

Financial Results

I am pleased to report that the audited group profit attributable to the equity holders of the company for the year ended 31st March 2006 amounted to HK\$216.8 million, as compared with the restated profit of HK\$183.0 million last year, representing an increase of 18%. The improvement in earnings is mainly due to the improvements of the property market and the hotel industry in Hong Kong.

An interim dividend of HK 6 cents per share was paid on 8th February 2006. The board has recommended the payment of a final dividend of HK 8 cents per share to persons registered as shareholders on 6th September 2006. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the final dividend will be payable on 13th September 2006 and the total dividend for the year will be HK 14 cents per share representing 40% increase over last year.

Property Development

Construction work at Avanzado Technology Park in California has been completed. All units have been pre-sold. Profits from this development has been recorded in the second half of the financial year.

The luxury residential project at Chung Hom Kok has been completed and we are making steady progress in the sale of this development.

Foundation work at the luxury residential project at Plunkett's Road on the Peak is near completion and superstructure work will commence shortly. When the project is completed, it will be one of the most luxurious here in Hong Kong.

Hotel

There have been two new 5-star hotels completed recently. However, a big 5-star hotel in Kowloon is being demolished. As a result, the supply of 5-star hotel rooms will result in negative growth. Therefore, the Sheraton-Hong Kong Hotel, in which your group has 35% interest, will continue to perform well in the next few years due to strong demand and lack of new supply.

Chairman's Statement

Prospects

There has been a gradual increase in interest rates over the past twelve months, and it has been predicted that interest rates will rise further, though at a more gradual pace. As a result of the rise in interest rates, mass residential will be most affected. However, the luxury residential and office markets will continue to do well due to shortage of new supplies.

The three sectors which your group has concentrated on are luxury residential, office properties and 5-star hotel are all predicted to perform well over the next few years due to limited supplies and consistent strong demand.

Finally, I would like to thank all staff for their loyal support and hard work.

David P. Chan

Chairman

Hong Kong, 22nd June 2006