

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

## Corporate Reorganisation

Pursuant to a group reorganisation scheme (the “Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the main Board of the Stock Exchange, the Company became the holding company of the the Group on 16 May 2006.

Details of the reorganisation are set out in note 1 to the combined financial statements and in the paragraph headed “Corporate reorganisation” in Appendix VI to the Prospectus.

The shares of the Company were listed on the Stock Exchange with effect from 6 June 2006.

## Principal Activities and Segment Information

The Company acts as an investment holding company.

The principal activities of its subsidiaries are set out in note 35 to the combined financial statements for the year ended 31 March 2006.

Details of segmental information are set out in note 7 to the combined financial statements for the year ended 31 March 2006.

## Results and Appropriations

The results of the Group for the year ended 31 March 2006 are set out in the combined income statement for the year ended 31 March 2006 on page 31 of this annual report.

Dividends amounting to HK\$20,000,000 were paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK\$0.025 per share to the shareholders on the register of member on 18 August 2006, amounting to HK\$10,000,000.

## Trading Result and Published Forecast

The Group’s combined profit of HK\$26,804,000, represents an excess of 7.2% over the profit estimate of not less than HK\$25,000,000 as disclosed in the Prospectus.

## Four Years Financial Summary

A summary of the results and assets and liabilities of the Group for the last four financial years ended 31 March 2006 is set out on page 74 of this annual report.

## Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group are set out in note 16 to the combined financial statements for the year ended 31 March 2006.

## Share Capital

Details of the share capital of the Company are set out in note 6 to the financial statements of the Company for the year ended 31 March 2006 of the Company and in the paragraph headed "Change in share capital of the Company" in Appendix VI to the Prospectus.

## Reserves

Details of the movements in the reserves of the Group during the year under review are set out in the combined statement of changes in equity on page 33 of this annual report.

## Directors

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

### Executive Directors:

Ms. Choi Hon Hing (Chairman)	(appointed on 30 September 2005)
Ms. Fung Wing Ki, Vicky	(appointed on 30 September 2005)
Ms. Fung Wing Yee, Wynne	(appointed on 30 September 2005)

### Independent Non-executive Directors:

Mr. Tam Hok Lam, Tommy, J.P.	(appointed on 30 March 2006)
Dr. Hui Ka Wah, Ronnie	(appointed on 30 March 2006)
Mr. Leung Man Chun, Paul	(appointed on 30 March 2006)

The biographical details of the Directors are set out on page 5 to page 6 of this annual report.

## Directors Service Contracts

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 1 May 2006. Each service contract will continue thereafter until terminated by not less than two months' notice in writing served by either party on the other.

Each of the Directors is subject to retirement by rotation in accordance with the Company's Articles of Association.

Resolutions will be proposed at the annual general meeting for re-election of Ms. Fung Wing Yee, Wynne, Mr. Tam Hok Lam, Tommy, J.P., Dr. Hui Ka Wah, Ronnie and Mr. Leung Man Chun, Paul as Directors according to the Company's Articles of Association. All other remaining directors continue in office.

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

## Appointment of Independent Non-executive Directors

Each of the Independent Non-executive Directors has confirmed the independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the Independent Non-executive Directors are independent.

## Interest of Directors

As at 31 March 2006, the Company had not received any notice of interests to be recorded under Section 352 of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong ("SFO") as the Company had not been listed on the Stock Exchange as at that date.

## Directors' Interest in Contracts

Save as disclosed to the financial statements for the year ended 31 March 2006, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

## Directors' Rights to Acquire Shares or Debentures

Save as disclosed, at no time during the year under review was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Substantial Shareholders

As at 31 March 2006, the Company had not received any notice of interests to be recorded under Section 336 of the SFO as the Company had not been listed on the Stock Exchange as at that date.

## Share Option Schemes

The Company approved and adopted a pre-listing share option scheme (the “Pre-Listing Share Option Scheme”) on 16 May 2006 and granted the options to certain directors and employees of the Group who have, in the opinion of the Board, made contribution to the development of the Group. The purpose of granting the options is to provide incentives or rewards to employees and the directors of the Group for their contribution to the Group.

A share option scheme (the “Share Option Scheme”) was conditionally adopted by the sole shareholders’ written resolution of the Company dated 16 May 2006.

Further details of the principal terms of the Pre-Listing Share Option Scheme and the Share Option Scheme, and the pre-listing share options granted to the Directors and members of the senior management of the Company are summarised in the paragraphs headed “Share Option Scheme” and “Pre-Listing Share Option Scheme” in Appendix VI to the Prospectus.

## Connected Transactions

During the year ended 31 March 2006, the Company was not listed and did not have any connected transactions which were subject to the requirements of the Listing Rules.

## Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## Major Customers and Suppliers

During the year, the aggregate sales attributable to the Group’s largest customer and five largest customers taken together accounted for approximately 23.5% and 59.0% of the Group’s total revenue for the year under review. The aggregate purchases attributable to the Group’s largest supplier and five largest suppliers taken together accounted for approximately 10.3% and 37.4% of the Group’s total purchase for the year under review.

None of the Directors, their respective associates nor, so far as the Directors are aware, any shareholder of the Company who owns more than 5% of the issued share capital of the Company, has any interest in any of the other top five customers and suppliers of the Group for the year under review.

## Emolument Policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of Directors are decided by the Remuneration Committee, having regard to the Company’s operating results, individual performance and comparable market statistics.

## Sufficiency of Public Float

As at the date of this annual report, to the best knowledge of the Directors and based on the information publicly available to the Company, there is a sufficient public float as required by the Listing Rules.

## Purchase, Sales or Redemption of Securities

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

On listing of the Company on 6 June 2006, Fairich Investment Limited, an indirectly wholly owned subsidiary of the Company, received 379,400 shares of the Company pursuant to the Distribution which are set out in the section headed "The Distribution" of the Prospectus.

## Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under company laws in the Cayman Islands.

## Audit Committee

The audit committee of the Company (the "Audit Committee") has reviewed the audited financial statements of the Group for the year ended 31 March 2006.

## Post Balance Sheet Events

Details of significant events which took place subsequent to the balance sheet date are set out in note 34 to the combined financial statements for the year ended 31 March 2006.

## Auditors

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

CHOI HON HING

CHAIRMAN

Hong Kong

26 July 2006