

Contents

3	Financial Highlights
4	Chairman's Statement
5	Management Discussion and Analysis
10	Profiles of Directors and Senior Management
14	Corporate Governance Report
23	Report of the Directors
31	Independent Auditors' Report
32	Consolidated Income Statement
33	Consolidated Balance Sheet
34	Consolidated Statement of Changes in Equity
35	Consolidated Cash Flow Statement
36	Balance Sheet

Notes to Financial Statements

Five Year Financial Summary

Glossary of Terms

Notice of Annual General Meeting

Corporate Information

2

37

78

79

83

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Mak Shiu Tong, Clement (Chairman and CEO)

Mr. Tam Ngai Hung, Terry Ms. Cheng Yuk Ching, Flora

Mr. Yip Kwok Cheung, Danny

Dr. William Donald Putt

Independent Non-executive Directors

Mr. Lam Kin Kau, Mark Mr. Fung Hoi Wing, Henry Mr. Lau Ho Wai, Lucas

COMPANY SECRETARY

Ms. Siu Chi Man, Yvonne

COMPLIANCE OFFICER

Mr. Tam Ngai Hung, Terry

QUALIFIED ACCOUNTANT

Ms. Siu Chi Man, Yvonne

AUDIT COMMITTEE

Mr. Lam Kin Kau, Mark Mr. Fung Hoi Wing, Henry Mr. Lau Ho Wai, Lucas

REMUNERATION COMMITTEE

Mr. Mak Shiu Tong, Clement Mr. Tam Ngai Hung, Terry Mr. Lam Kin Kau, Mark Mr. Fung Hoi Wing, Henry Mr. Lau Ho Wai, Lucas

AUTHORISED REPRESENTATIVES

Mr. Mak Shiu Tong, Clement Mr. Tam Ngai Hung, Terry

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

Hang Seng Bank Limited
Nanyang Commercial Bank, Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2-5, 19/F., BEA Tower Millennium City 5 418 Kwun Tong Road Kwun Tong Kowloon Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Butterfield International (Cayman) Limited

Butterfield House 68 Fort Street P.O. Box 705 George Town Grand Cayman Cayman Islands British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tengis Limited 26/F., Tesbury Centre 28 Queen's Road East Wanchai Hong Kong

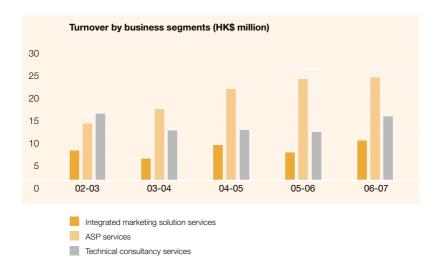
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WEBSITE

www.tradeeasy.com

Financial Highlights





HK\$ million	2006-07	2005-06
Turnover	46.1	39.6
Loss for the year	(10.3)	(1.7)
Total assets	32.6	18.5
Total liabilities	9.4	8.3
Net assets	23.2	10.2
Basic loss per share	HK(1.1) cent	HK(0.4) cent

Chairman's Statement

On behalf of the Board of Tradeeasy Holdings Limited, I am pleased to present this Annual Report to our valuable shareholders.

The year under review is a challenging year for the Group. Through the placing of 550,000,000 new shares of the Company to CCT Telecom on 25 April 2006, it provided the net proceeds of approximately HK\$21 million, enabling the Group to carrying on further initiatives to capture the growing demand for B2B services and to increase its market share in Mainland China.

During the year, the Group has taken a moderate pace in its business expansion. The total revenue increases 16.4% as compared to last year, which represents a consistent and steady growth. Mainland China has become the major market of the Group's business expansion and development. Accordingly, substantial portion of the resources were devoted into this market. I am pleased to report that the revenue generated from Mainland China this year grows significantly by 32.3% as compared to last year.

There was a new research center and a training center in Mainland China set up, and a new company incorporated in Xiamen which further strengthen the distribution channel capability to promote our products and services in the areas not covered by any of our existing branches. In addition, the Group has recruited more salespersons so that more comprehensive services were provided to our customers.

Despite the fact that there is a revenue growth for the year under review, the Group incurred a net loss. However, we are confident that the revenue and the results of the Group will be improved, when all of those initiatives are fully executed.

Looking forward, the Group will keep expanding the sales and marketing networks in Mainland China, focusing on the implementation of state-of-art and creative technologies into our B2B platform, and providing quality off-line support to both the sellers and buyers. It is expected that these measures will further enhance the Group's competitiveness and its performance.

