

The directors submit herewith their report together with the audited financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company’s principal subsidiaries are set out in Note 19 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group’s performance by principal activities and geographical locations of operations for the year ended 31 March 2006 is set out in Note 7 to the financial statements.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 March 2006 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 21 to 62 of this annual report.

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2006 (2005: Nil).

PRINCIPAL SUBSIDIARIES

Details of the Group’s principal subsidiaries as at 31 March 2006 are set out in Note 19 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in Note 18 to the financial statements.

BORROWINGS AND INTERESTS CAPITALISED

Particulars of the Group’s borrowings as at 31 March 2006 are set out in Note 23 to the financial statements. No interest was capitalised by the Group during the year.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 25 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions 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.

HUMAN RESOURCES

At 31 March 2006, the total number of employees of the Group in Hong Kong and the PRC was 8. Our human resources policy is to attract, develop and retain the most competent people; develop potential individuals and promote career advancement; recognise accomplishment and individual achievements.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of which are set out in Note 26 to the financial statements.

Details of staff retirement benefits of the Group are set out in Note 14 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's share by the Company or any of its subsidiaries during the year ended 31 March 2006.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in Note 27 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2006, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda (as amended), the Company's contributed surplus in the amount of approximately HK\$29,390,000 is not available for distribution as at 31 March 2006.

MAJOR SUPPLIERS AND CUSTOMERS

During the year under review, sales to the five largest customers of the Group accounted for approximately 37.6% of the turnover for the year. Purchases from the five largest suppliers of the Group accounted for approximately 51.1% of the total purchases for the year. The largest customer and supplier of the Group accounted for approximately 16.7% and 30.8% of the turnover and the total purchases respectively for the year.

As far as the directors are aware, none of the directors, their associates or shareholders (who to the knowledge of the directors own more than 5% of the Company's issued share capital) were interested at any time during the year in any of the above customers and suppliers.

FIVE-YEAR FINANCIAL SUMMARY

Results	Year ended 31 March				
	2006	2005	2004	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,450	4,150	23,117	23,410	28,620
(Loss)/profit from operations	(5,360)	(25,672)	1,723	(121,624)	(68,061)
Finance costs	(3,407)	(3,087)	(1,601)	(285)	(208)
Impairment losses	(36,579)	–	–	–	–
(Loss)/profit before taxation	(45,346)	(28,759)	122	(121,909)	(68,269)
Taxation	–	(10)	(26)	–	–
(Loss)/profit for the year	(45,346)	(28,769)	96	(121,909)	(68,269)
Attributable to:					
Equity holders of the Company	(45,346)	(28,769)	103	(121,923)	(67,821)
Minority Interest	–	–	(7)	14	(448)
	(45,346)	(28,769)	96	(121,909)	(68,269)
Assets and liabilities	As at 31 March				
	2006	2005	2004	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Intangible assets	–	–	–	–	50,454
Property, plant and equipment	12	10,991	20,021	3,205	54,018
Current assets	86,137	61,441	95,522	31,440	33,228
Total assets	86,149	72,432	115,543	34,645	137,700
Current liabilities	40,002	51,620	72,137	19,686	42,253
Long-term portion of obligations under hire-purchase contracts	–	–	249	229	229
Convertible notes	44,274	–	–	–	–
Total liabilities	84,276	51,620	72,386	19,915	42,482
Net assets	1,873	20,812	43,157	14,730	95,218
Capital and reserves:					
Share capital	11,595	8,829	73,580	44,780	74,639
Reserves	(9,722)	11,983	(30,423)	(30,082)	20,561
Equity attributable to the equity holders of the Company	1,873	20,812	43,157	14,698	95,200
Minority interests	–	–	–	32	18
Total Equity	1,873	20,812	43,157	14,730	95,218

DIRECTORS

The directors of the Company during the financial year and up to the date of this report were:

Executive directors

Mr. Chi Chi Hung, Kenneth (<i>Chairman</i>)	
Ms. Choi Ka Yee, Crystal	(Appointed on 14 March 2006)
Mr. Cho Kwai Yee, Kevin	(Appointed on 14 March 2006)
Mr. Siu Kam Chau	(Appointed on 14 March 2006)
Dr. Fung Yiu Tong, Bennet	(Appointed on 22 May 2006)
Mr. Wong Hin Shek, Hans	(Resigned on 14 March 2006)

Independent non-executive directors

Mr. Chan Chi Yuen	
Mr. Chun Jay	
Mr. Lo Chun Nga	(Appointed on 22 May 2006)
Mr. Lau Man Tak	(Resigned on 22 May 2006)

In accordance with Bye-law 102(B) of the Company's Bye-laws, Ms. Choi Ka Yee, Crystal, Mr. Cho Kwai Yee, Kevin, Mr. Siu Kam Chau, Dr. Fung Yiu Tong, Bennet and Mr. Lo Chun Nga shall retire from office at the forthcoming annual general meeting and, being eligible, offers themselves for re-election.

