





# CEO's Statement

**The Group's total turnover amounted to HK\$259 million in 2005, representing an increase of 28% over the previous year.** Loss attributable to shareholders decreased from last year of HK\$8.2 million to HK\$4 million, of which HK\$3.6 million loss was attributable to the uniform business.

## CEO's Statement



### Retail business:

In 2005, the Group's management is running on the right track and the new measures were implemented. The Group is fully prepared to proactively expand its franchising business in the second half of 2006 and endeavours to increase the number of franchise shops to 100. The Group plans to further increase the number of own-shop in three major cities of the PRC, namely Beijing, Shanghai and Guangzhou in 2006, with the aim of bringing the total number of own-shop to 90 by the year-end, so as to further extend our own-shop network.

In Taiwan, we continued to have satisfactory growth. Our shop number increased from last year's 53 to 57, but turnover recorded an increase of 24%, with a continuing growth momentum.

The negotiation for the acquisition of a ladies fashion brand name 'CSLR' (城市丽人) began in early 2006, the deal is close to completion. With 60 own-shops and 66 franchise shops, this brand name is most active in southern China and its products are well accepted by the market. We believe that there is enormous room of expansion for 'CSLR'. While retaining its original style and image, 'CSLR' will at the same time generate a synergy effect with our brand "Theme". Enhanced with the Group's current management and production capability, we are confident that 'CSLR' will certainly develop into a leading brand name with extensive sales network in China.



## CEO's Statement

### Conclusion:

The board of directors considered that the future development would be focus on the PRC. Following the steady economic growth in the PRC, the living standard of individual city is improved relatively. With the expansion of the commercial sector, the number of office ladies increases sharply. This is a good opportunity for Theme to expand its business.

I would like to express my sincere appreciation to all shareholders and management for their patience and support. The dedication and support of all staff is exceptionally commendable. I would like to take this opportunity to express my gratitude to everybody. I would not hesitate to commit that I will try my best endeavour to lead the Group back to a profitable position.

**Hui Yip Wing**

*Vice Chairman and CEO*

Hong Kong, 13 April 2006