

Managing Director's Statement

Fiscal 2005 was encouraging, a year of significant changes for the Group to turnaround and achieve a net profit of HK\$3.3 million when compared to a considerable loss of HK\$157.7 million for the corresponding year in 2004.

To continue building on the success we achieved in 2005, our key areas of focus in 2006 are to strengthen the sales channel, increase profitability, maintain high standard of internal control and enhance the corporate governance.

The Group launched the Internet trading system for its securities dealing and broking business in June 2005. We believe this will be attractive to the clients who usually place their orders online and facilitate for investors from the mainland China to participate in Hong Kong stock market.

The uplift of the quota restriction in 2005 provides golden opportunities to the Group to improve the profit margin for its garments import and export business as quota charge was removed and the whole global market is now open to us. We will continue to work on productivity enhancements and strengthen material costs management by sourcing from different suppliers so as to yield higher gross profit in the coming year.

We are also continuing our efforts to enhance the internal control to ensure high operational efficiency and performance. An independent review of internal control is scheduled at the coming year end. Corporate governance is crucial to the success of the Group in the ever-changing business environment and we are committed to maintain a high standard of corporate governance and act in the best interest of our shareholders.

During the year under review, we have been negotiating with the PRC contractual joint venture ("CJV") partner ("CJV Partner") of the National Highway 318 in Wuhan, China ("Highway 318") in relation to the loss arose from the relocation of toll station of the Highway 318. As we failed to agree with the CJV Partner on the compensation, the Group tried to resolve it by way of arbitration through Wuhan Arbitration Commission.

Referring to the note 15(2) to the condensed consolidated financial statements for the six months ended 30 September 2004, we are pleased to report that the derivative action against the Company and certain of its existing directors and ex-directors were dismissed during the year.

I would like to take this opportunity to express my appreciation to the dedication and commitment of my fellow directors and all our staff. My sincere thanks also go to our valued customers, business partners and shareholders for their unfailing support.

Johnny Wing Fai Tam

Managing Director

Hong Kong, 5 July 2005