BEST APPAREL SOURCING CORPORATION

ANNUAL REPORT

2004

RACHEL LIANG-TAN, CPA, INC.
CERTIFIED PUBLIC ACCOUNTANT
M.S. IN TAXATION

18472 E. Colima Road, #202,
Rowland Heights, CA 91748
Tel. (626) 854-6588

RACHEL LIANG-TAN, CPA, INC.
CERTIFIED PUBLIC ACCOUNTANT
M.S. IN TAXATION

The Board of Directors and Stockholders
Best Apparel Sourcing Corporation

We have audited the accompanying balance sheet of Best Apparel Sourcing Corporation as of December 31, 2004 and the related statement of income and retained earnings, and cash flows for the twelve months then ended. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Best Apparel Sourcing Corporation at December 31, 2004, and the results of its operations and its cash flows for the year ended December 31, 2004 in conformity with United States generally accepted accounting principles.

Rachel L-Tan

Rachel Liang-Tan CPA, Inc.
Rowland Heights, California
April 29, 2005

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BEST APPAREL SOURCING CORPORATION
BALANCE SHEET
AS OF DECEMBER 31, 2004
(SEE ACCOUNTANTS' AUDIT REPORT)

ASSETS

Current assets	
Cash and cash equivalents	$ 756,056.90
Accounts receivable	996,768.99
Total current assets	$ 1,752,825.89
Property and equipment	
Auto	$ 17,434.00
Computer	1,443.00
Furniture and fixtures	1,416.00
Accumulated depreciation	(1,988.00)
Net property and equipment	$ 18,305.00
Other assets	
Deposits	$ 3,100.00
Prepaid expenses	2,728.44
Organization cost	720.00
Accumulated amortization	(144.00)
Total other assets	$ 6,404.44
Total assets	$ 1,777,535.33

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities	
Accrued expenses	$ 66,658.06
Payroll taxes payable	1,521.00
Income taxes payable	42,689.00
Total current liabilities	$ 110,868.06
Other long term liabilities	$ 1,469,415.42
Total liabilities	$ 1,580,283.48
Shareholders' equity	
Common stock, $1 par value, 100,000,000 shares authorized, 100,000 shares issued and outstanding	$ 100,000.00
Retained earnings	97,250.56
Total shareholders' equity	$ 197,250.56
Total liabilities and shareholders' equity	$ 1,777,534.04

The accompanying notes are an integral part of this financial statements

BEST APPAREL SOURCING CORPORATION
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2004
(SEE ACCOUNTANTS' AUDIT REPORT)

Revenue	
Sales	$ 8,382,166.66
Sales return and discount	(29,623.44)
* Total revenue	$ 8,352,543.22
Cost of sales	
Purchases	$ 6,837,259.92
Custom & Duty	1,190,987.13
* Total cost of sales	$ 8,028,247.05
* Gross margin	$ 324,296.17
* General & Administrative expenses	$ 179,618.61
* Income before taxes	$ 144,677.56
Provision for federal income taxes	$ 34,685.00
Provision for state income taxes	$ 12,742.00
* * Net income	$ 97,250.56

The accompanying notes are an integral part of this financial statements

BEST APPAREL SOURCING CORPORATION
STATEMENT OF INCOME
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2004
(SEE ACCOUNTANTS' AUDIT REPORT)

General and administrative expenses	
Auto & Truck	7,054.73
Bank charges	446.09
Commission	45,218.40
Contract services	36,906.94
Depreciation and amortization	2,132.00
Dues & subscription	50.00
Entertainment	505.60
Freight	1,170.69
Hostel expenses	14,982.08
Meal	500.00
Office expenses	2,331.83
Payroll taxes	2,320.60
Penalty	1,162.00
Professional fees	8,218.25
Rental	15,300.00
Repair and maintenance	445.10
Salaries	26,400.00
Sample	129.94
Supplies	1,980.59
Taxes	50.00
Travel	9,215.20
Utilities	3,098.57
Total general and administrative expenses	$ 179,618.61

The accompanying notes are an integral part of this financial statements.