The forthcoming year will not be easy for the Group as the competition in the market will still be keen. We will well position ourselves to sustain the growth and continue with the strategy, which is proved to be on the right track for the success. On behalf of the Board, I would like to take this opportunity to thank the management team and the staff of the Group for their valuable contribution and our shareholders for their continuing support.

Mak Shiu Tong, Clement

Chairman

22 June 2007

BUSINESS AND OPERATIONS REVIEW

Business review

The financial year 2006/07 has been a year of challenges for the Group. In view of the growing demand for B2B online trade, which generates more servicing needs to be rendered by the SME manufacturers in Mainland China, the Company has implemented an expansion program during the year under review, to broaden its business spectrum and volume in the region so as to capture the business opportunities.

Upon the placing of 550,000,000 new shares of the Company to CCT Telecom on 25 April 2006, the Group has received the net proceeds of approximately HK\$21 million for developing new products, expanding sales and marketing network and devoting more resources into research and development.

The Group recorded a revenue of approximately HK\$46.1 million during the year under review, as compared to the revenue of approximately HK\$39.6 million last year, representing an increase of 16.4%. The Company also recorded a net loss of approximately HK\$10.3 million as compared to approximately HK\$1.7 million loss last year.

The loss incurred was mainly due to certain factors, namely the expenses of HK\$2.3 million in relation to granting of share options during the year under review, written-off of an amount of HK\$2.4 million for the software programs being obsolete and the additional costs incurred to strengthen the competitiveness of the Group.

The revenue generated from Mainland China grows 32.3% from HK\$10.8 million last year to HK\$14.3 million this year, while the revenue generated from Hong Kong market grows slightly from HK\$28.8 million last year to HK\$31.8 million this year.

Operation review

During the year under review, the Company has been taking a number of initiatives to reinforce our core business.

Sales and Marketing

A new company was set up in Mainland China to develop channel sales in the areas that the Group does not have branch offices. Recently, the new company has appointed ten new agents in the middle and northern part of Mainland China. Notwithstanding substantial efforts and resources were required for this program, the management believes that the channel sales model will be the most effective way in expanding the sales network.

A central training center was established in Guangzhou to conduct central training for the business units in Mainland China. The Group will continue to expand both direct and channel sales and recruit more staff and salesperson in our direct branches to promote our products and services.

BUSINESS AND OPERATIONS REVIEW (CONTINUED)

Products

Thanks to the hard work of our new research and development team throughout the whole financial year, the new B2B portal www.tradeeasy.com ("Tradeeasy portal") has been rolled out recently. The new Tradeeasy portal is built with the latest technology which provides various upgraded functionalities, including, more effective search engine and more user-friendly interface. Other new functions and features are also added to enhance the communications among the users of Tradeeasy portal. The management believes that the new portal will attract more users and making more traffic, which should induce more business activities in return.

The full development of the new portal is still on its way and the final version is expected to be released out by the end of 2007.

A new directory for the Household and Consumer Electronics was published during the year under review. The Group has diversified its coverage from the garment and garment related industries to the Household and Consumer Electronic sectors. The new directory is well received in the market.

Buyer Members

The Group has allocated more resources for our Buyer Department in terms of number of headcounts as well as the promotion budget. The Group has organized more trade fairs. We expect the number of registered buyer members has been increased to over 400,000 at the end of the financial year under review.

More Procurement Meetings have been conducted during the year under review, including over 700 face-to-face meetings between buyers and sellers. More well-branded companies have participated in the Group's sourcing activities, both on-line and off-line.

Research and Development

A portion of the net proceeds obtained from the placing of the shares of the Company was devoted into research and development. Most of our hardware and servers were replaced and updated. The stability and the efficiency of our software platform was also substantially improved.

A new research and development center was established in Guangzhou. Our proprietary developed search engine has been adopted and the new portal has been rolled out. Looking forward, the team will focus on the Search Engine Maximization work, which should increase the popularity of our portal and attract more users.

BUSINESS AND OPERATIONS REVIEW (CONTINUED)

Segment information

The revenue of the Group comprises the rendering of the integrated marketing solution services, ASP services and the technical consultancy services.

Sales from rendering the integrated marketing solution services increased by approximately 42.2% to HK\$8.9 million and that from provision of ASP services increased by approximately 1.7% to HK\$23.0 million. The sales from provision of technical consultancy services increased by approximately 32.3% to HK\$14.3 million.

As to the geographical segments, sales to Hong Kong market increased by approximately 10.5% to HK\$31.8 million and that to Mainland China market increased by approximately 32.3% to HK\$14.3 million.

