

DIRECTORS' REPORT

The directors of the Company ("Directors") present their annual report and the audited financial statements of the Company and the Group for the year ended 31 March 2004.

1. PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of apparel trading, securities trading, operation of container depots and provision of logistics management services, provision of freight forwarding and vessel operating common carrier services and strategic investments during the Year.

Its associates are principally engaged in the business of organising and provision of academic training programs during the Year.

2. RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 23 of this report.

The Directors did not recommend the payment of a final dividend for the year ended 31 March 2004.

3. SEGMENT INFORMATION

An analysis of the Group's performance for the Year by business and geographical segments is set out in note 6 to the financial statements.

4. FIVE-YEAR FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on pages 79 and 80.

5. SHARE CAPITAL AND WARRANTS

Details of the Company's share capital and warrants are set out in Notes 27 and 28 to the financial statements respectively.

6. RESERVES

Details of the movements in the reserves of the Group during the Year are set out in the consolidated summary statement of changes in equity on page 26 of this report and other details of the reserves of the Group and the Company are set out in Note 30 to the financial statements.

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7. PROPERTY, PLANT AND EQUIPMENT

The Group's property interests under property, plant and equipment were revalued as at 30 September 2003. The Directors considered that their carrying amounts were not materially different from their value as at 31 March 2004. The net deficit arising on the revaluation amounting to HK\$5,259,000 was debited to the other property revaluation reserve. During the Year, the Group acquired property, plant and equipment worth HK\$1,859,000 for normal business activities. The Group also acquired property, plant and equipment through acquisition of subsidiaries at net book value of HK\$1,140,000. The Group also disposed of property, plant and equipment of an aggregate net book value of HK\$1,201,000.

Details of the movements in the property, plant and equipment of the Group and the Company during the Year are set out in Note 16 to the financial statements.

8. DIRECTORS AND SERVICE CONTRACTS

The Directors during the Year were:

Executive Directors:

Wong Ching Ping, Alex (<i>Chairman</i>)	(appointed on 27 May 2003)
Lim Direk	(appointed on 27 May 2003)
Hon Wing Kwong	(resigned on 27 May 2003)
Liang Jun	(resigned on 27 May 2003)
Tsai Bobby Sung-En	(resigned on 27 May 2003)
Yu Liang Liang	(resigned on 27 May 2003)
Liu Yun Chuen	(appointed on 15 April 2003 and resigned on 20 May 2003)

Non-executive Director:

Wan Choi Ha	(appointed on 27 May 2003)
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Independent non-executive Directors:

Chu Kar Wing	(appointed on 27 May 2003)
Chow King Wai	(appointed on 27 May 2003)
Chang Chih Ping, Tony	(resigned on 27 May 2003)
Chan Tat Chee	(resigned on 27 May 2003)

In accordance with Bye-law 87(1) and 87(2) of the Company's Bye-laws, Ms. Wan Choi Ha retires by rotation at the forthcoming annual general meeting, and being eligible, offer herself for re-election.

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The independent non-executive Directors are appointed for a term subject to retirement by rotation as required by the Company's Bye-laws.

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9. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

10. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2004, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), were as follows:

Name of Director	Nature of interest	Number of ordinary shares held	Percentage of shareholding
Wong Ching Ping, Alex ("Alex Wong")	Interest of a controlled corporation	84,042,650	23.07%

Note: The shares were registered in the name of Leopard Vision. The entire issued share capital of Leopard Vision was held by Byford Group Limited ("Byford") which in turn was held by Expert Rich Investments Limited ("Expert Rich"). Expert Rich was wholly-owned by Mr. Alex Wong.

Save as disclosed above, as at 31 March 2004, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code of the Listing Rules, to be notified to the Company and the Stock Exchange.

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11. SHARE OPTIONS AND DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Details of the Company's share options schemes are set out in Note 29 to the financial statements.

Other than as disclosed in Note 29 to the financial statements, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other than as disclosed above, none of the Directors or chief executives or their spouses, or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the Year.

12. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2004, the interests of Directors and their respective associates in the businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

Name of Director	Name of company	Nature of interest	Competing Business
Alex Wong	Bright Mark Investments Limited	Director and substantial shareholder	Securities trading

Save as disclosed above, as at 31 March 2004, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group.

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13. SUBSTANTIAL SHAREHOLDERS

As at 31 March 2004, so far as known to any Directors or chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Name of shareholder	Nature of interest	Number of ordinary shares held	Percentage of shareholding
Expert Rich (<i>Notes 1&3</i>)	Interest of a controlled corporation	84,042,650	23.07%
Gomes Maria Da Silva Rubi Angela (<i>Notes 2&3</i>)	Family	84,042,650	23.07%

Note:

- The shares were registered in the name of Leopard Vision. The entire issued share capital of Leopard Vision was held by Byford which in turn was held by Expert Rich. Expert Rich was wholly owned by Mr. Alex Wong, a Director.
- By virtue of the aforesaid interest of Mr. Alex Wong, Ms. Gomes Maria Da Silva Rubi Angela, spouse of Mr. Alex Wong, was also deemed to be interested in the above 84,042,650 shares held by Leopard Vision.
- The above shares were the same shares as set out under paragraph 10 above headed "Directors' and Chief Executives' Interests in Securities".

Save as disclosed above, as at 31 March 2004, so far as is known to the Directors or chief executives of the Company, no other person (not being a Director or chief executive of the Company) had any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

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14. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 March 2004. There has been no exercise of convertible securities, options, warrants or similar rights during the Year.

15. 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.

16. MAJOR SUPPLIERS AND CUSTOMERS

For the Year, purchases from the Group's five largest suppliers accounted for 38% of the total purchases and purchases from the largest supplier included therein amounted to 15%.

For the Year, the aggregate percentage of sales attributable to the Group's five largest customers is less than 30% of the total sales of the Group.

To the best of the Directors' knowledge, neither the Directors, their associates, nor any shareholders who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest suppliers or customers during the Year.

17. RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes of the Company are set out in Note 37 to the financial statements.

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18. EVENTS AFTER THE BALANCE SHEET DATE

Details of the significant events after the balance sheet date are set out in Note 38 to the financial statements.

19. CODE OF BEST PRACTICE

The Company has complied throughout the Year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that full board meeting was not held every six months during the Year.

20. AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code of Best Practice for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises two independent non-executive Directors of the Company, namely, Mr. Chu Kar Wing and Mr. Chow King Wai.

21. PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

22. AUDITORS

The financial statements for the two financial years ended 31 March 2002 and 2001 were audited by Deloitte Touche Tohmatsu. The financial statements for the two financial years ended 31 March 2004 and 2003 were audited by RSM Nelson Wheeler.

A resolution to re-appoint the retiring auditors, RSM Nelson Wheeler, will be put at the forthcoming annual general meeting.

On behalf of the Board

Wong Ching Ping, Alex
Chairman

Hong Kong, 15 July 2004