

I have pleasure in presenting to the shareholders the annual report of the Company for the year ended 31st December, 2005.

BUSINESS REVIEW

The domestic and global economy continued to improve in 2005. The Hong Kong economy further benefited from influx of tourist arrivals from the Mainland China in particular the period from the grand opening of Hong Kong Disneyland. However, the significant rebound in property market in 2004 seemed to have cooled down in the final quarter of 2005 as a result of successive increases in market interest rate.

During the year, the Company and its subsidiaries (the "Group") managed to make profit on its treasury investments though at a lesser amount than that achieved in 2004. The competitive environment in mortgage finance business remained keen and difficult amid successive increases in interest rate in Hong Kong which had a dampening effect on property price and transaction volume.

In anticipation of the continuing appreciation of Renminbi, the Hong Kong dollars strengthened against all major foreign currencies in 2005 and as a result the Group recorded a HK\$2.8 million in exchange loss as compared with the HK\$2.2 million exchange gain in 2004.

For the year under review, the Group's revenue was HK\$73.6 million and the profit attributable to equity holders of the Company was HK\$1.2 million. The Group was debt-free and maintained a strong liquidity position.

DIVIDEND

The Directors do not recommend the payment of a final dividend as the Company still carries accumulated losses as at 31st December, 2005.

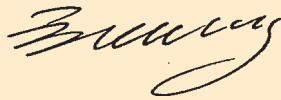
The annual general meeting of the Company (the "AGM") will be held on 12th May, 2006 and there will be no closure of the Register of Members of the Company as no final dividend is being paid.

PROSPECTS

We are cautiously optimistic that Hong Kong economy is expected to keep its growth momentum well into next year. With general expectation of approaching the end of cycle for increase in interest rate in 2006, the Group keeps on looking for investment opportunities in order to increase the return from the Group's treasury investments. As regards mortgage loan business, the Group will grasp the opportunities for expanding its mortgage loan portfolio once they arise when there is general picking up of property transactions in Hong Kong.

APPRECIATION

On behalf of the Board of Directors (the "Board"), I would like to express my sincere appreciation to the management and our staff for their dedicated service during the year.

A handwritten signature in black ink, appearing to read 'Akihiro Nagahara', written in a cursive style.

Akihiro Nagahara

Chairman

Hong Kong, 24th March, 2006