

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited accounts for the year ended 30th April 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company and the Group are property investment, development and investment holding.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the profit and loss account on page 11. An analysis of the performance of the Group for the year by business and geographical segments is set out in note 3 to the accounts.

The Directors do not recommend the payment of a dividend in respect of the year ended 30th April 2004.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group and of the Company are set out in note 10 to the accounts.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in note 20 to the accounts.

DIRECTORS

The Directors of the Company during the year and at the date of this report are:

Tan Sri Dato' Tan Kok Ping (*Chairman*)

Mr. Chan Kien Sing

Mr. Chin Chee Seng Derek

Ms. Tan Ee Ling

Mr. Wong Man Hong (appointed on 28th November 2003)

Mr. Kwok Chi Hung (resigned on 28th November 2003)

Dato' Lee Ah Hoe *

Mr. Tan Tee Yong *

* *Independent Non-Executive Directors*

In accordance with Articles 110 and 111 of the Articles of Association of the Company, Mr. Chin Chee Seng, Derek and Dato' Lee Ah Hoe retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

By virtue of Article 115 of the Articles of Association of the Company, Mr. Wong Man Hong will retire at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

The Directors of the Company do not have any service contracts with the Company or any of its subsidiary companies which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), based on the information that is publicly available to the Company and within the knowledge of the Directors.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiary companies was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30th April 2004, the interests and short positions of each Director and Chief Executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules were as follows:

Director	Nature of interest	Number of shares	Percentage
Tan Sri Dato' Tan Kok Ping	Personal	<u>24,000,000</u>	<u>4.06</u>

At no time during the year was the Company or any of its subsidiary companies a party to any arrangements to enable the Directors of the Company or their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

REPORT OF THE DIRECTORS

INTEREST OF SUBSTANTIAL SHAREHOLDERS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

The register of Substantial Shareholders maintained under Section 336 of the SFO shows that as at 30th April 2004, the Company had been notified of the following interest of the Substantial Shareholders and short positions, being 5% or more of the issued share capital of the Company. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Name of shareholders	Number of shares	Percentage
Berjaya Group Berhad (<i>Note</i>)	292,149,475	49.43
Berjaya Group (Cayman) Limited (<i>Note</i>)	252,149,475	42.66
Grandgroup Investments Limited	126,245,000	21.36
Berjaya Leisure (Cayman) Limited (<i>Note</i>)	40,000,000	6.77

Note: The interest of Berjaya Group Berhad in the share capital of the Company includes the interests of Berjaya Group (Cayman) Limited and Berjaya Leisure (Cayman) Limited, both being subsidiary companies of Berjaya Group Berhad.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the year. Neither the Company nor any of its subsidiary companies had purchased or sold any of the Company's shares during the year.

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

The aggregate turnover during the year attributable to the five largest customers of the Group was 44% of the Group's total turnover, of which 25% was made to the largest customer.

The Group had no significant supplier during the year.

None of the Directors, their associates or any shareholder who to the knowledge of the Directors owns more than 5% of the Company's share capital has an interest in the suppliers or customers disclosed above.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules on the Stock Exchange throughout the financial year except that the Independent Non-Executive Directors are not appointed for a specific terms as they are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles of Association of the Company and full board meetings have not been held as frequently as every six months as the Directors consider meetings by circulation are sufficient.

AUDIT COMMITTEE

An audit committee was established on 15th December 2000 to act in an advisory capacity and make recommendations to the Board of Directors. Its members currently include Dato' Lee Ah Hoe and Mr. Tan Tee Yong, being the Independent Non-Executive Directors of the Company.

During the year, the audit committee has met twice to review the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters of the Group (including the interim report and annual accounts) before recommending them to the Board of Directors for approval.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the board
Tan Sri Dato' Tan Kok Ping
Chairman

Hong Kong, 19th July 2004