BEST APPAREL SOURCING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004
(SEE ACCOUNTANTS' AUDIT REPORT)

Operating activities	
Net income	$ 97,250.56
Non-cash expenses:	
Depreciation and amortization	2,132.00
(Increase) in assets:	
Accounts receivable	(996,768.99)
Deposits	(3,100.00)
Prepaid expenses	(2,728.44)
Increase in liabilities:	
Accrued expenses	66,658.06
Payroll taxes payable	1,521.00
Income taxes payable	42,689.00
Net cash (used in) operating activities	$ (792,346.81)
Investing activities	
Purchase of property and equipment	$ (21,013.00)
Net cash (used in) investing activities	$ (21,013.00)
Financing activities	
Proceeds from issuance of common stock	$ 100,000.00
Other long term liabilities	1,469,415.42
Net cash provided by financing activities	$ 1,569,415.42
Increase in cash	$ 756,055.61
Cash and equivalents, beginning of year	$ -
Cash and equivalents, end of year	$ 756,055.61

The accompanying notes are an integral part of this financial statements

BEST APPAREL SOURCING CORP.
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2004
(SEE ACCOUNTANTS' AUDIT REPORT)

Retained earnings, beginning	$ -
Prior period adjustment	-
Restated retained earnings, beginning	$ -
Net income	$ 97,250.56
Retained earnings, ending	$ 97,250.56

The accompanying notes are an integral part of this financial statements

BEST APPAREL SOURCING CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Best Apparel Sourcing Corporation is a trading, marketing, and contracting service company for the garment industry. The Company was incorporated in Dec 2003 in Rowland Heights, California. The Company imports finished apparel from overseas and sells to the U.S. customers. Operations commence in January 2004 and focus on the selling of finished apparel to branded apparel resellers, mainly to Footlocker, Inc.

Accounting Method

The Company's financial statements are prepared using the accrual basis under generally accepted accounting principles of the United States.

Cash and Cash Equivalents

The Company considers all cash on hand and in banks to be cash and cash equivalents.

Property and Equipment

Property and equipment are purchased from Best Apparel (USA) Corporation and are recorded at net book value. Depreciation is calculated on a straight-line basis over the following estimated useful lives: 5 years for computer and auto and 7 years for furniture.

Revenue Recognition

Revenue from sales is recognized when goods are delivered and accepted by customers.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BEST APPAREL SOURCING CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income taxes consist of the following:

Federal taxes	$34,685
State taxes	12,742
	$47,427

Accounts Receivable

The company has not established an allowance for doubtful accounts and does not use the reserve method for recognising bad debts. Bad debts are treated as direct write-offs in the period management determines that collection is not probable. For year 2004, no bad debt was written off.

Deposits

A summary of deposit account consists of the following:

Rental deposits	$2,550.00
Other Deposits	550.00
	$3,100.00

Risk Concentrations

The Company's revenue generated from trading primarily transacts with one customer, Footlocker Inc. It comprised more than 95% of total revenues.

NOTE 2 - ACCRUED EXPENSES

Accrued expenses for year 2004 consist of the following:

Custom and Freight	$60,370.20
Others	6,287.86
	$66,658.06

BEST APPAREL SOURCING CORPORATION
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 - LONG TERM LIABILITIES

Advances from affiliate companies are considered as long-term liabilities with no immediate repayment schedule. They consist of:

Ghim Li Global Pte. Ltd.	$1,883,241.52
Ghim Li Group Pte. Ltd.	(413,826.10)
	$1,469,415.42

Ghim Li Group Pte. Ltd owns 100% shares of the Company's stock. The affiliate company, Ghim Li Global Pte. Ltd, is also owned 100% by Ghim Li Group Pte. Ltd.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company is subject to proceedings, lawsuits, and other claims, including proceedings under laws and government regulations related to environmental and other matters. While these matters could affect the operating results of any one quarter when resolved in future periods and while there can be no assurance with respect thereto, management believes that any monetary liability or financial impact to the Company beyond that provided for at December 31, 2004 would not be material to the annual financial statements.

Legal Proceedings

From time to time the Company may involve in legal proceedings arising in the ordinary course of business. Based on the Due Diligence Report, prepared by the Company's legal representative, the Company believes there is no litigation pending that should have, individually or in the aggregate, a material adverse effect on its financial position or results of operations.

Leasing Commitments as Lessee

The office rental lease was signed by Best Apparel (USA) Corporation under operating lease with Lazben Investment Rowland Heights, LLC. The Company sub-leases from Best Apparel (USA) Corporation and pays directly to the landlord. The monthly rental is $1,275.00. Total rental expense for all operating leases was $15,300.00 for the year ended December 31, 2004.

NOTE 5 - CAPITAL STOCK

The Company is authorized to issue 100,000,000 shares of common stock, at $1.00 par value. Currently 100,000 shares of stock are issued and outstanding and 100% owned by Ghim Li Group Pte. Ltd.

NOTE 6 – RELATED PARTY TRANSACTIONS

Funds advanced from Ghim Li Group Pte Ltd. and Ghim Li Global Pte. Ltd are related party transactions. Ghim Li Group Pte. Ltd owns 100% of the Company's stock. Ghim Li Global Pte. Ltd, the Company's affiliate company, is also 100% owned by Ghim Li Group Pte. Ltd.