

The charge for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2006 HK\$' million	2005 HK\$' million
Loss before taxation	(267.2)	(78.5)
Tax at domestic rate of 17.5% (2005: 17.5%)	46.8	13.7
Tax effect of income not taxable for tax purpose	—	(0.7)
Tax effect of expenses not deductible for tax purpose	45.0	13.3
Tax effect of tax losses not recognised	1.8	1.5
Effect of different tax rates of subsidiaries operating in other jurisdictions	—	(0.2)
Taxation charge for the year	—	0.2

7 DIVIDEND

No dividend was paid or proposed during 2006, nor has any dividend been proposed since balance sheet date (2005: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:-

	2006 HK\$' million	2005 HK\$' million
Loss for the year	267.2	78.7
	Million	Million
Weighted average number of ordinary shares	351.4	323.5

There were no dilutive potential ordinary shares in existence during both years, accordingly, no diluted loss per share figures are presented.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Property Leasing Business

The Jinan Property

The main asset of the Group, an investment property, situated at Jinan city of the People's Republic of China "the PRC", was awarded to a PRC company by a PRC court order on 11 July 2006, in order to satisfy a debt which the existing directors and previous directors have no knowledge of, which represented approximately 73% of the audited consolidated assets of the Group as at 31 Dec 2005. Accordingly, no rental income was generated in the year under review. The Company made a provision of HK\$237 million in the 2006 interim financial statements to write off the value to reflect the issue.

The Company has been seeking legal advice as to the actions that the Company can make. The latest legal report revealed that there is certain residual value to be recovered but the amount has yet to be finalized.

The Shanghai Property

The directors found out that in addition to the claim made by the court as stated in note 7 to the 2006 interim financial statements, a further claim with unknown amount was attached to the property through a PRC court in Shandong. The Company made a provision of HK\$12.1 million in its 2006 interim financial statements for write off the value to reflect such issue.

The Company has taken legal further actions to remedy the case. The latest legal report revealed that there is a certain residual value to be recovered but the amount has yet to be finalized.

Paper Business

Both of the operations of the Group's associated companies, were still suspended due to lack of working capital.

The company will consider taking appropriate actions to deal with these assets as soon as practicable.

Securities Trading Business

The Group had undertaken trading of listed shares and related products in Hong Kong, and had incurred a loss of approximately HK\$0.5 million during the year. The securities trading actives has ceased since Dec 2006 due to lack of working capital.

Treasury and Investment Business

The directors will collaborate with professional advisors and take positive steps to assess and recover the investments of HK\$12 million made in the Heze Century Energy Coalchem Industrial Co. Ltd., and the deposit of HK\$32.6 million placed with an asset management company in the PRC. The results are still pending.

Furthermore, the Group had appointed lawyers to take legal actions to recover the HK\$13.8 million payment which was made to acquire the Daoqin Hospital Management Company Ltd., the acquisition agreement for which had been cancelled on 27 April 2006. But according to the legal report, the prospect of getting any favorable result for the recovery of deposit will be slim.

New Business and Outlook

Heze Century Energy Coalchem Industry Limited in which the Group had an equity interest has obtained the approvals for the project of dimethyl ether from the government. It is in the process of applying approvals for its coke project and methanol project.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2006, the Group had a cash and bank balance HK\$0.7 million.

Charges on Group assets

As at 31 December 2006, an investment property of the Group with nil carrying amount (estimated valuation amount of HK\$35.0 million) was pledged to a bank to secure a short-term bank loan of RMB24.0 million granted to a third party.

EMPLOYEES

As at 31 December 2006, the Group employed 3 persons and the staff cost amounted to HK\$1.1 million. Staff remuneration packages are reviewed annually. The Group does not maintain a share option scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATED GOVERNANCE

The Company has complied throughout the year ended 31 December 2006 which the Code of Best Practice as set out in Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rule") except that the independent non-executive directors were not appointed for a specific term as set out in Appendix 14 of the Listing Rule but are subject to retirement by rotation and re-election at annual general meetings in accordance with the Company's Articles of Association. And that no further separation of the roles of Chairman and chief executive officer in view of the existing Group structure and business operation. The directors will consider separating the roles to match with business expansion in future if appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Throughout the year ended 31 December 2006, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions based on the specific enquiry of all the directors of the Company.

AUDIT COMMITTEE

The audit committee comprises the three independent non-executive directors of the Company. The committee has reviewed with the management the accounting principals and practices adopted by the Group and discussed auditing, internal control and financial reporting issue including the review of the Group's consolidated financial statements for the year.

PUBLISMENT OF ANNUAL REPORT ON THE STOCK EXCHANGES'S WEBSITE

The Company's annual report containing all the information required by the Listing Rules will be published on the Stock Exchange's website on or before 30 June 2007.

On behalf of the Board
Mr. Cheung Chung Leung, Richard
Executive Director

Hong Kong, 27 April 2007

As at the date of this announcement, the directors of the Company are as follows:

Executive director	Mr. Cheung Chung Leung, Richard
	Ms. Sun Bo
	Mr. Christian Emil Toggenburger
Non-executive Director	Mr. Hans-Peter Hess
	Mr. Simon Gordon Littmann
Independent non-executive directors	Mr. Leung Kwan, Hermann
	Mr. Cheng Hong Kei, Andrew
	Mr Frank Yu