An analysis of the Group's revenue and financial results by principal activity and geographical area for the two financial years ended 31 March 2006 and 2007 is set out in note 4 to this Annual Report.

BUSINESS OUTLOOK

With the injection of new capital, the Group is able to undertake a number of initiatives to strengthen its core business and increase competitiveness. With the establishment of the training center, the efficiency in developing new sales team is increased. The new Research and Development center centralizes the resources which make the Group's program development undergoes successfully and smoothly. Furthermore, the engagement of the channel sales in Mainland China is proven as an effective strategy in expanding the sales force with low overhead cost and risks.

The strategies that have been implemented during the financial year ended 31 March 2007 have been in the right track. More resources will continue to be devoted to above mentioned projects in the coming years. The investment will inevitably affect the profit margin of the Group in the short term and this situation may continue in near future. Nevertheless, the management has full confidence that the Group will benefit from those initiatives in the long run.

While we are undergoing our expansion plan, the management is well aware of the ever changing market situation. Keen competition, the rising level of salary in Mainland China and the impact of new technologies and new products will always be our major challenges. The Company will implement our initiatives cautiously, to sustain a healthy growth in changing operating environment.

EMPLOYEES

As at 31 March 2007, the Group employed 81 staff in Hong Kong (2006: 83) and 178 staff in Mainland China (2006: 156). Total staff costs (including directors' remuneration) of the Group were approximately HK\$27.8 million (2006: HK\$21.8 million). The increase of headcount during the year ended 31 March 2007 was mainly for research and development of new business opportunities and for the operation carried by the new company set up in Mainland China. Staff are remunerated according to their performance and working experience. In addition to the basic salaries and participation in the mandatory provident fund scheme, staff benefits include Share Option Scheme.

LIQUIDITY AND FINANCIAL RESOURCES

The Group is principally financed by cash flows generated internally and by the subscription proceeds from CCT Telecom. Upon completion of subscription on 25 April 2006, net proceeds of approximately HK\$21 million was received. In order to capture higher return, the Company placed part of the net proceeds amount to approximately HK\$14 million as equity-linked deposits. As at 31 March 2007, the Group's cash and bank balance amounted to approximately HK\$6.0 million of which approximately 83.9% was denominated in Hong Kong dollars. It further improves the financial position and the liquidity of the Group.

As at 31 March 2007, the net assets value of the Group amounted to HK\$23.2 million, representing approximately HK2.4 cent per share. Saved as disclosed, the Group had no other borrowings and seasonality of borrowing requirement, banking facilities or assets pledged. The gearing ratio (i.e. total long-term external borrowings over total equity) of the Group as at 31 March 2007 was nil (2006: nil). As at 31 March 2007, the current ratio of the Group was 251% (2006: 102%). The strong improvement in liquid position was mainly attributable to the net proceeds from subscription of new shares by CCT Telecom.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the year ended 31 March 2007.

On 25 April 2006, CCT Telecom subscribed 550,000,000 ordinary shares of the Company for net proceeds of approximately HK\$21 million. As at 31 March 2007, the equity interest of CCT Telecom in the Company has increased to 66.19%.

FOREIGN CURRENCY EXPOSURE

The Group's reporting currency is in Hong Kong dollars. Most of the transactions, assets and liabilities of the Group are denominated in Hong Kong dollars and Renminbi. Since the Group has both Renminbi receipts and payments in our Mainland China operation and the net Renminbi exposure is not significant, the Board considers that the Group is not exposed to any significant exchange risk and accordingly, no hedging transaction was made during the year.

CHARGES ON GROUP ASSETS

As at 31 March 2007, the Group did not have any charges on the Group's assets.

CONTINGENT LIABILITY

The Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$1.1 million (2006: HK\$1.2 million) as at 31 March 2007. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

During the financial year under review and as at the year end date, a corporate guarantee of HK\$5 million was give by the Company to a bank in connection with banking facilities granted to a subsidiary. As at 31 March 2007, the relevant banking facilities under this guarantee remain unutilized.

FUTURE PLANS FOR INVESTMENT ON CAPITAL ASSETS

The Group expects its primary capital expenditures to be investments in computer hardware and software required for operations and development of new or value-added services based on the current plan and funding will be financed internally.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the financial year ended 31 March 2007, the Group had no material acquisition and disposal of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENTS

As at 31 March 2007, the Group invested in equity-linked deposit with an estimate fair market value of approximately HK\$13.7 million (2006: nil). Save as disclosed above, the Group has not held any significant investments during the financial year ended 31 March 2007.