

Management Discussion and Analysis

Financial Performance

Group turnover for the year was HK\$5.68 million, representing an increase of 2.9 times from the previous year. Turnover for the year under review represents rental income from investment properties and sales of property held for sale.

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.

Working Capital and Cash Requirements

The management believes that the Company will continue to have an adequate working capital. There is no significant cash requirement in 2006.

Investment Properties

There was a revaluation surplus on properties amounted to HK\$4.08 million. Lower rental income was generated from investment properties as a result of the completion of the disposal of the investment property located in Penang, Malaysia. The average occupancy rate for investment properties has recorded a minor decrease of 2.47% from 92.94% to 90.47%. We expect no major changes in the rental income in the coming year.

The Group has completed the disposal of a property located in Penang, Malaysia in August 2005 for a consideration of HK\$4.16 million.

Material Disposal

Panluck Limited, a wholly owned subsidiary of the Group, entered into an Agreement on 12th January 2006 with Shanghai Huifa Investment Limited Company and Shanghai Baizhong Investment Management Limited Company, to dispose of its 82% equity interests in Shanghai Berjaya-Huitong Real Estate Development Co Ltd ("SBHRT") for a consideration of HK\$39.42 million. The principal asset of SBHRT is a piece of land located in lot no. 15, Jinqiao Export Processing Zone, Pudong New Area, Shanghai, PRC with an approximate site area of 95,530 sq.m for industrial use.

Capital and Debt Structure

The Company has not issued any additional shares in the current year. There is no present requirement or plan to raise additional fund through the issuance of equity or debt.

As of 30th April 2006, The Group had outstanding bank loan of approximately HK\$7.25 million (2005: HK\$7.71 million). Such bank loan was secured by certain of the investment properties of the Group located in Hong Kong with a net book value of approximately HK\$43.62 million (restated 2005: HK\$39.76 million).

The gearing ratio for the Group increased to 25.98% as of 30th April 2006 from the previous year of 17.96% (restated). The ratio has been calculated based on the total bank loan to the total shareholders' equity of the Group.

Future Prospect

The Group will continue to focus on its core business and has no present plan to diversify or invest into other business activities. There are also no material capital commitments which would require a substantial use of the Group's present cash resources or external funding.