

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, 2007 (the "Year").

In respect of the results of the Group for the Year, the audited profit attributable to shareholders was HK\$24,711,158 (2006: loss of HK\$50,401). Basic earnings per share was HK\$0.2856 (2006: basic loss per share of HK\$0.0006).

The financial resources of the Group are derived from the disposing and renting of properties in Macau and the People's Republic of China (the "PRC") as well as the property management services in Fuzhou City, Fujian Province, the PRC.

Both of (I) the agreement in respect of the Company's acquisition of the entire issued share capital of Victorfield (Fujian) Property Development Co., Ltd. ("Victorfield Fujian") for an aggregate consideration of HK\$41,441,726; and (II) the agreement in respect of the Company's acquisition of the entire issued share capital of Faith Stand (China) Limited and the sale loan for an aggregate consideration of HK\$24,906,925 were completed on 15th June, 2006.

The Company's disposal of its 36.74% interest in the entire issued share capital of an associate, Gladiolus Trading Limited ("Gladiolus"), together with an advance made to Companhia De Investimento Predial Ka Fai, S.A.R.L., a wholly owned subsidiary of Gladiolus, for an aggregate consideration of HK\$54,763,160 was completed on 16th August, 2006.

As the property market is supported by the continuous growth of the economy, the properties in the retail shop property investment portfolio which the Group currently holds through its wholly owned subsidiaries for rental purposes have all been leased out. During the Year, the properties contributed aggregate rental revenue of approximately HK\$1,744,538 (RMB1,781,173) to the Group, while the provision of property management services contributed approximately HK\$1,052,123 (RMB1,074,218).

The Company's wholly owned subsidiary, Victorfield Fujian, acquired 5 street-front shops at Gentlefolk, Fuzhou City from an independent third party, Exceland (Fuzhou) Real Estate Co., Ltd., for an aggregate consideration of approximately HK\$4,916,573 (RMB4,912,950), and the transaction was completed on 19th March, 2007. Tenancy agreements in respect of the 5 street-front shops mentioned above were entered into with independent third parties on 31st March, 2007.

Chairman's Statement

To date, the property ownership certificate (產權證) of a car parking space owned by Victorfield Fujian and held for investment purposes has not yet been obtained. Nevertheless, the Company is actively negotiating with the relevant authority for the early issue of the property ownership certificate. It should be noted that the value of the above-mentioned car parking space was not included in the consideration for the acquisition of Victorfield Fujian. Accordingly, the Board considers that the issue mentioned above will not have any adverse effect on the Group.

As at 31st January, 2007, the Group had an utilizable fund in cash of HK\$29,481,736 and RMB1,296,241 (2006: HK\$43,853,152), representing a liquidity ratio (bank balances and cash divided by current liabilities) of 6.03 (2006: 9.71).

As at 31st January, 2007, the gearing ratio of the Group was 0 (2006: 0.027). This gearing ratio is calculated by dividing total external borrowings over shareholders' equity.

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

During the Year, the aggregate remuneration for PRC employees of the Group was RMB362,893 (2006: not applicable as Victorfield Fujian had not been acquired by that time), and the aggregate remuneration for Hong Kong employees was HK\$453,526 (2006: HK\$312,000). The remuneration provided by the Group is determined with reference to market rates and the capabilities of individual employees.

The Group runs a retirement scheme in accordance with the relevant mandatory provident fund requirements under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

I wish to take this opportunity to thank all the directors, whether resigned or current, as well as our staff for their dedication and contribution to the Group in the past.

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, 2006.

LO CHEUNG KIN
CHAIRMAN

23rd May, 2007