

The directors of the Company (the “Director(s)”) present their annual report together with the audited financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 September 2006.

## 1. PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the leasing and management of the 55% owned cruise and other tourist-related businesses.

## 2. RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 34.

An interim dividend of HK0.15 cents per share of the Company (“Share(s)”) was paid during the year (2005: HK\$Nil). The Directors do not recommend the payment of a final dividend for the year ended 30 September 2006 (2005: HK\$Nil).

## 3. SEGMENT INFORMATION

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 5 to the financial statements.

## 4. FIVE-YEAR FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on pages 77 and 78.

## 5. SHARE CAPITAL

Details of the Company’s share capital are set out in note 26 to the financial statements.

## 6. RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 37 of this annual report and other details of the reserves of the Group are set out in note 28 to the financial statements.

## 7. PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 15 to the financial statements.

## 8. SUBSIDIARY COMPANIES

As at 30 September 2006, particulars of the Company’s subsidiary companies are set out in note 17 to the financial statements.

## 9. DIRECTORS

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

### Executive Directors:

Mr. Yeung Hoi Sing, Sonny (*Chairman*)

Mr. Lee Siu Cheung

Mr. Chan William (*resigned on 28 September 2006*)

### Non-executive Director:

Mr. Choi Kin Pui, Russelle

### Independent Non-executive Directors:

Mr. Luk Ka Yee, Patrick

Mr. Yim Kai Pung

Ms. Yeung Mo Sheung, Ann

In accordance with bye-law no. 87 of the Bye-laws of the Company, Mr. Yeung Hoi Sing, Sonny and Mr. Yim Kai Pung will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

## 10. DIRECTORS’ SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## 11. DIRECTORS’ INTERESTS IN CONTRACTS

Save as disclosed in “Connected Transaction” below, no contracts of significance 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 year or at any time during the year.

**12. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES**

As at 30 September 2006, the Directors or chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong (the "SFO")) which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange:

Name	Long position/ Short position	Nature of interest	Number of Shares held	Approximate percentage of shareholding
Mr. Yeung Hoi Sing, Sonny (Note)	Long position	Corporate interest	987,841,432	46.17

*Note:* Mr. Yeung Hoi Sing, Sonny is deemed to have corporate interest in 987,841,432 Shares by virtue of the interest of the Shares held by Silver Rich Macau Development Limited, which is wholly-owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung Hoi Sing, Sonny.

Save as disclosed above, as at 30 September 2006, none of the Directors or chief executive of the Company, or their associates, had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**13. SHARE OPTIONS SCHEME AND DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Details of the share option scheme are set out in note 27 to the financial statements.

**14. SUBSTANTIAL SHAREHOLDERS**

As at 30 September 2006, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:—

Name	Long position/ Short position	Capacity	Number of Shares held	Approximate percentage of shareholding
Silver Rich Macau Development Limited	Long position	Beneficial owner	987,841,432	46.17
Penta Investment Advisers Ltd	Long position	Investment manager	214,766,000	10.04
Mr. John Zwaanstra (Note 1)	Long position	Interest in controlled corporation	214,766,000	10.04
Joy Idea Investments Limited	Long position	Beneficial owner	120,000,000	5.61
Mr. Li Chi Keung (Note 2)	Long position	Interest in controlled corporation	120,000,000	5.61
Ms. Wong Hoi Ping (Note 2)	Long position	Interest in controlled corporation	120,000,000	5.61

#### 14. SUBSTANTIAL SHAREHOLDERS (Continued)

Name	Long position/ Short position	Capacity	Number of shares held	Approximate percentage of shareholding
Mr. Li Chu Kwan (Note 2)	Long position	Interest in controlled corporation	120,000,000	5.61
Ms. Lau Man Wing, Catherine (Note 3)	Long position	Family interest	120,000,000	5.61
Deutsche Bank Aktiengesellschaft	Long position	Beneficial owner	7,932,000	0.37
		Security interest	117,664,000	5.50
PMA Capital Management Limited	Long position	Investment manager	107,076,000	5.00

*Notes:*

- (1) Penta Investment Advisers Ltd is wholly-owned by Mr. John Zwaanstra and therefore he was deemed to have interest in 214,766,000 Shares.
- (2) Joy Idea Investments Limited is owned as to one-third by each of Mr. Li Chi Keung, Ms. Wong Hoi Ping and Mr. Li Chu Kwan and therefore they were deemed to have interest in 120,000,000 Shares.
- (3) Ms. Lau Man Wing, Catherine is the spouse of Mr. Li Chu Kwan.

Save as disclosed above, as at 30 September 2006, so far as was known to the Directors, no other person had, or was deemed or taken to have an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 15. CONNECTED TRANSACTION

A loan agreement (the “Loan Agreement”) and an option deed (the “Option Deed”) both dated 7 March 2005 have been entered into between King Seiner Palace Promotor De Jogos, Limitada (the “Borrower”), as borrower, and Joyspirit Investments Limited (the “Lender”), an indirect wholly-owned subsidiary of the Company, as lender, whereby the Lender will provide a loan facility of HK\$50 million (the “Loan”) to the Borrower and the Borrower agreed to grant an option to the Lender upon the terms and conditions contained therein.

The Borrower was owned as to 56% by Mr. Yeung Hoi Sing, Sonny, an executive Director and a substantial shareholder of the Company under the definition of the Listing Rules (“Substantial Shareholder”), 24% by Mr. Chan Hon Keung, a former Substantial Shareholder, and 20% by an independent third party. Therefore, the entering into the Loan Agreement and the Option Deed constituted connected transactions for the Company, details of which have been published in an announcement and a circular of the Company dated 10 March 2005 and 7 April 2005 respectively according to the disclosure requirements under the Listing Rules.

The Lender terminated the Loan Agreement on 29 September 2006 and the Borrower repaid the Loan on the same date.

#### 16. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 30 September 2006.

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

During the year, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

## 18. MAJOR SUPPLIERS AND CUSTOMERS

During the year, the five largest customers of the continuing operations of the Group accounted for 95.3% of total turnover of the continuing operations of the Group of which the largest customer accounted for approximately 92.5% and the five largest suppliers of the continuing operations of the Group accounted for 81.5% of total purchases of the continuing operations of the Group, of which the largest supplier accounted for approximately 53.1%.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the above five largest customers or five largest suppliers, except that Mr. Yeung Hoi Sing, Sonny, an executive Director, and Mr. Chan Hon Keung, a former Substantial Shareholder, are two of the Group's five largest customers total accounted for approximately 0.7% of total turnover of the continuing operations of the Group.

## 19. CHARITABLE CONTRIBUTIONS

During the year, no charitable contributions (2005: HK\$Nil) were made by the Group.

## 20. POST BALANCE SHEET EVENTS

Details of the significant event after the balance sheet date are set out in note 33 to the financial statements.

## 21. PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws of the Company which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

## 22. SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

## 23. CORPORATE GOVERNANCE

The Company has published its Corporate Governance Report, details of which are set out on pages 23 to 26 of this annual report.

## 24. AUDITORS

The consolidated financial statements have been audited by Messrs. CCIF CPA Limited who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the board of Directors  
**Yeung Hoi Sing, Sonny**  
*Chairman*

Hong Kong, 18 January 2007