"). The consideration for related shares amounted to HK$3.16 million and has been paid in cash upon signing of the First Agreement.

Pursuant to the second agreement made on 30th March, 2005, Nan Sing agreed to acquire from Full Safe equipment used for warehouse operation and Full Safe's 100% interests in Full Safe Trading Limited ("the Second Agreement"). The total consideration for the transactions amounted to HK$1.04 million and has been paid by way of set-off of shareholder's loan owed by Full Safe to Nan Sing upon signing of the Second Agreement.

DISCLOSURE OF CONNECTED TRANSACTION (Cont'd)

Pursuant to the third agreement made on 30th March, 2005, Dongguan Nan Sing Plastics Limited, which is a subsidiary of the Company, agreed to acquire from Full Safe Guangzhou Limited, which is a wholly-owned subsidiary of the Full Safe, machinery and equipment used for cling films production and inventory of cling films. The consideration for the transaction amounted to HK$4.37 million and has been paid by way of set-off of shareholder's loan owed by Full Safe to Nan Sing upon signing of the Third Agreement.

Full Safe Group's main business was production and distribution of cling films and diaper films. In view of Full Safe's repositioning itself in its core business of diaper films, the Group considered that on the one hand, it was a good opportunity for the Group to divest itself of the whole of our minority interest in Full Safe; on the other hand, after the Group's acquisition of machinery and equipment used for production of cling films, inventory of cling films and related warehouse operation from Full Safe Group, the Group could set up new production line with a view to increasing the Group's production capacity and further expand its market share in plastics packaging industry.

Since associate (as defined under the Listing Rules) of the Company's executive director owns 20% of the issued capital of Full Safe, the transactions involved in the above agreements constitute a connected transaction for the Company under the Listing Rules.

OUTLOOK

Looking ahead to 2005, Hong Kong will still face many uncertainties involving rising oil prices, higher interest rates and the continued weakness of the US dollar. However, we expect that the local economy will continue to grow steadily in the coming year, as the overall interest rate level still remains low and the strength in export trade and domestic demand will continue to be strong.

Throughout 2004, the office market was strongly driven by the economic growth in Pearl River Delta and the swift economic recovery of Hong Kong. Keen demand from various trading sectors resulted in increase in capital valuation of the Group's head office at Silvercord, Tsimshatsui which is situate at the core central business district. The flat reserved for leasing has been let out at market rent recently.

OUTLOOK (Cont'd)

Tourists from the mainland will continue to rise due to the extension of the Individual Travellers Scheme to more cities. Additionally, with the forthcoming opening of Disneyland, family travel trips to Hong Kong will be further boosted. Consequently, the operating environment for the hotel industry remains promising. The Group expects that the hotel scheduled to be opened in the fourth quarter of 2006 will continue to benefit from a steady increase of tourists in view of its situation at the tourist and entertainment hub. As a result, we look to our hotel business with optimism.

Our stock brokerage business has been placed in a difficult operating environment. The Group will use its best endeavour to continue to impose cost control measures and to increase trading volume by looking for more new clients in order to offset the negative impact of the reduction in commission rates.

The upward trend of the oil price seems to be continuous so that the resin price will be persistently maintained at a high level and the fuel and transportation prices cannot be reduced shortly. Furthermore, the limited supply of electricity in mainland has led to the increase of waste products and the anti-dumping tax policy in United States of America will further attack the industry. However, with the commencement of production in our new factory, the production capacity has been increased. We will try our best to broaden our market, smoothen the production flow, raise the product quality with an aim to improve the operating efficiency and the overall results of this business.

APPRECIATION

Finally, I sincerely thank the Board and all staff for their diligence and dedication in the past year.

Chua Nai Tuen
Chairman

Hong Kong, 15th July, 2005