

Chairman's Statement

Results

For the year ended 31 March 2007, the Group recorded a turnover of approximately HK\$28,624,000, an increase of approximately 61% as compared with last year of approximately HK\$17,778,000. Gross profit was approximately HK\$7,134,000, an improvement from the loss of approximately HK\$1,909,000 of the previous year. Loss attributable to shareholders reduced by approximately 82.4% to approximately HK\$3,655,000 for the year as compared to a loss of HK\$20,764,000 for last year.

The remarkable reduction in loss for the year under review was primarily attributable to the growth in turnover and profit in respect of the disposal of equity interest in a jointly controlled entity, as well as no further significant provision was recognized during the year.

Business Review

During the year ended 31 March 2007, the Group was principally engaged in the businesses of property development and investment, data storage media and wine products.

Property development and investment continued to be the kernel of business development of the Group. This segment contributed to approximately 55.6% of the Group's total turnover for the year under review, as compared to past year of approximately 46.3%. Turnover of this segment increased significantly by approximately 93.3% to approximately HK\$15,928,000 from the preceding year of HK\$8,240,000. This segment results recorded a loss of approximately HK\$3,790,000, as compared to past year of approximately HK\$9,312,000. The growth in turnover and the decrease in loss were largely due to contribution from sale of commercial properties in Zouping, Shandong, the People's Republic of China (the "PRC"). In addition, sales were recorded for the car park units at the Group's property project in Pudong, Shanghai, the PRC during the year under review.

The Group completed the disposal of equity interest in a jointly controlled entity, which held the site at Songjiang, Shanghai, the PRC, and made a profit contribution of approximately HK\$8,298,000 as included in other revenues for the year. Subsequent year-end, the Group entered into a supplementary agreement that revised certain terms of the relevant cooperation for development agreement relating to the disposal of interests in the residential development site in Zouping, Shandong, the PRC, which constituted a major transaction of the Company as disclosed in the Company's announcement dated 4 August 2006 and its circular dated 8 September 2006. It is anticipated that revenue and profit attributed to the disposal will be recognized starting from the coming financial year. As stated in the Company's announcement dated 10 July 2007, the supplementary agreement will not have any material adverse effect on the results of operations of the Group.

Turnover and segment loss from the data storage media products business were HK\$3,270,000 (2006: HK\$5,062,000) and HK\$870,000 (2006: segment loss of HK\$9,115,000) respectively. Despite of the decrease in turnover of 35.4% over that of the previous year, the segment results improved mainly because no further impairment loss in respect of inventory was recognized for the year ended 31 March 2007, whereas a significant one-off impairment loss for data storage media products was recognized for last year.

During the year under review, turnover and segment loss from the subsidiary in Qingdao, as represented by the wine business, were HK\$9,426,000 (2006: HK\$4,476,000) and HK\$8,097,000 (2006: segment loss of HK\$4,764,000) respectively. No further stock provision was recognized for the year ended 31 March 2007, although allowances for bad debt and other provisions were made on prudent basis.

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Geographically, the turnover derived from the PRC accounted for approximately 93.4% of the total turnover of the Group for the year ended 31 March 2007, while it was 91.6% for last year.

Prospects

The Group is still holding the remaining commercial properties in Zouping together with car park units in Pudong for sale. As the economy remains strong in the PRC, the Group will capture the business opportunities available. It is believed that property development and investment in the PRC will continue to be the main drivers for the year ahead.

In view of the strong economy of the PRC, the Group will actively and cautiously pursue suitable investment opportunities with primary focus on the PRC to enhance the performance of the Group. On the other hand, it will continue to keep track of the development of its existing businesses and make appropriate adjustments if necessary with the ultimate aim to bring its business back to profitability.

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, 19 July 2007