COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model Code as set out in Appendix 10 of the Listing Rules. Have made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six month period ended 30 September, 2005.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with the management the auditing practices, the internal controls and the financial reporting. In addition, the Audit Committee has reviewed the unaudited interim financial statements for the six month period ended 30 September, 2005.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company had not redeemed any of its shares during the six month period ended 30 September, 2005. Neither the Company nor any of its subsidiaries had purchased or sold any of its listed securities during the six month period ended 30 September, 2005.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

The Group's turnover for the six months ended 30 September, 2005 increased 12% compared with the corresponding period in 2004. The increase in turnover was due to the increase in both the sales volume and selling price to our U.S. customers. The gross profit increased 21% while gross profit margin increased from 14.7% in 2004 to 16% in 2005. The Group managed to increase the profit from operations before taxation by 40% from HK$6.5 millions in 2004 to HK$9.2 millions in 2005. In addition to higher gross profit, the Group succeeds in maintaining the administration expenses at a low level as a result of the management's efforts on cost rationalization.

The Group's net profit for the period increased 40% from HK$5.9 millions in 2004 to HK$8.3 millions in 2005 while the basic earnings per share increased from 3.53 cents in 2004 to 4.97 cents in 2005.

Liquidity and Capital Resources

The Group has relied principally on its internal resources to fund its operation and investment activities. The gearing ratio of the Group, which is expressed as a percentage of total borrowings to shareholder's funds, remains at 0% for the last six months. As at 30 September, 2005, the Company pledged HK$8 million in bank deposit to secure a banking facility granted to the Company. The Company has contingent liabilities of HK$20 million in the form of a corporate guarantee provided to secure general banking facilities for a subsidiary. The Group's exposure to foreign currency risk is insignificant because the majority of its income and expenses are U.S. Dollar based.

Employees

The Group maintains 18 employees, whose salaries are reviewed and adjusted annually based on performance and experience. Other employee benefits include mandatory provident fund and educational subsidies which are offered to promote staff development. There is a share option scheme in place designed to award employees for their performance at the discretion of the directors. There was no share option granted to any employee during the period.

Future Plan and Prospect

Due to the uncertainties of the trade environment during the negotiations between the United States ("U.S.") and the People's Republic of China (the "PRC"), U.S. importers and buyers have held up and transferred their orders to other countries during the last quarter of 2005. Therefore, there would be a decrease in the Group's sales turnover for the garment businesses for the last quarter of 2005.

A three-year agreement on imports of Chinese clothing and textiles was reached between the U.S. and the PRC in November 2005 and will become effective from 1 January, 2006 through 31 December, 2008. The bilateral agreement will remove uncertainty for buyers and create a stable, predictable environment for the trade and greatly strengthen the confidence of U.S. importers to accept and place orders in the near future. Our sales turnover will return to normal again in the next financial year. In fact, we are planning to expand our production facilities for the next three years and onward.

Furthermore, due to the uncertainties of the Bird Flu worldwide, and since the raw materials of our health product are mainly grown in the Northern provinces of the PRC, the Board of Directors believe that it is not the best time to launch our new product. As such, the launch of the Group's health supplement product – Zidane Inulin Tablet has been deferred.

Despite the deferring of the health product launch, the Group is still looking forward to suitable investment opportunities in healthcare-related businesses in the PRC. As people nowadays are becoming more and more concern about their health and well being, the Group is now considering and evaluating an investment opportunity in a privately owned hospital in the PRC.

By Order of the Board
Kong Ho Pak
Chairman

Hong Kong, December 2, 2005