In accordance with the Company's Bye-law 99, Mr. Chan Chi Yuen will retire by rotation at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of directors and the five highest paid individuals of the Group are set out in Note 12 to the financial statements.

DIRECTORS' SERVICE CONTRACTS

None of the directors who is proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the heading "Connected Transaction" below, no contracts of significance to which the Company or any of its subsidiaries was a party and in which any director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

(I) Interests and short positions in shares and underlying shares and debentures of the Company

At 31 March 2006, the interests and short positions of the directors in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in ordinary shares of the Company:

Name of director	Corporate interest	Number of shares held, capacity and nature of interest
		Percentage of the Company's issued share capital
Ms. Choi Ka Yee, Crystal	100,000,000 <i>(Note (a))</i>	8.62%

Note:

- (a) Ms. Choi Ka Yee, Crystal is taken to be interested in those Shares in which Central View International Limited, a company which is wholly and beneficially owned by her, is interested.

Save as disclosed above, as at 31 March 2006, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to 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 Issuers.

(II) Share options

The Company adopted a share option scheme on 17 November 2003 (the "Scheme"), for the primary purpose of providing incentives to directors and employees. Under the Scheme, the Company may grant options to eligible persons, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Particulars of the Scheme and details of movements of share options during the year ended 31 March 2006 are set out in Note 26 to the financial statements.

DIRECTORS RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section headed “DIRECTORS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES”, at no time during the year was the Company or any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements 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, and none of the directors or chief executives, nor any of their spouses or children under the age of 18, had any rights to subscribe the securities of the Company, or had exercised any such rights during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2006, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions in ordinary shares of the Company:

Shareholders	Capacity	Number of ordinary shares held	Percentage of the issued share capital of the Company
Lee Wai Man (<i>Note 1</i>)	Beneficial owner, held by controlled corporation	300,188,825	25.89%
Ma Siu Fong (<i>Note 1</i>)	Beneficial owner, held by controlled corporation	300,188,825	25.89%
Chu Yuet Wah (<i>Note 1</i>)	Held by controlled corporation	292,688,825	25.24%
Kingston Securities Limited (<i>Note 1</i>)	Beneficial owner	292,688,825	25.24%
Choi Ka Yee, Crystal (<i>Note 2</i>)	Held by controlled corporation	100,000,000	8.62%
Central View International Limited (<i>Note 2</i>)	Beneficial owner	100,000,000	8.62%

Notes:

- These Shares represent the portion of the Shares to be placed by placing agent pursuant to the placing agreement dated 9 December 2005, to which Kingston Securities Limited is deemed to be interested pursuant to the SFO. The placing agent is owned as to 49% by Ma Siu Fong and as to 51% by Chu Yuet Wah. The number specified represents (i) Kingston Securities Limited’s interest in the 292,688,825 Shares to be placed by Kingston Securities Limited; and (ii) the 7,500,000 Shares beneficially owned by Mr. Lee Wai Man, Mr. Lee Wai Man is the husband of Ms. Ma Siu Fong. He is therefore deemed to be interested in the underlying Shares in which Ms. Ma Siu Fong is deemed to hold interest. Ms. Ma Siu Fong is deemed to be interested in the Shares in which Mr. Lee Wai Man holds an interest.

2. Central View International Limited is a company wholly-owned by Ms. Choi Ka Yee, Crystal, who is also a director of the Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2006.

CONNECTED TRANSACTION

On 26 April 2006, the Company announced that Hong Kong Health Check Centre Limited, an indirect wholly owned subsidiary of the Company, and Majestic Centre Limited entered into a conditional tenancy agreement dated 29 March 2006 (as supplemented by a supplemental tenancy agreement dated 26 April 2006), pursuant to which Majestic Centre Limited (as landlord) agreed to lease a property to Hong Kong Health Check Centre Limited (as tenant) for an initial term of two years and ten months from 1 June 2006 to 31 March 2009 (both days inclusive). A director of the Company, namely, Ms. Choi Ka Yee, Crystal and her associates (as defined under the Listing Rules) are interested in 50% of the shareholdings of Majestic Centre Limited. The transaction constituted a non-exempt continuing connected transaction on the part of the Company under the Listing Rules, further details of which were set out in the Company's circular dated 11 May 2006. Subsequent to the balance sheet date, the resolutions in respect of the transaction were duly passed by the Company's shareholders at the special general meeting of the Company held on 29 May 2006.

Save as disclosed above, there were no other transactions which are required to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

SUBSEQUENT EVENTS

Details of significant events occurring after the balance sheet date are set out in Note 32 to the financial statements.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 16 to 19.

AUDITORS

The financial statements were audited by Messrs. HLB Hodgson Impey Cheng who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Chi Chi Hung, Kenneth
Chairman

Hong Kong, 28 June 2006