

MANAGEMENT'S STATEMENT 管理層報告

On behalf of the Board of Directors, I am pleased to present to you the Group's annual report and audited financial statements, for the year ended March 31, 2006.

Financial Results

The Group recorded a net profit attributed to equity holders of approximately HK\$3.5 million for the year that showed a turn around from the net loss of 6.7 million for year 2005. A provision of HK\$795,644 (2005: HK\$1,223,794) for impairment loss on investee companies was made and the total staff cost for the year amounted to HK\$324,425 (2005: HK\$211,549).

The Board have resolved not to recommend a payment of final dividend.

Cash balances as of March 31, 2006 stood at a healthy level of HK\$9,239,764 and the Directors believe that the Group has sufficient financial resources to meet with its working capital requirements and to capitalize on any new opportunities.

Net asset value per share as of March 31, 2006 was slightly increased by 11% at HK\$0.1 comparing with at the same date in the previous financial year.

Business Review

The Group's business is investment in private equity and listed securities. The Group's portfolio comprises investment from different industry. It is the aim of the Group to diversify the investment risk and to maximize the overall return of the portfolio.

The Group focus on listed securities investment representing over 66% of the total assets and 98% of the HK\$75,649,003 total investment portfolio. During the financial year ended 31 March 2006, the stock market had a strong run. According to the data from the Stock Exchange of Hong Kong Limited, total fund raise over HK\$170 billion from 1 April 2005 to 31 March 2006. Hang Seng Index reached over 17,000 points at the beginning of May, a record high for the last 68 months. With the active market, the Group had turn around and realized part of the investment. During the period under review, the Company recorded a net profit of HK\$3,481,803. Turnover increased for approximately 146% to HK\$54,403,681 from HK\$22,113,524 of 2005.

承董事會命，我們欣然提呈本集團截至二零零六年三月三十一日止年度之年報及已審核財務報表。

財務業績

本集團於本年度錄得權益持有人應佔淨溢利約3,500,000港元，由二零零五年之淨虧損6,700,000港元轉虧為盈。本集團已就投資公司減值虧損撥備795,644港元（二零零五年：1,223,794港元），而本年度之員工成本總額為324,425港元（二零零五年：211,549港元）。

董事會議決不建議派付末期股息。

於二零零六年三月三十一日之現金結餘處於健康水平達9,239,764港元，董事相信本集團有充裕的財政資源應付營運資金需求及掌握新的機會。

於二零零六年三月三十一日，每股資產淨值較上財政年度同日輕微上升11%，至0.1港元。

業務回顧

本集團之業務為投資私人股本及上市證券。本集團之組合包括不同行業之投資。本集團旨在分散投資風險及將組合之整體回報提升至最高。

本集團致力於上市證券投資，佔總資產超過66%及佔總投資組合75,649,003港元之98%。於截至二零零六年三月三十一日止財政年度，股票市場走勢強勁。根據香港聯合交易所有限公司之數據顯示，由二零零五年四月一日起至二零零六年三月三十一日止期間之總集資額超過1,700億港元。於五月初，恒生指數上升至17,000點，錄得過去68個月之新高。由於市場活躍，本集團已轉虧為盈，並變現部份投資。於回顧期間，本公司錄得純利3,481,803港元。營業額由二零零五年之22,113,524港元增加約146%至54,403,681港元。

The low interest rate era was over and inflation will follow, this can be proved by the continuing increase in energy prices and commodities prices, there could be some adverse impact on the property and investment market to world-wide economy. The Group had prepared itself for the up coming opportunities. Besides realizing profit during the good time, the Group had reserved a cash balance of HK\$9,239,764, representing an increase of over 142% when comparing with year 2005, for any future potential investment.

With the better selection of investments, the net asset value of the Group increased from HK\$93,672,006 to HK\$106,676,235, representing approximately 14% increase. Total assets increased over 15.7% to HK\$112,087,954 from HK\$96,888,926 of 2005.

