

Chairman's Statement

On behalf of the board of directors, I am pleased to present the Annual Report and Accounts for the financial year ended 30th April 2006.

During the year, the Group reported a loss before taxation and loss attributable to shareholders of approximately HK\$14.32 million and HK\$14.95 million respectively compared to a profit before taxation of approximately HK\$2.55 million and profit attributable to shareholders of approximately HK\$976,000 in the preceding year. This is primarily due to the loss on disposal of a subsidiary of HK\$9.64 million and the lower surplus of revaluation of investment properties of HK\$4.08 million recorded this year compared to HK\$9.29 million in the preceding year.

I wish to take this opportunity to express my gratitude to all employees for their loyal services and contribution. I would also like to thank all our shareholders, business associates and financiers for their continued support.

Chan Kien Sing

Chairman