

CORPORATE RESULTS

For the year ended 31st December, 2005, the Company and its subsidiaries (the "Group") posted a turnover from operations of approximately HK\$68.9 million (2004: HK\$73.39 million), a decrease of 6.1% from last year.

The Group had recorded a net profit attributable to equity holders of the Company approximately HK\$14.91 million (2004: HK\$54.8 million, restated), a 72.8% decline from last year. The earnings per share for the year ended 31st December, 2005 was HK22.2 cents (2004: HK82.8 cents, restated), a 73.19% decrease over last year.

DIVIDEND

No interim dividend was paid during the year and no final dividend was recommended by the directors.

Proposed Bonus Issue

However, the Directors have recommended a bonus share issue (the "Proposed Bonus Issue") of new shares (individually a "Bonus Share" and collectively the "Bonus Shares") to the shareholders of the Company on the basis of one Bonus Share of HK\$0.01 for every ten issued ordinary shares held by such shareholders whose names appear on the register of members of the Company on 23rd May 2006. The Bonus Shares will be fully paid at par and will rank *pari passu* with the existing issued ordinary shares of the Company in all respects from the date of issue, except that they will not rank for the Proposed Bonus Issue. The Proposed Bonus Issue is conditional upon:

- (i) an ordinary resolution to approve the Proposed Bonus Issue at the 2006 Annual General Meeting being duly passed; and
- (ii) the listing of and permission to deal in the Bonus shares being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

Application will be made to the Listing Committee of The Stock Exchange of Hong Kong Limited for listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Proposed Bonus Issue after the ordinary resolution referred in (i) above has been duly passed at the 2006 Annual General Meeting.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2005, the Group had cash and bank balances amounting to HK\$46.5 million (2004: HK\$19.7 million). Virtually, the Group's funding policy is to finance the business operations with internally net generated cash and bank facilities. As at 31st December, 2005, the Group had total borrowings of HK\$15.75 million (2004: HK\$6.5 million) of which HK\$15.37 million (2004: HK\$6.5 million) was payable within one year and the remaining was payable after one year and was fully secured. The Group's borrowings were denominated in Hong Kong dollar, Japanese Yen and United States dollar.

Interest rates were in line with the best lending rates either at prime or based on the Hong Kong Inter-bank Offer Rate. The Group did not have any financial instruments used for hedging purpose.

Gearing Ratio and Current Ratio

The Group's gearing ratio (total bank and other loans to shareholders' equity) as at 31st December, 2005 increased to 9.2% (2004: 5.42%, restated). The Group's current ratio (current assets to current liabilities) as at 31st December, 2005 has increased to 2.23 (2004: 1.64). On the whole, the financial position and liquidity of the Group is sound and stable.

Capital Structure

In February 2005, the Company completed a capital reorganisation which comprised a share consolidation of every 5 issued and unissued shares of HK\$1.00 each into one consolidated share of HK\$5.00 each and the paid up capital of the issued consolidated shares was reduced from HK\$5.00 each to HK\$0.01 each by cancelling the paid up capital to the extent of HK\$4.99 on each issued consolidated share. Each of the authorized consolidated shares are subdivided into 500 shares of HK\$0.01 each.

After the completion of capital reorganisation, the authorized share capital of the Company would be HK\$700 million comprising 70 billion adjusted shares and the issued share capital of the Company would be HK\$0.66 million divided into 66.33 million adjusted shares.

In order to finance the Group's proposed development, the Company issued 33.16 million rights shares of HK\$0.01 each, for consideration of HK\$0.915 per share. The allotment was made on 23rd December, 2005 to the existing shareholders, on the basis of one right share for every two existing shares held on 30th November, 2005. The right shares rank pari passu with the existing shares in all respect.

After the completion of rights issue, the issued share capital of the Company would be HK\$0.99 million comprising 99.5 million new shares.

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S STATEMENT

PLEDGE OF ASSETS

At 31st December, 2005, the Group had mortgaged or pledged certain investment properties, plants, equipments, listed investments and bank deposits with an aggregate net book value of approximately HK\$36.1 million to banks, financial institutions and loan creditors for obtaining banking facilities, margin trading facilities, overdraft and revolving loan facilities, term loan facilities and loan facilities to the Group to the extent of approximately HK\$56.2 million.

CONTINGENT LIABILITIES

At 31st December, 2005, the Group had no significant contingent liabilities (2004: Nil).

CAPITAL COMMITMENTS

As at 31st December, 2005, the Group and the Company had no capital commitments (2004: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

In June 2005, the Company disposed of its partial interest 7 million shares in an associate, Chinasoft International Limited (the "Chinasoft") with recognition a gain of HK\$2.9 million (2004: Nil). The Company's shareholding in Chinasoft had further reduced from 24.36% to 23.20%, resulting in a gain on deemed disposal of approximately HK\$11 million in July 2005.

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2005, the Group had approximately 600 employees in Hong Kong and PRC. The Group offers its employees competitive remuneration packages based on industry's practices and performance of individual employee. Year-end discretionary bonus would be granted to reward and motivate those well-performed employees. The Group had adopted a share option scheme on 23rd May, 2005 and discretionary share options would be granted to reward and motivate those well performed employees.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 19th May, 2006 to 23rd May, 2006, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the proposed Bonus Shares, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 18th May, 2006.

BUSINESS REVIEW AND PROSPECTS

The Board announces that the Chinasoft an associate of the Group listed in the Growth Enterprise Market, persisted for great contribution to the Group. Chinasoft has demonstrated a promising performance with satisfactory growth both in turnover and net profit. As a PRC-based IT services supplier providing total solution with positioning in the leaders of some vertical industries in PRC, it is also a leading outsourcing enterprise and top workflow (quality) control company, the Group expects that Chinasoft endeavours to extend its market coverage network and provide an enduring revenue to the Group.

For the industrial segment, Jiangsu Bang Bang Silky Fashion Manufacturer Company Limited has reduced in turnover by 15.1% over the last year. While Suzhou Goldtract Commodity Concrete Company Limited has experienced a decline drop of 26.4% in turnover over last year. Despite the effect at implementation of macro-economic policies in China, it is anticipated that china will continue to lead global economic growth in 2006 as its growth in GDP is still expected to be over 8% in the coming years.

For property segment, the plan for refurbishment of Kwai Chung Fa Yuen at Kwai Chung is temporarily suspended due to slow down in commercial area's demand in that region. In the meantime, short term lease tenants are targeted to fill the transitional vacant premises.

Foreseeing 2006, the Group's management believes we are well positioned to face the challenge with its conservative management will continue to take a prudent approach in allocating resources into projects with high return and limited capital outlay. As Asia Pacific, especially China, is expected to be the focus of the global economy in the next decade, this region will continue to be the centre of our investment portfolio. The Company will continue to transform itself into an integrated financial services provider and investment firm and set its focus on identifying and converting viable business opportunities to deliver long term and sustainable values to our shareholders.

Duncan Chiu

Managing Director and Chief Executive Officer

Hong Kong, 21st April, 2006