

Apparel trading

During the period under review, the Group's apparel trading formed a major operation to the Group. The Group currently has two outlets located in Hong Kong and Macau for trading of apparel products in Hong Kong and Macau. Since the establishment of the apparel trading operation, the sales are promising. The unaudited segment turnover for the six months ended 30th September 2005 amounted to approximately HK\$26.1 million and recorded a profit of approximately HK\$1 million. The Group enjoy relatively high profit margin in the apparel trading operating which was a result from the good historical business relationship with the manufacturers in the PRC.

Sales support services

During the period under review, no turnover derived from the provision of sales support services (2004: Nil), which was mainly due to the quota system for textile products export to the US ceased in last year. There was no barrier for textile trading/manufacturing companies to export to the US. As a result, the Group lost its unique features for provision of the sales support services. For the purpose of cost effectiveness, the Group scaled down the operation of sales support services to minimum level.

PROSPECT

Looking forward, following of the relaxation of travel policy of PRC citizens to Hong Kong and Macau, the Group plans to allocate more resources on its apparel trading operation in Hong Kong. In the near future, with sufficient cash flow on hand, the Group plans to expand its apparel trading operation by opening up one more outlet in Hong Kong. Furthermore, in order to build up the Group's position in the market, the Group plans to design its own brand name on its apparel products and commenced to negotiate with certain manufacturers for the supply of its own apparel products. The management of the Company is confident that the apparel trading operation will continue to bring positive return to the Group and our shareholders.

Other than the aforementioned, the Group will continue to explore and identify investment and acquisition opportunities so as to enhance shareholders' value.