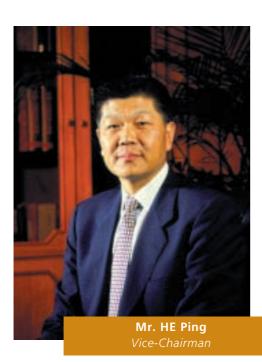
Chairman's Statement





In the past three years, the Group has been devoted to reorganize and optimize its assets structure and such efforts helped to reaffirm the Group's development strategy, with a particular emphasis on real estate investment and property rental market. In 2004, the Group captured the business opportunities for projects with strong cash inflow and attained remarkable results in operating efficiency. The Group recorded a continual growth for two consecutive years with the turnover reached HK\$567,190,000 for the year, representing an increase of 20% as compared to the previous year. The net profit reached HK\$164,997,000 and the earnings per share of HK18.61 cents, attaining the best level as compared to past few years. Taking into account the long-term development of the Company and the shortterm goal in the return to the shareholders, we have adopted a stable dividend policy, and proposed to pay a final dividend of HK3 cents for the year.

STRONG FOUNDATION FOR ITS CORE BUSINESS OF PROPERTY DEVELOPMENT AND DETERMINED DIRECTION FOR ITS FOCUSED PROPERTY INVESTMENT

In December 2004, the Company changed its name from "Continental Mariner Investment Company Limited" to "Poly (Hong Kong) Investments Limited" as approved in the general meeting. The property investment attains a higher significance to the Group's total assets. The Group possesses important landmark constructions in key cities, namely Shanghai, Beijing, Guangzhou and Wuhan, while those landmark constructions include Shanghai Stock Exchange Building in Shanghai, Poly Plaza in Beijing, the office building project at Beijing Jinrong Street and fivestar ranking hotel/office project in Tian He District at Guangzhou. The average occupancy rate of floors of Shanghai Stock Exchange Building held by the Group reached 95% and the average daily rental rate of the units let or renewed during the year was US\$0.5 or above per square meter. After the renovation works for the hotel rooms and exterior wall of Poly Plaza, the average occupancy rate and hotel rates of the hotel tower were higher than the similar ranking hotels in Beijing. The office building project at Beijing Jinrong Street was a project under construction to which the Group made an investment contribution in June 2003.

Chairman's Statement

In December 2003, the Group disposed the entire project at a consideration of RMB2 billion and it is expected that the transaction will be completed upon the delivery of the project to the ultimate buyer by the end of 2005. The Group holds 51% equity interests in a development project of a five-star ranking hotel/office project in Tian He District, Guangzhou, which is expected to be roof-top at the end of 2005 and to complete the construction by earliest at the end of 2006. In order to assure its continuous development, the Group acquired Hubei White Rose Hotel located at the heart of Wuhan, Hubei at mid-2004. It is expected the business hotel will bring a potential growth to the Group in long term in line with the fast economic growth in Wuhan.

The future development of the Group's real estate business will attain its focus on offices, hotels and apartments as principal strategy.

STRENGTHEN THE CASH FLOW MANAGEMENT TO ENSURE THE OPERATING EFFICIENCY

The Group effectively re-consolidated its investment on co-generation power plants projects in 2004. With a view to concentrating its resources and the management for co-generations power plants in Jiangsu Province, the Group completed the acquisition of the 36.75% equity interests of Xuzhou Western Co-generation and 29.40% equity interests of Funning Co-generation in Jiangsu Province on February 2004. Given the persistent rapid economic growth in the People's Republic of China (the "PRC"), a strong demand of power and steam was generated and the overall sales volume of power and steam of co-generation power plants projects the Group acquired increased approximately 44% and 28% respectively as compared to the previous year. The overall sales of the Group's co-generation project reached HK\$151,738,000; however, as the economic efficiency was adversely affected by the increasing price of coal in the PRC in 2004, a decrease in contribution to profit was resulted. With the recovery of the shipping market in 2004, an income of HK\$149,581,000 from charterhire was generated. In order to further consolidate its core business, the Group has disposed the two bulk carriers held in due course with the "Hai Ji" carrier delivered during the year and resulted in a gain of HK\$54,637,000. The annual operating profits from charterhire reached HK\$104,285,000.

A DIVIDEND DISTRIBUTION STRATEGY THAT BALANCES THE REQUIREMENTS FOR LONG-TERM DEVELOPMENT AND SHORT-TERM BENEFITS AND THAT REWARDS THE SUPPORTS OF SHAREHOLDERS

During the past two years, given a significant growth of operating profits achieved, the directors recommend the Group to declare another dividend to the shareholders in successive to the previous year. The dividend distribution strategy adhered by the Group is to adopt a moderate dividend rate on the conditions of maintaining the stable operation of the Group while achieving a balance in the long-term development and short-term benefits. As a result, the Group paid an interim dividend of HK\$0.02 per share on 8th October, 2004. In addition, the directors recommend the payment of a final dividend of HK\$0.03 per share for 2004 to the shareholders whose names appear on the register of members of the Company on 25th May, 2005, making HK\$0.05 in aggregate for the whole year. Subject to the approval of the shareholders at the annual general meeting, the final dividend will be paid on 3rd June, 2005.



CAPITALIZE ON THE BUSINESS OPPORTUNITY TO ACCELERATE GROWTH AND SCALE THE NEW HEIGHT

It is expected that the PRC's economy will maintain its rapid growth, and coupled with its enormous population, tremendous demand for property, power and steam will be generated. On the basis of the extensive consolidation and optimization of asset structure implemented over the past few years, the Group attained a significant growth for the results of 2004. Taking the full advantage of the resources and brand name of China Poly Group Corporation, its substantial shareholder, and capitalizing on the tremendous business opportunities to be brought forth by the 2008 Beijing Olympic Game, 2010 Guangzhou Asian Games and 2010 World Expo in Shanghai, the Group will step up its measures on enlarging the scale of property development and optimizing its asset structures while adopting persistent, active and yet prudent approach in developing new projects and managing the projects under development stringently for generating a higher return for shareholders.

Lastly, on behalf of the Board, we would like to express our deepest gratitude to our shareholders for their continual support and to our staff members for their dedication and efforts.