

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31st March, 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 15 and 17, respectively, to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2005 are set out in the consolidated income statement on page 15.

The directors now recommend the payment of a final dividend of 1.5 cent per ordinary share to the shareholders on the register of members on 6th September, 2005, amounting to HK\$15,653,000, and the retention of the remaining profit of HK\$176,841,000.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired furniture and fixtures, office equipment and plant and machinery at a cost of approximately HK\$2.6 million, HK\$2.9 million and HK\$38.0 million, respectively. In addition, the Group acquired machinery at a cost of approximately HK\$11.3 million, which was still under installation at the balance sheet date.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

INVESTMENT PROPERTIES

During the year, the Company disposed of certain of its investment properties with a carrying value of HK\$380,000,000 for a consideration of HK\$390,000,000.

Details of movements in the investment properties of the Group during the year are set out in note 14 to the financial statements.

DIRECTORS

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

Executive directors:

Mr. Fang Hung, Kenneth

Mr. Li Kwok Wai, Frankie

Mr. Lam Kam Cheung, Kelvin

(resigned on 13th May, 2004)

Independent non-executive directors:

Mr. Tien Pei Chun, James

Mr. Chu Chi Wai, Allan

Mr. Lau Yuen Sun, Adrian

(appointed on 13th May, 2004)

DIRECTORS' REPORT

DIRECTORS (continued)

In accordance with Clause 87 of the Company's Bye-Laws, Mr. Chu Chi Wai, Allan retires and, being eligible, offers himself for re-election.

None of the directors proposed for re-election at the forthcoming Annual General Meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The non-executive directors have been appointed for a term subject to retirement by rotation in accordance with the Company's Bye-Laws.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 31st March, 2005, the interests and short positions of the directors and chief executives and their associates in the shares, underlying shares or 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 pursuant to 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 Issuers (the "Model Code") were as follows:

Long position in the shares of the Company

	Number of shares and nature of interests		Total	Percentage of the Company's issued capital
	Personal interests	Through controlled corporations		
Mr. Fang Hung, Kenneth (<i>Note</i>)	20,130,000	697,692,368	717,822,368	68.79%
Mr. Li Kwok Wai, Frankie (<i>Note</i>)	19,504,013	697,692,368	717,196,381	68.73%

Note: Antrix Investment Limited owns 697,692,368 shares of the Company. Mr. Fang Hung, Kenneth and Mr. Li Kwok Wai, Frankie beneficially owns 51% and 49%, respectively, of the issued share capital of Antrix Investment Limited.

Save as disclosed above, as at 31st March, 2005, none of the directors, the chief executives nor their associates had any interests or short positions in any 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 maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Information of share option scheme was set out in note 32.

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SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2005, the following interests and short position of 5% or more in the shares and underlying shares of the Company were recorded in register maintained by the Company pursuant to Section 336 of the SFO.

Long position in the shares of the Company

	Capacity and nature of interest	Number of shares held	% of the Company's issued share capital
Antrix Investment Limited (<i>Note</i>)	Directly beneficially owned	697,692,368	66.86%
Esca Investment Limited (<i>Note</i>)	Indirectly beneficially owned	697,692,368	66.86%
Megastar Venture Limited (<i>Note</i>)	Indirectly beneficially owned	697,692,368	66.86%
Liu Chong Hing Bank Limited	Directly beneficially owned	57,600,000	5.52%

Note: Antrix Investment Limited is held as to 51% by Esca Investment Limited (a company wholly-owned by Mr. Fang Hung, Kenneth) and 49% by Megastar Venture Limited (a company wholly-owned by Mr. Li Kwok Wai, Frankie). The shares held by Esca Investment Limited and Megastar Venture Limited represent the same interest held by Antrix Investment Limited, which have also been disclosed as an interest of Mr. Fang Hung, Kenneth and Mr. Li Kwok Wai, Frankie under the section "Interests of Directors and Chief Executive in Securities".

Save as disclosed above, as at 31st March, 2005, the Company was not notified by any persons who had interests or short positions of 5% or more in the shares and underlying shares of the Company which is required to be recorded under Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2005 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except that the non-executive directors of the Company were not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-Laws.

The Company had adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of the directors it is confirmed that they have complied with the required standard set out in the Model Code.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is reviewed regularly by the board of directors. Remuneration packages are structured to take into account the merit, qualifications and competence of individual employees as well as the general market conditions.

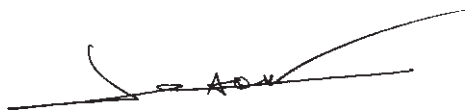
SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2005.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board



Li Kwok Wai, Frankie

Chief Executive Officer

Hong Kong
30th July, 2005