During the year under review, the Group had made two new investments. One of which is an investment in a company focus on Macau property investment. The Group anticipated a positive growth in the Macau economy, especially the property sector. The Group is of the view that with the increasing public awareness over the application of Chinese herbs and is looking for capital appreciation. In this regard, the Group had also investment in a company principally engaged in trading of Chinese herbs.

Prospects

With the continuous growth in the Macau economy, especially the rental market, the Group expects to obtain a juicy dividend yield over the Macau property investment.

Investment in Chinese herbs company is an investment aiming for a capital appreciation in the medium to long term. However, the recurrent income would not be forthcoming in the first few years due to the start-up of public awareness and acceptance of Chinese herbs.

Looking ahead, the Group will continue to closely monitor both its listed and unlisted investments. Under the present dynamic economic environment, the Group will continue to manage its investment with an aim to smoothen out the overall risk of the portfolio.

Financial Review

Liquidity and financial resources

As at March 31, 2006, the Group had bank balances and cash of HK\$9,239,764 (2005: HK\$3,813,037). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

低息時代經已過去，通脹隨即來臨，能源價格及商品價格持續上升，對物業及投資市場至全球經濟均可能造成不利影響。本集團已準備就緒以迎接即將出現之商機。除於最佳時機變現獲利外，本集團亦保留現金結餘9,239,764港元，較本公司於二零零五年之現金結餘增加超過142%，以應付日後之潛在投資。

由於嚴謹挑選投資項目，本集團之資產淨值由93,672,006港元增加至106,676,235港元，增長約14%，而資產總值亦較二零零五年之96,888,926港元增長超過15.7%至112,087,954港元。

於回顧年度，本集團已作出兩項新投資。其中一項為投資於一家專注澳門物業投資之公司。本集團預期澳門經濟將錄得正面增長，尤其是物業市場。本集團認為，市民對中醫藥應用之認識日益增加，故正就此尋求資本增值。就此而言，本集團亦投資於一家主要從事中醫藥貿易之公司。

展望

隨著澳門經濟持續增長，尤其是租務市場，本集團預期可藉著澳門之物業投資錄得豐厚之股息率。

投資中醫藥公司之目的為於中至長期達致資本增值。然而，由於公眾初步對中醫藥有所瞭解及接納，因此於最初數年未能錄得經常性收入。

展望將來，本集團將繼續密切監察其上市及非上市投資。在目前變化迅速之經濟環境下，本集團將繼續以分散組合整體風險作為其管理投資之目標。

財務回顧

流動資金及財政資源

於二零零六年三月三十一日，本集團銀行結餘及現金共9,239,764港元（二零零五年：3,813,037港元）。董事會相信，本集團具足夠財政資源履行承諾及應付營運資金要求。

As at March 31, 2006, part of listed equity securities of the Group and the Company had been pledged to secure margin facilities and loans granted by a related company.

Capital structure

There has been no change to the capital structure of the Company since April 1, 2004.

Capital Commitment and Contingent Liabilities

As at March 31, 2006, the Group had no material capital commitment and contingent liabilities.

Foreign Currency Fluctuation

The Board believes that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions.

Employment

As at March 31, 2006, the Group employed a total of 4 employees, including the executive directors of the Company.

Share Options

The Company does not have share option scheme.

Appreciation

The Board would like to take this opportunity to extend our sincere thanks and express appreciation to those who have supported us during the year.

Li Kwok Cheung, George

Executive Director

Hong Kong, July 3, 2006

於二零零六年三月三十一日，本集團及本公司之部份上市股本證券已抵押予關聯公司以獲取孖展及借貸。

資本結構

本公司之資本結構自二零零四年四月一日起，並無任何變動。

資金承擔及或然負債

於二零零六年三月三十一日，本集團並無重大資金承擔及或然負債。

外幣波動

董事會相信，由於本集團主要以港元進行商業交易，所承受外匯風險極低。

僱傭

於二零零六年三月三十一日，本集團合共僱用四名僱員（包括本公司執行董事）。

購股權

本公司並無購股權計劃。

鳴謝

董事會謹藉此機會衷心感謝各界人士在本年度對本公司之鼎力支持。

李國祥

執行董事

香港，二零零六年七月三日