

# REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report and the Audited Statement of Accounts for the financial year ended 31 March 2005.

## PRINCIPAL ACTIVITIES AND TRADING OPERATIONS

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out on pages 74 and 75.

An analysis of the principal activities and geographical locations of trading operations of the Company and its subsidiaries during the financial year is set out in Note 2 to the Accounts on pages 48 to 51.

## RESULTS, APPROPRIATIONS AND RESERVES

The results of the Group for the financial year ended 31 March 2005 are set out in the Consolidated Profit and Loss Account on page 33.

Appropriations of profits and movements in reserves during the financial year are set out in Note 22 to the Accounts on pages 65 to 67.

## DIVIDENDS

An interim dividend of 2.5 cents per share was paid on 7 January 2005. The Directors have recommended for adoption at the Annual General Meeting to be held on Monday, 15 August 2005 the payment on 22 August 2005 to Shareholders on record as at 15 August 2005 of a final dividend of 8.5 cents per share in respect of the financial year ended 31 March 2005. This recommendation has been disclosed in the Accounts.

## FIXED ASSETS

Movements in fixed assets during the financial year are set out in Note 11 to the Accounts on page 59.

## BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Particulars of all bank loans, overdrafts and/or other borrowings of the Company and of the Group as at 31 March 2005 which are repayable on demand or within a period not exceeding one year are set out in Note 19 to the Accounts on page 63. Those which would fall due for repayment after a period of one year are particularised in Note 23 to the Accounts on page 68.

## DONATIONS

The Group made donations during the financial year totalling HK\$4.7 million.

## DIRECTORS

The Directors of the Company during the financial year were Messrs. P. K. C. Woo, A. S. K. Au, B. M. Chang, D. J. Lawrence (appointed on 1 July 2004 as an Executive Director), G. W. J. Li, S. T. H. Ng, P. Y. C. Tsui, K. W. S. Ting and W. Turnbull.

Messrs. G. W. J. Li and W. Turnbull are due to retire from the Board by rotation in accordance with Article 103(A) at the forthcoming Annual General Meeting. Being eligible, they offer themselves for re-election. None of the retiring Directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Under the provisions of the Company's Articles of Association, the Chairman and the Directors holding executive office of the Company are not subject to retirement from the Board by rotation. As regards the other Directors (none of them holding any executive title of the Company), two of them will retire as Directors at the forthcoming Annual General Meeting to be held on 15 August 2005 as mentioned above, and the remaining four Directors will have their respective terms of office coming to an end by reason of retirement by rotation at the Annual General Meeting of the Company in 2006 or 2007 in accordance with Article 103(A) of the Company's Articles of Association.

## INTERESTS IN CONTRACTS

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

## MANAGEMENT CONTRACTS

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the financial year.

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## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the financial year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

## AUDITORS

PricewaterhouseCoopers retire. A resolution for the appointment of auditors of the Company will be proposed at the forthcoming annual general meeting.

By Order of the Board

**Wilson W S Chan**

*Secretary*

Hong Kong, 14 June 2005