



Directors' Report



The directors have pleasure in presenting their annual report together with the audited financial statements for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 14 to the financial statements.

An analysis of the Group's performance for the year by business segment is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2005 are set out in the consolidated income statement on page 13.

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2005.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 22 to the financial statements.

FIXED ASSETS

Details of movements in fixed assets of the Group and the Company during the year are set out in note 13 to the financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties held for investment properties are set out on page 44.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 21 to the financial statements.

DISTRIBUTABLE RESERVES

At 31 March 2005, the Company has no reserve available for distribution.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and there was no restriction against such rights under the laws of Bermuda.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 3.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes are set out in notes 4(p) and 23 to the financial statements.



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2005

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's securities by the Company or any of its subsidiaries during the year ended 31 March 2005.

SHARE OPTIONS

On 30 August 2002, the Company adopted a share option scheme (the "Scheme") pursuant to which the Company may grant options without any initial payment to (i) any director, employee or consultant of the Group or a company in which the Group holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group as may be determined by the directors from time to time to subscribe for shares of the Company. The exercise price under an option granted pursuant to the Scheme will be the highest of (i) the nominal value of the shares; (ii) the closing price per share as stated in daily quotation sheets of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant; and (iii) the average closing price per share as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant of the option (subject to adjustments pursuant to the Scheme). No options under the Scheme have been granted since adoption.

DIRECTORS

The directors during the year and up to date of this report were as follows:

Yeung Chi Hang	
Ma Shuk Kam	
Liu Yu Mo	(Appointed as Chief Executive Officer on 8 March 2005)
Chung Siu Wah	
Yeung Kit Yu, Kitty	(Appointed as Director on 10 September 2004)
Au Edmond Wah	(Appointed as Director on 10 September 2004)
Chik To Pan	(Appointed as Director on 8 March 2005)
Chan Lai Mei	(Appointed as Non-Executive Director on 10 September 2004)
Lee Wai Loun	(Appointed as Non-Executive Director on 10 September 2004)
Lee Yuk Sang, Angus	(Appointed as Non-Executive Director on 10 September 2004)
Lin Wai Yi, Deca	(Resigned as Non-Executive Director on 10 September 2004)
Cheung Chi Wah	(Resigned as Non-Executive Director on 10 September 2004)

In accordance with Bye-law 87(2) of the Company's Bye-laws, Chung Siu Wah shall retire by rotation, and Yeung Kit Yu, Kitty, Au Edmond Wah, Chik To Pan, Chan Lai Mei, Lee Wai Loun and Lee Yuk Sang, Angus shall retire in accordance with Bye-law 86(2) of the Company's Bye-laws. Being eligible, these directors have offered themselves for re-election.

Biographical details of directors and senior management

Chairman

Mr. Yeung Chi Hang, aged 26, first joined the Group as Assistant General Manager of Golden Island (Management) Limited ("GI Management"), a wholly owned subsidiary of the Company, in 2001. Mr. Yeung was appointed as a director of the Company and the chairman of the Board on 1 May 2002 and 26 April 2004 respectively. Mr. Yeung worked in property investment and wedding services companies in Hong Kong prior to joining the Group. He is the son of Ms. Ma Shuk Kam and the brother of Ms. Yeung Kit Yu, Kitty, both executive directors of the Company. Mr. Yeung is responsible for the overall business development of the Group.



Directors' Report *(continued)*



Executive Directors

Ms. Ma Shuk Kam, aged 51, joined the Group in January, 2000 and was the Chairperson of the Board from 29 December, 2000 to 25 April, 2004. Ms. Ma is a veteran property investor with diversified portfolio in Hong Kong and the People's Republic of China. She is the mother of Mr. Yeung Chi Hang (the Chairman of the Company) and Ms. Yeung Kit Yu, Kitty (an executive director of the Company) and the sister of Ms. Ma Shok Hung (a member of the senior management of the Company).

Mr. Liu Yu Mo, aged 46, was appointed as a director and the Chief Executive Officer of the Company on 29 December 2000 and 8 March 2005 respectively. Mr. Liu has over 18 years of experience in auditing and accounting. He obtained a master of business administration degree in 2002. Mr. Liu is a certified practising accountant (Aust.) and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Chung Siu Wah, aged 48, was appointed as a director of the Company on 28 November 2001. He has been a solicitor practising in Hong Kong since 1989 and is a consultant of Messrs. Tony Kan and Company, Solicitors and Notaries.

Ms. Yeung Kit Yu, Kitty, aged 24, obtained a bachelor's degree of Arts in Asian Studies from the University of British Columbia, Canada. Ms. Yeung is also an Assistant General Manager of GI Management. She is the daughter of Ms. Ma Shuk Kam (an executive director of the Company) and the sister of Mr. Yeung Chi Hang (an executive director and the Chairman of the Company).

Mr. Au Edmond Wah, aged 51, has been holding senior management positions in various companies in Hong Kong, China, Canada, Singapore and Macau for the past 25 years. He graduated from Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) and is a member of The Certified General Accountants Association of Canada. Mr. Au had been a director of various major subsidiaries of the Company from January 2000 to November 2000.

Mr. Chik To Pan, aged 26, is in charge of business development of the Group's wedding services business. He is also the General Manager of GI Management. Before joining the Group in March 2004, he worked in restaurant and wedding services companies in Hong Kong.

