

Chairman's Statement

RESULTS

Turnover for the Group for 2005 amounted to HK\$107.1 million, representing a decrease of 58.9% as compared to HK\$261.9 million for 2004. Profit attributable to equity holders of the Company amounted to approximately HK\$20.5 million, which was 36% more as compared to HK\$15 million for 2004. Earnings per share were 6.99 HK cents, 36% more as compared to 2004.

The decrease in turnover was mainly attributable by a decline in completion of developed residential properties in Changchun, Ningbo and Shanghai for the year.

THE NINGBO COMMERCIAL PROPERTY PROJECT

The Group has commenced a commercial property project in Ningbo in the 2nd half of 2005. The project comprises the development of a commercial and office building with a gross floor area of approximately 33,000 sq.m., and it is expected that the project will be completed by the end of 2006.

OVERVIEW OF THE PRC RESIDENTIAL PROPERTY MARKET

In 2005, the PRC government maintained its macroeconomic control policies in view of the price hike of residential properties in certain areas, with the objective to sustain stable growth of the residential property market.

PROSPECTS

Looking forward to 2006, a commercial project in Cixi in Ningbo with a gross floor area of approximately 21,000 sq.m. will be developed. Except relatively apparent adjustments in the urban residential property markets in Shanghai and certain cities, the overall residential property market in the PRC has sustained stable growth in terms of investments, sales and price. The Group will also continue to identify opportunities for new project development in cities such as Shanghai, Changchun, Qingdao and Ningbo, in bid to support continued growth of the Group.

ACKNOWLEDGEMENT

On behalf of the Group, I would like to express sincere gratitude to our Directors, staff, partners, shareholders and other parties who have rendered their support and made valuable contributions to the Group.

So Pang Gen
Chairman

26 April 2006