

RESULTS

For the year ended 31 March 2006, the Group's turnover amounted to approximately HK\$17,778,000, compared to HK\$65,862,000 reported in the preceding year. The Group reported a loss attributed to shareholders for the year at approximately HK\$20,764,000, representing a drop of HK\$29,711,000 as compared with last year. The loss included allowances for bad debts, and the provision for loss on settlement of legal proceedings.

BUSINESS REVIEW

During the year under review, property development and investment was still the Group's core business segment, while the Group continued the businesses of manufacturing and trading of data storage media products and manufacturing and trading of wine.

During the year ended 31 March 2006, the property development and investment business contributed to approximately 46.3% of the Group's total turnover, amounting to approximately HK\$8,240,000. This was mainly attributable to the sales of the remaining units of the residential property in the Pudong project. As at 31 March 2006, all residential units in the Pudong project were sold out, while all shops for commercial use were sold and accounted for in the previous years. There are 55 car parks remaining for sale. The activities of the Group's property projects were maintained at a modest level during the year, which included work done for adjusting the direction of development to cope with the challenges of the PRC property market. A loss of HK\$9,312,000 was recorded for this business segment.

The development of the Group's property located in Song Jiang District in Shanghai is affected by the PRC partners' approach towards whether to pursue development or to dispose of the vacant site in the market, taking into consideration of the influence of the central government's macro-economic measures to regulate the overheated property market. The development of this project has been delayed as a result.

The Group incorporated a wholly owned subsidiary in Zouping County in March 2005 for the property development project. Construction and sales has commenced in the commercial units. Construction is expected to complete in August 2006. Nearly 40% of the commercial units have been sold by way of pre-completion contracts as of 31 March 2006, so the revenue has not been accounted for in the year under review. The residential portion is currently under its preparatory stage. The Group is exploring several options in regards to the residential plot, including the introduction of strategic partners to co-develop the land.

The Group's data storage media products trading business recorded a turnover of approximately HK\$5,062,000, which accounted for 28.5% of the total turnover. A loss of HK\$9,115,000 was recorded for this business segment.

Turnover attributable from the subsidiary in Qingdao which is principally engaged in winery business was approximately HK\$4,476,000, representing 25.2% of the total turnover. The operating environment for the Group's wine business still remained tough during the year under review. A loss of this business segment to HK\$4,764,000.

PROSPECTS

It is expected that property development and investment in the PRC markets will continue to be the Group's core business. As the economy in the PRC continues to sustain growth, the Group will endeavour to capitalize on the business opportunities available there. On the other hand, it will take a cautious and prudent approach in adjusting its existing business and future investment strategies taking into consideration of the macro-control taken out by the central government to cool off the overheated property market.

CHAIRMAN'S STATEMENT

The Group will maintain the data storage media products business and the wine business for the coming year, if no adverse factors occur. It will continue to take measures to control costs and to improve efficiency in these areas of business.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to our vendors, customers and shareholders for their continuing support. I would also like to thank the management and staff for their hard work and dedication towards the Group.

By order of the Board

Budiman Rahardja

Chairman

Hong Kong, 25 July 2006