


MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the consolidated financial statements and the related notes included elsewhere in this annual report.

Our consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards.

The Group reports its results in 2 business segments namely Cruise and Travel Businesses 



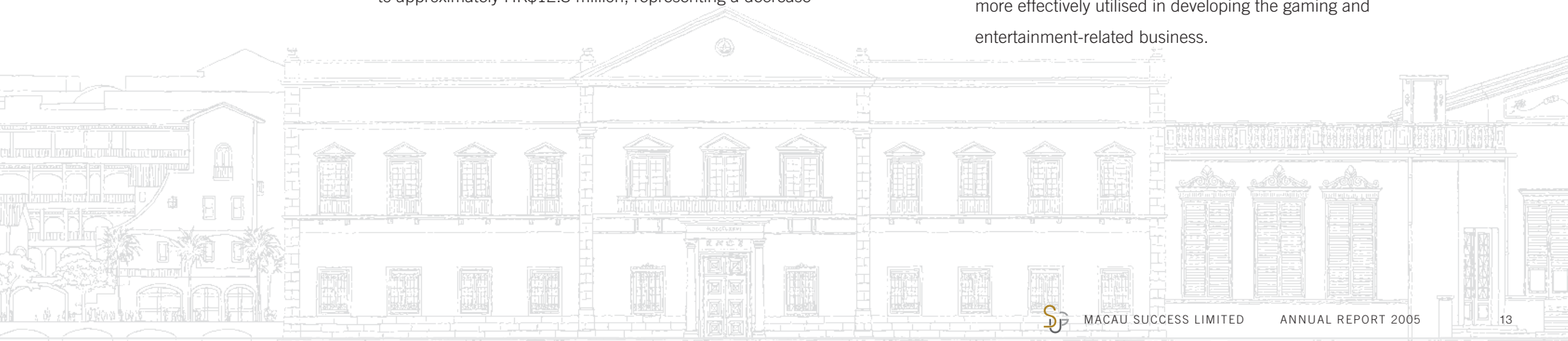
RESULTS

The total turnover of the Group for the year ended 30 September 2005 was approximately HK\$100.9 million (2004: approximately HK\$192.0 million). The decrease in total turnover was mainly due to the disposal of certain non-core businesses in the construction and retail field in 2004 as part of the Group Reorganisation. Through this reorganisation, the Group is to focus on the expanding gaming and entertainment-related business in Hong Kong and Macau.

The Group's dedication and efforts proved to be successful as our core business demonstrated strong and steady growth during the year under review. Turnover from our core business was approximately HK\$100.9 million, representing a 63.8% increase from that of the last year (2004: approximately HK\$61.6 million).

Profit attributable to equity holders of the Company amounted to approximately HK\$12.3 million, representing a decrease

of 20.1% as compared to that of last year (2004: approximately HK\$15.4 million). Profit after tax of last year included one-off gains, which included the waiver of loan and gains on disposal of discontinued operations amounted to approximately HK\$6.3 million. Excluding these one-off gains recorded in last year, profit attributable to equity holders for this year would have been a remarkable increase of 35%. In addition, through our relentless efforts to enhance efficiencies across our operations, the Group has reported strong operating results. The Group's operating profit increased by 5.3% to approximately HK\$31.9 million (2004: approximately HK\$30.3 million). Operating profit margin achieved 31.6% for the year, an improvement of 100% compared to 15.8% in the last year, attributable to the effective cost optimisation measures and corporate restructuring during the year under review. After the streamlining of the operations, the Group's resources were more effectively utilised in developing the gaming and entertainment-related business.



CRUISE BUSINESS





- Turnover from the cruise business increased by 65.1% to approximately HK\$95.4 million, primarily due to the booking of the full year charter fee and management fee income into the accounts this year.

BUSINESS REVIEW

Cruise Business

During the year under review, the cruise business remained the principal revenue contributor for the Group and continued to generate a stable income stream with steady growth. The leasing and management of the cruise, M.V. Macau Success, accounted for 94.5% of our total turnover. Turnover from the cruise business increased by 65.1% to approximately HK\$95.4 million (2004: approximately HK\$57.8 million), primarily due to the booking of the full year charter fee and management fee income into the accounts this year. Segment profit from cruise business was approximately HK\$43.4 million (2004: approximately HK\$28.2 million).

Not only did it contribute a stable income to the Group but the cruise business also provided tremendous synergy to its business and is a key part of our strategy to develop the gaming and entertainment-related business.

TRAVEL BUSINESS

Travel Business

The travel business recorded a turnover of approximately HK\$5.5 million during the year under review, representing an increase of 44.7% (2004: approximately HK\$3.8 million), and accounted for 5.5% of the total turnover. A net loss of approximately HK\$0.8 million (2004: approximately HK\$0.6 million) was recorded from this business as the Group hired more high caliber employees for business development and operation which led to a rise in operating cost.

Though being a smaller piece of business within the Group, it is the Group's strategy of continuing development of travel business as a unique platform to provide professional travel services to high-end customers and attract traffic to M.V. Macau Success, the Company's flagship cruise.

- The travel business recorded a turnover of approximately HK\$5.5 million during the year under review, representing an increase of 44.7%, and accounted for 5.5% of the total turnover.