Independent non-executive Directors

Ms. Chan Lai Mei, aged 41, is a director of One One CPA Limited (Certified Public Accountants (Practising)). She has over 16 years of diversified experience in auditing, accounting, corporate governance, financial management and corporate finance activities. Ms. Chan graduated from Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic). She is a fellow member of Association of Chartered Certified Accountants and a CPA of Hong Kong Institute of Certified Public Accountants, Macau Society of Certified Practising Accountants and Taxation Institute of Hong Kong.

Mr. Lee Wai Loun, aged 69, is a managing director of Manlex International Co. Ltd., a trading company. He has over 32 years of experience in sales and management in trading and distribution of electronic components, integrated circuits and computer peripherals.

Mr. Lee Yuk Sang, Angus, aged 27, graduated from Kwantlen University College, Vancouver, Canada. Mr. Lee is a director of Everwin International Ind. Ltd. (a trading company) and Sun Mei Ngai Plastic Co. Ltd. (a manufacturing company). He has over 4 years of experience in sales, marketing, project and factory management and providing consulting services in trading of Christmas decoration goods and manufacturing of plastic goods.

The Company has received confirmations of independence from each of the independent non-executive directors in accordance with Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and considers them to be independent.



Directors' Report *(continued)*



Senior management

Mr. Wong Hung Ting, aged 56, is a General Manager of Golden Island Catering Group Company Limited. He has over 36 years of experience in the catering field and has been with the Group for more than 20 years. Mr. Wong is in charge of the day-to-day operation of the Group's restaurant at Star House, Tsimshatsui, Kowloon.

Mr. Ng Muk Hing, aged 59, is the Chief Chef of Golden Island Catering Group Company Limited. He has over 35 years of experience in catering and has been with the Group for more than 20 years.

Ms. Ma Shok Hung, aged 48, joined Golden Island Catering Group Company Limited as a Chief Executive Officer in March 2004. She was appointed the General Manager of Wonderful Arts Wedding Services in March 2001. Since March 2003, she held the position of Chief Executive Officer supervising the operation of both Wonderful Arts Wedding Services and Cite Du Louvre. Ms. Ma is presently in charge of the daily operation of the Group's wedding services business. She is the sister of Ms. Ma Shuk Kam.

Mr. Leung King Ching, aged 43, joined Golden Island Catering Group Company Limited as a Chief Executive Officer in March 2004. Mr. Leung has been engaged in the top management team of several prime wedding services companies in Hong Kong for over 15 years. He is in charge of the marketing of the Group's wedding services business.

Ms. Ma Sze Yan, aged 41, joined Golden Island Catering Group Company Limited as a Chief Executive Officer in March 2004. Ms. Ma was a TV artist and image designer for over 12 years. She also has over 15 years of experience in managing several prime wedding services companies in Hong Kong. Ms. Ma is in charge of public relations and promotion of the Group's wedding services business.

Directors' service contracts

None of the directors has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' interest in contracts

Save as provided in the section headed "Connected transactions" below, no contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its holding company 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.

Directors' interests in equity or debt securities

As at 31 March 2005, the interests of the directors and chief executives of the Company in the share capital of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name	Number of shares	Nature of interest	Percentage of shareholding
Ma Shuk Kam	587,322,207	Corporate <i>(Note)</i>	53.59
Yeung Chi Hang	587,322,207	Corporate <i>(Note)</i>	53.59
Yeung Kit Yu, Kitty	587,322,207	Corporate <i>(Note)</i>	53.59
Liu Yu Mo	24,000	Personal	0.002



Directors' Report *(continued)*



Note: These shares are owned by World Possession Assets Limited (“World Possession”), which is beneficially owned by Ms. Ma Shuk Kam, Mr. Yeung Chi Hang and Ms. Yeung Kit Yu, Kitty in equal shares.

Save as disclosed herein, as at 31 March 2005, none of the directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Substantial shareholder

At 31 March 2005, the following substantial shareholder (other than a director or chief executive of the Company) had interests in the share capital of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Number of shares	Nature of interest	Percentage of shareholding
World Possession	587,322,207	Beneficial owner	53.59

Save as disclosed herein, as at 31 March 2005, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

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

During the year, the Group's five largest customers accounted for less than 30% of its total turnover.

The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

Purchases	
– the largest supplier	11%
– the five largest suppliers combined	36%

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

Connected transactions

Significant related party transactions entered into by the Group during the year ended 31 March 2005 are disclosed in note 26 to the financial statements.

Compliance with the Code of Best Practice of the Listing Rules

In the opinion of the directors, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules in force prior to 1 January, 2005, which remains applicable to accounting periods commencing before 1 January, 2005, throughout the year except that the non-executive directors were not appointed for a specific term. However, they are subjected to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company.



Directors' Report *(continued)*



Audit Committee

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the effectiveness both of the external audit and of internal controls and risk evaluation.

The Committee currently comprises three independent non-executive directors, namely Ms. Chan Lai Mei, Mr. Lee Wai Loun and Mr. Lee Yuk Sang, Angus. Two meetings were held during the current financial year.

AUDITORS

The incumbent auditors, PricewaterhouseCoopers, did not seek re-appointment at the last annual general meeting of the Company and BDO McCabe Lo & Company were appointed as auditors of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO McCabe Lo & Company as auditors of the Company.

On behalf of the Board
Yeung Chi Hang
Chairman

Hong Kong, 28 July 2005