

The Directors present their report and audited financial statements of the Company and the Group for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

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

An analysis of the Group's performance for the year by business and geographical segments is set out in note 29 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2005 are set out in the consolidated income statement on page 17.

The Directors do not recommend the payment of any dividends in respect of the year.

SUMMARY FINANCIAL INFORMATION

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 44.

FIXED ASSETS

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

SUBSIDIARIES

Details of the Company's subsidiaries as at 31 March 2005 are set out in note 14 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital during the year and details of the Company's share option scheme are set out in notes 22 and 23 to the financial statements respectively.

RESERVES

Details of the movements in the reserves of the Group and the Company are set out in the statement of changes in equity on page 20.

DIRECTORS

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

Executive directors

Ms. Ng Wai Fong, Wendy (*Chairperson*)

Mr. Chan King Ming (*Vice-chairman*)

Ms. Leung Kwai Hing (*Vice-chairperson*)

Ms. Kam Shuk Ling

Mr. Lam Yiu Man, Lewis

Ms. Ching Mei Yee

Independent non-executive directors

Mr. Wong Chi Keung

Mr. Ng Wai Hung, Raymond

Mr. Yuen Xiaoxin

Mr. Chan King Ming will retire and, being eligible, offer himself for re-election, while, Ms. Ng Wai Fong, Wendy, Ms. Leung Kwai Hing, Ms. Kam Shuk Ling, Mr. Lam Yiu Man, Lewis, Ms. Ching Mei Yee, Mr. Wong Chi Keung and Mr. Yuan Xiaoxin will retire and not offer themselves for re-election. Appointments of Mr. Lam Cheok Va, Francis and Mr. Chan Chi Yuen as executive directors, and Mr. Chow Ho Tung, Anthony and Mr. Cham Yiu Keung as independent non-executive directors will be proposed in the forthcoming annual general meeting.

BIOGRAPHIES OF SENIOR MANAGEMENT

Executive Directors

Ms. NG Wai Fong, Wendy, aged 43, is the chairperson of the Board. She is responsible for formulating the overall business strategy and strategic planning of the Group. Ms. Ng has more than 10 years of experience in electronics industry.

Mr. CHAN King Ming, aged 58, is the vice chairman of the Board. He has more than 30 years of experiences in the fields of hotel and casino. He is currently the Deputy General Manager of New Century Hotel & Casino, the Vice President of Greek Mythology (Macau) Entertainment Group Corporation Limited of Macau and a director of Hong Kong North West Express Limited. Mr. Chan's substantial experiences in the management of hotel and casino can assist the Company to manage its gaming investment in Macau.

Ms. LEUNG Kwai Hing, aged 53, is the vice chairperson of the Board. She is responsible for the strategic management and business development of the Group. Ms. Leung has more than 10 years of experience in electronics industry.

Ms. KAM Shuk Ling, aged 47, is the executive director of the Company. She is responsible for the overall administration of the Group. Ms. Kam has more than 10 years of experience in electronics industry.

Mr. LAM Yiu Man, Lewis, aged 34, is the executive director of the Company and General Manager of a subsidiary of the Company. He is responsible for the general management and administration of the overall LCD operation of the Group. He holds a Diploma in Electronics and Communications Engineering. Mr. Lam has more than 10 years of experience in business development and production management in LCD and electronics manufacturing.

Ms. CHING Mei Yee, aged 36, is the executive director of the Company. She is responsible for the overall marketing and general administration of the Group. She holds an Honours Diploma in China Studies from the Lingnan University, Hong Kong. Ms. Ching has over 10 years of experience in the electronics industry.

Independent Non-Executive Directors

Mr. WONG Chi Keung, aged 39, is the independent non-executive director of the Company. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants, Hong Kong Institute of Company Secretaries and Institute of Chartered Secretaries and Administrators. He had worked in an international accounting firm in Hong Kong. Mr. Wong had been a director, CFO and/or company secretary of a number of listed companies in Hong Kong.

Mr. NG Wai Hung, Raymond, aged 36, is the independent non-executive director of the Company. Mr. Ng had been the general manager of a manufacturing and trading company in Hong Kong. He holds a bachelor degree in Mathematics and Statistics from the University of Western Ontario, Canada. He has more than 10 years of experiences in financial, information technology, and industrial sectors in Canada and Hong Kong.

Mr. YUAN Xiaoxin, aged 40, is the independent non-executive director of the Company. Mr. Yuan has more than 18 years of experience in the field of electronics industry. He had been a director, and/or senior executive of various companies.

Company Secretary

Mr. LO Wing Ming, Kevin, aged 36, is the company secretary and qualified accountant of the Company, and oversees the legal, corporate and compliance matters of the Group. Mr. Lo holds a bachelor degree in Accountancy from the University of Wisconsin-Madison, USA, and had worked in a large international accounting firm in Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and the CPA Australia.

DIRECTORS' SERVICE CONTRACTS

No Director who is proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation, other than statutory obligations.

DIRECTORS' INTERESTS IN SHARES

At 31 March 2005, none of the Directors have interests in the share capital of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept 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 Companies.

In addition, none of the Directors or any of their associates had any interests or short position in any of the shares, underlying shares or debentures of the Company or any of its associated corporations that is required to be recorded and kept in the register in accordance with Section 352 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Details of the Company's share option schemes are set out in note 23 to the financial statements.

No share options were granted to the Directors during the year.

Save as disclosed above, at no time during the year was the Company, or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under the age of 18 to acquire benefits by means of acquisition of shares in or debentures of the Company, or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during the year.

SUBSTANTIAL SHAREHOLDERS

At 31 March 2005, so far as are known to the Directors, the following party was recorded in the register kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company which fall to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO:

| Name | Number of shares held | Approximate percentage of issued share capital |
|-----------------------------------------------------------------|-----------------------|---------------------------------------------------|
| Greek Mythology (Macau) Entertainment Group Corporation Ltd. | 362,946,710 | 13.62% |

The interest stated above represents long position. At 31 March 2005, no short position was recorded in the register kept by the Company under Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customers accounted for approximately 49.1% of the total sales for the year and sales to the largest customer included therein accounted for approximately 20.7%.

Purchases from the Group's five largest suppliers accounted for approximately 31.3% of the total purchases for the year and purchases from the largest supplier included therein accounted for approximately 10.5%.

None of the Directors, any of their associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the employer's costs charged to the income statement for the year are set out in note 8 to the financial statements.

RELATED PARTY TRANSACTIONS

Details of significant related party transactions of the Group are set out in note 28 to the financial statements.

CONVERTIBLE NOTES

Details of the convertible notes issued by the Company and the exercise of the conversion rights under the notes during the year are set out in note 21 to the financial statements.

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

During the year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provision 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.

CODE OF BEST PRACTICE

Save as disclosed otherwise, in the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules") during the year under review. The independent non-executive directors have not been appointed for a specific term of office but retire from office on a rotational basis at the annual general meeting.

AUDIT COMMITTEE

The audit committee comprised Mr. Wong Chi Keung, Mr. Ng Wai Hung, Raymond and Mr. Yuan Xiaoxin, all being independent non-executive directors of the Company. The Group's financial statements for the year ended 31 March 2005 have been reviewed by the committee.

AUDITORS

RSM Nelson Wheeler retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of RSM Nelson Wheeler as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ng Wai Fong, Wendy
Chairperson and Executive Director

Hong Kong, 27 July 2005