

DIRECTORS' REPORT

The directors of the Company (the "Directors") present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2006.

1. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are apparel trading, securities trading and strategic investments.

2. RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 20.

The Directors did not recommend the payment of any dividend in respect of the year.

3. SEGMENT INFORMATION

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 7 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 page 84.

5. SHARE CAPITAL

Details of the movements in the Company's share capital are set out in Note 32 to the financial statements.

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 23 and other details of the reserves of the Company and the Group are set out in Note 34 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in Note 17 to the financial statements.

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8. DIRECTORS AND SERVICE CONTRACTS

The Directors during the year and up to the date of this report were:

Executive Directors:

Wong Ching Ping, Alex (*Chairman*)

Lim Direk

Independent Non-executive Directors:

Chu Kar Wing

Chow King Wai

Tang Yiu Wing

Non-executive Director:

Wan Choi Ha (resigned on 14 March 2006)

In accordance with Bye-law 87(1) and 87(2) of the Company's Bye-laws, Mr. Wong Ching Ping, Alex, Mr. Lim Direk and Dr. Chow King Wai would retire by rotation at the forthcoming annual general meeting, and being eligible, offer themselves 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 not appointed for a specific term but subject to retirement by rotation at least once every three years as required by the Company's Bye-laws.

9. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business 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.

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10. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 March 2006, the interests and short positions of the Directors and chief executives of the Company and their respective associates had the following interests 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 (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"):

Long position in shares of the Company

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	336,170,600	19.23%

Note: The shares were registered in the name of Leopard Vision Limited ("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 2006, none of the Directors or chief executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s).

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

Details of the Company's share option scheme are set out in Note 33 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.

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.

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12. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March, 2006, so far as is known to any Director or chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) who had interest and short positions in the shares, underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:-

Long position in shares of the Company

Name of shareholder	Capacity/ Nature of interests	Number of ordinary shares interested or deemed to be interested (long position)	Approximate percentage holding
Expert Rich (<i>Note</i>)	Interest of a controlled corporation	336,170,600	19.23%
Gomes Maria Da Silva Rubi Angela (<i>Note</i>)	Family	336,170,600	19.23%

Note: Leopard Vision beneficially owned 336,170,600 shares of the Company. The entire issued share capital of Leopard Vision was held by Byford which in turn was held by Expert Rich. Expert Rich is wholly-owned by Mr. Alex Wong. Mr. Alex Wong is therefore deemed to be interested in the above shares. By virtue of the aforesaid interest of Mr. Alex Wong, Ms. Gomes Maria Da Silva Rubi Angela, spouse of Mr. Alex Wong, is also deemed to be interested in the shares above mentioned. These shares are the same parcel of shares as those set out under paragraph 10 headed "Directors' and Chief Executives' Interests and Short Positions in Securities".

Save as disclosed above, as at 31 March, 2006, the Directors of the Company were not aware of any other person or corporation (other than the Directors and chief executives of the Company) who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

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13. DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, 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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

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

Bright Mark has been engaged in securities trading and is therefore deemed to be competing with the securities trading business of the Group. However, Bright Mark targets its investments in the second/third liners stock while the Group targets its investments in blue chip/red chip stock. Given the fact that Bright Mark and the Group have different investment strategies in their securities trading business and also they have been placing their investment orders with different securities broker firms, the Group considers that its interests are adequately safeguarded.

14. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities trading. Having made specific enquiry to all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code.

15. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 March 2006. There had been no exercise of convertible securities, options, warrants or similar rights during the year.

16. 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.

17. MAJOR SUPPLIERS AND CUSTOMERS

For the year, the aggregate percentage of purchases attributable to the Group's five largest suppliers is less than 30% of the total purchases of the Group.

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.

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18. RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes of the Group are set out in Note 38 to the financial statements.

19. CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 12 to 17.

20. SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company maintained the prescribed public float under the Listing Rules.

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 financial years ended 31 March 2003, 2004 and 2005 were audited by RSM Nelson Wheeler. RSM Nelson Wheeler resigned as auditors of the Group with effect from 10 March 2006. CCIF CPA Limited was appointed as auditors of the Group at the special general meeting held on 26 April 2006.

A resolution to re-appoint the retiring auditors, CCIF CPA Limited, will be put at the forthcoming annual general meeting of the Company.

On behalf of the Board

Wong Ching Ping, Alex
Chairman

Hong Kong, 14 July 2006