

On behalf of the Board of Directors, I present to you the Group's annual report and audited financial statements, for the year ended 30 June 2006.

FINANCIAL RESULTS

The Group recorded a net loss attributable to shareholders of approximately HK\$6.5 million as compared to approximately HK\$2.5 million in the previous year.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the year ended 30 June 2006.

OVERVIEW

During the period under review, the Group engages in two projects: (1) the interest in an unlisted equity investment which engaged in the development of a website providing online professional consultancy services in the PRC; (2) the production and distribution of window frames in the PRC.

The Group had not made any major investments during the same period due to lack of new capital for investment. Also, the Group's existing investments are all in unlisted equities which are long-term and illiquid in nature. For this reason, although the Hong Kong stock market marked a considerable recovery in year 2006, the Group did not benefit from the stock market rally.

On 2 November 2005, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company agreed to allot and issue and the Subscriber agreed to subscribe in cash of HK\$8,000,000 for a total of 89,142,857 Subscription Shares which represented the subscription price of approximately HK\$0.0897 per Subscription Share.

The completion of the Subscription Agreement is conditional upon, the Listing Committee of the Stock Exchange granting approval of the listing and permission to deal in the New Shares in issue and consent in principle of the Stock Exchange to the resumption of trading of New Shares in issue on the Stock Exchange having been obtained.

With effect from 9 May 2006, the Company has been de-registered from the Cayman Islands and duly continued in Bermuda as an exempt company under the laws of Bermuda. The address of the registered office of the Company has been changed from Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies to Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

EMPLOYEES

As at 30 June 2006, the Group has employed 2 employees. The total remuneration paid to staff excluding the directors' remuneration was approximately HK\$426,000, during the period under review. The employees were remunerated based on their responsibilities and performance.

FUTURE PROSPECTS

The Group is consolidating its investments and tuning its financial position with an objective in minimizing losses which might arise from unsound investments, while strengthening investments with stable revenues.

During this year, the Group introduced management experts to join the management team to strengthen its leadership. Most of them have PRC background, and may inject profitable projects into the Group. We firmly believe that under the guidance of a capable management team, the Group will surely be able to record remarkable revenues in the coming year, leading our business back on track.

We believe Hong Kong has come through the worst. With the implementation of CEPA, the gradual deregulation of the mainland capital markets and the resulting increase in business activities and opportunities, we are optimistic that the economy and the stock market will recover at a hastened pace, and will benefit Hong Kong as a whole.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express my gratitude to all of our business partners, shareholders, directors, and staff for their hard work and contributions during the year.

On behalf of the Board

Lan Ning
Chairman