

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group ceased the businesses of the manufacture and sale of snap off blade cutters and electronic consumer products during the year and will focus on the properties investment business. The principal activities of its subsidiaries are set out in note 19 to the financial statements.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 27 to 109.

The directors do not recommend the payment of any dividends in respect of the year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 110. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment of the Company and property, plant and equipment, and investment properties of the Group during the year are set out in notes 16 and 17 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 32 and 33 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.

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PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2007, the Company had no reserves available for distribution, calculated in accordance with the provisions of the Bermuda Company Act 1981 (as amended). The Company's share premium account, in the amount of HK\$40,911,074, may be distributed in the form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling HK\$16,000 (2006: HK\$30,000).

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 22% of the total sales for the year and sales to the largest customer included therein amounted to 12%. Purchases from the Group's five largest suppliers accounted for 43% of the total purchases for the year and purchases from the largest supplier included therein amounted to 18%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and in the Group's five largest suppliers.

DIRECTORS

The Directors during the year were:

Executive Directors:

Zhao Qing Ji (*Chairman*) (*Appointed on 30 November 2006*)

Lu Xiao Dong (*Appointed on 12 May 2006*)

Au Tat On (*Appointed on 12 May 2006*)

Wong Siu Keung, Joe

Chong Sing Yuen (*Resigned on 7 January 2007*)

Chong Chun Hing (*Resigned on 12 May 2006*)

Chong Chun Kwok, Piggy (*Resigned on 12 May 2006*)

Chu Kiu Fat (*Resigned on 20 April 2006*)

Independent non-executive Directors:

Cheng Kwok Hing, Andy

Yeung King Wah (*Appointed on 26 May 2006*)

Yeung Yuen Hei

Chan Ping Yim (*Resigned on 26 May 2006*)

In accordance with the Company's Bye-law 86(2) and 87(1), Messrs. Zhao Qing Ji, Wong Siu Keung, Joe and Cheng Kwok Hing, Andy will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The independent non-executive Directors has fixed term of office for three years from the day of appointment and will be subject to the general requirement of retirement by rotation under the Bye-laws of the Company.

The Company has received the annual confirmations of independence from Messrs. Yeung King Wah, Yeung Yuen Hei and Cheng Kwok Hing, Andy, and as at the date of this report still considers them to be independent.

REPORT OF THE DIRECTORS

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 4 and 5 of the annual report.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of Directors with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

Ms Cheng Man Shan, the spouse of Mr Chong Sing Yuen, being a beneficial and controlling shareholder of Twin Base Limited ("Twin Base"), was interested in a contract for the lease of a motor vehicle to the Group during the year. Further details of the transaction undertaken in connection therewith are included in note 39 to the financial statements.

Save as disclosed above, no Director had interests in any contract of significance subsisting during or at the financial year ended 31 March 2007 in relation to the business of the Group taken as a whole.

DIRECTORS' INTEREST AND SHORT POSITIONS IN SHARES

As at 31 March 2007, none of the Directors had registered an interest or short positions of the directors in the share capital 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme in note 33 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 31 March 2007, the following interests of 5% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
Win Channel Investments Limited (<i>Note 1</i>)	Directly beneficially owned	65,000,000	15.50
Chim Pui Chung (<i>Note 1</i>)	Through a controlled corporation	65,000,000	15.50
Pan Chien Pu	Directly beneficially owned	58,000,000	13.83
Easy Huge Holdings Limited (<i>Note 2</i>)	Directly beneficially owned	48,000,000	11.45
Ng Kin Wah (<i>Note 2</i>)	Through a controlled corporation	48,000,000	11.45

Note 1: The interest was held by Win Channel Investments Limited, a company wholly owned by Mr. Chim Pui Chung.

Note 2: The interest was held by Easy Huge Holdings Limited, a company wholly owned by Mr. Ng Kin Wah.

Save as disclosed above, no person had registered an interest or short position in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CONNECTED TRANSACTIONS

During the year, the Group made rental payment of approximately HK\$197,500 (2006: HK\$474,000) to Twin Base Limited, a company in which Ms Cheng Man Shan, the spouse of Mr Chong Sing Yuen had a beneficial interest for a motor vehicle with cross border license. The rentals were charged in accordance with a motor vehicle rental agreement. Details of the operating lease commitments at the balance sheet date are set out in note 39 to the financial statements.

Significant related party transactions entered into by the Group during the year ended 31 March 2007, which do not constitute connected transactions under the Listing Rules, are disclosed in note 39 to the financial statements.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 41 to the financial statements.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of directors of the Company, the Company maintained a sufficient public float throughout the year ended 31 March 2007.

AUDITORS

The financial statements for the year ended 31 March 2007 were audited by CCIF CPA Limited. A resolution will be submitted to the forthcoming annual general meeting to re-appoint CCIF CPA Limited as auditors of the Company.

ON BEHALF OF THE BOARD

Zhao Qing Ji
CHAIRMAN

Hong Kong, 18 May 2007