

I am pleased to present to the shareholders the Annual Report of the Company and its subsidiaries (the "Group") for the year ended 31st January, 2006 (the "Year").

In respect of the results of the Group for the Year, the audited loss attributable to shareholders is HK\$50,401 (2005: profit of HK\$3,300,743). Basic loss per share is HK\$0.0006 (2005: basic earnings per share of HK\$0.0383).

The financial resources of the Group are derived from the disposing and renting of properties in Hong Kong and the People's Republic of China ("PRC").

On 29th September, 2005, the Company entered into an agreement for sale and purchase with an independent third party for the disposal of its investment property located at Flat F on 21st Floor of Tower 21 (Mei Chun Court), South Horizons, No. 21 South Horizon Drive, Hong Kong for a consideration of HK\$4,990,000. The disposal was completed on 4th January, 2006.

The underwriting agreement entered into between Keen Luck (China) Limited, a wholly-owned subsidiary of the Company, and Exceland (Fuzhou) Real Estate Co., Ltd. on 10th May, 2005 relating to the sale of 51 residential units and 15 car parking spaces of a residential development known as "Gentlefolk", which is situated at No. 53 Wenquan Park Road, Gulou District, Fuzhou, Fujian Province, the PRC, was completed on 28th January, 2006. The Group received a total underwriting amount of HK\$43,319,845.

To reorganize the Company's investment portfolio, the Company acquired new properties in Fuzhou, the PRC by entering into two agreements on 6th January, 2006 with Mr. Lo Cheung Kin ("Mr. Lo") and Victorfield Limited ("Victorfield") for the purchase of the entire issued share capital of Victorfield (Fujian) Property Development Co., Ltd. ("Victorfield Fujian") and Faith Stand (China) Limited ("Faith Stand") respectively and acquisition of the outstanding shareholder's loan in the case of Faith Stand. Mr. Lo is the Chief Executive Officer and an executive director of the Company who, via Mass Honour Investment Limited, is interested in 16.42% of the issued ordinary share capital of the Company and Victorfield is owned as to 66% by Ms. Yin Hoi Yeung, an executive director of the Company, and the remaining 34% by Mr. Lo. The acquisitions of Victorfield Fujian and Faith Stand have yet to be completed. Upon completion of these acquisitions, consideration of approximately HK\$41.4 million will be paid to Victorfield for the acquisition of Victorfield Fujian which holds the properties consisting of 13 contiguous street-front shops with total gross floor area of approximately 1,271.20 square meters and 9 car parking spaces with total gross floor area of approximately 182.21 square meters in a residential development known as "Wenquan Apartment" situated at No. 26 Shutang Road, Gulou District, Fuzhou, Fujian Province, the PRC (the "Victorfield Shops"). At the same time, a consideration of approximately HK\$24.9 million (from a shareholder's loan) will be paid to Mr. Lo for the acquisition of Faith Stand which holds the properties consisting of 12 shops and 7 storerooms with total gross floor area of approximately 2,057.63 square meters in the commercial podium of "Gentlefolk" (the "Faith Stand Shops"). The directors of the Company are of the opinion that both the Victorfield Shops and the Faith Stand Shops will provide the

Chairman's Statement

Group with a steady rental income derived from the leasing agreements entered into by Victorfield Fujian and Faith Stand respectively with the independent tenants. There will also be a steady income from property management business attached to Victorfield Fujian. The acquisitions of Victorfield Fujian and Faith Stand was approved by the shareholders of the Company at an extraordinary general meeting held on 18th April, 2006. It is expected that these acquisitions will be completed on or before 30th June, 2006.

Ka Fai Land Investment Company Limited ("Ka Fai"), of which the Company's 36.74% owned associate, Gladiolus Trading Limited, possesses 81.65% shareholding, had made an application to the relevant authority of the Government of the Macau Special Administrative Region of the PRC in April 2005 for the resumption of construction works regarding the remaining development within the Lisboa Gardens Project. On 18th January, 2006, the said authority replied to Ka Fai that as the Granting Lease of Lisboa Gardens had fallen due on 16th December, 2005, renewal of the Granting Lease for the remaining undeveloped areas of Lisboa Gardens has to be performed before construction works can be carried out. At present, Ka Fai is negotiating with that authority on the terms and conditions regarding the renewal of the Granting Lease.

As at 31st January, 2006, the Group had an utilizable fund in cash of HK\$43,853,152 (2005: HK\$3,261) representing a liquidity ratio of 0.42 (2005: 0.00197).

As at 31st January, 2006, the gearing ratio of the Group was 0.027 (2005: 0.063). This gearing ratio is calculated by dividing total external borrowings over shareholder's equity.

The Group is not subject to fluctuations in exchange rates as its investment portfolio is based in the PRC only.

During the Year, the total emoluments paid by the Group amount to HK\$312,000 (2005: HK\$192,000), of which HK\$216,000 was paid to two independent non-executive directors of the Company and HK\$96,000 was paid to the qualified accountant of the Company. Apart from the said emoluments, there was no pension scheme arrangement for the Year. However, a pension scheme has been arranged by a pension scheme agent on behalf of the Company in February 2006 for each of the said directors and qualified accountant of the Company receiving emoluments.

Save as disclosed above, there has been no material change to the information disclosed in the Company's annual report for the year ended 31st January, 2005.

JONG KONG KI

CHAIRMAN

24th May, 2006