

I am pleased to present to you, our admirable shareholders, business partners, fellow directors and our loyal and committed colleagues the Company's annual report for the year 2005.

This year marks the fifth anniversary for me as chairman of the Company. I would like to express my gratitude to you for your continued cooperation and support, and helping us form a strong team. Over the years, we have steadfastly strived to achieve our goals while focusing on the best interests of the Company and our shareholders.

THE ROLLER COASTER DAYS FOR HONG KONG

Since hitting a record low in 2003, the Greater China economy has experienced strong returns in all sectors during the past two years.

While the Special Administrative Region of Hong Kong witnessed its first change in the office of the Chief Executive of the city, indexes predicted double digit growth for Hong Kong in early 2005. Fuelled by the seemingly full restoration in real estate, the domestic market enjoyed a satisfactory but promising first quarter.

Despite the local optimism, the worldwide economy was not so harmonizing. Following major trends in international markets, continuous increases in prime interest rates and sky-rocketing oil prices have both caused significant negative effects towards both investor and consumer confidence and thus, hindered the speedy recovery of the domestic economy.

During the year, the rapid spread of avian flu in more and more countries around the world also triggered unpleasant memories of possible epidemic outbreak in the minds of most Hongkongers.

All such factors, some positive and some negative, emerging at various times during 2005 contributed to result in a turbulent business atmosphere in Hong Kong.

Despite the foregoing, the capital markets in the city remained strong throughout the year, which gave us a very good signal and initiative to push our corporate development one step forward. A series of corporate and capital reorganization plans for the Company and its subsidiaries have been proposed and, with the hearty support from our shareholders, such plans were approved at the general meeting of the Company.

本人欣然向各位股東、業務夥伴、董事及公司上下同寅提呈本公司二零零五年之年報。

本年度，本人已歷任本公司主席第五年。多謝各位之衷誠合作與衷心支持，扶持本集團整個團隊日益壯大，本人謹此致以由衷感激。一直以來，本集團致力穩定向前，邁進目標，投入為本公司及各股東爭取最佳的利益。

香港經歷起落沉浮

大中華經濟自二零零三年跌至谷底後，在過去兩年間一直取得全面復甦。

在香港特別行政區歷史性首次更換行政首長之際，各類指數在二零零五年初預期香港將可望有雙位數字增長。加上地產市場看來亦已全面反彈，推動本地市場在首季表現理想而對前景樂觀。

然而，全球經濟並不如本地樂觀。跟隨國際市場主要走勢，最優惠利率繼續上升及原油價格不斷飆升大大打擊投資者與消費者信心，因而拖慢本地經濟之復甦步伐。

年內，禽流感擴散至全球越來越多國家，亦引起眾多香港人對可能爆發疫症之不快回憶。

種種好壞因素在二零零五年不同期間出現，導致香港之營商環境動盪不定。

儘管如此，本地資本市場表現在年內一直保持理想，推動集團繼續邁步向前。本公司及其附屬公司推動一系列企業及股本重組計劃，並獲得股東鼎力支持，已於本公司之股東大會上通過。

Chairman's Statement 主席報告書

CHINA — IN THE AGE OF THE BRIC

The BRIC (representing Brazil, Russia, India and China collectively) is now widely believed to possess the economic potential to become among the four most dominant economies in the world by the year 2050. The tremendous productivity of both India and China has made the two countries proven to be the two dominant manufacturing bases of the world, while the remaining two (Brazil and Russia) playing the role as the hubs of raw materials supplies.

Given its record-breaking economic achievements, the gross domestic product of China reached RMB18,232.1 billion, up by 9.9 percent over the previous year while the annual per capita disposable income of urban households in the country recorded RMB10,493, a real increase of 9.6% (Sourced from: The Statistical Communique of the People's Republic of China on the 2005 National Economic and Development).

Witnessing the growth of the Chinese economy during the past few years, the Company's China-focused investment strategy is now an established foundation for its future direction in the long run.

PROSPECT

In April 2002, the Group acquired a controlling stake in Wing On Travel (Holdings) Limited, a then loss-making group of companies engaged in providing packaged tours, hotel operations and transportation in Hong Kong. After being inspired by the endurance and hard working culture of the Group and under our experienced management, the once loss-making enterprise has now turned around and successfully resumed its profitability and vitality. To extend such investment success of the Group onward, management is pledged to seize all potential investment opportunities that will create long-term value for our shareholders.

At the same time, management will also keep maintaining its conservative and cautious investment posture towards every strategic decision the Group makes to ensure superior results.

Thanks you all once again!

Dr. Chan Kwok Keung, Charles
Chairman

中國走進金磚四國年代

金磚四國(巴西、俄羅斯、印度及中國，統稱金磚四國)現已被廣泛認定具有經濟潛力可在二零五零年晉身全球四大經濟強國。憑藉龐大之生產力，印度及中國兩國已印證為全球最突出之兩個製造業基地，而其餘兩國(巴西及俄羅斯)則成為原料供應的核心。

中國實現史無前例的經濟表現，國內生產總值達人民幣182,321億元，較去年增長9.9%，而國內城市家庭之人均全年可動用收入則為人民幣10,493元，實際增長達9.6% (資料來源：《中華人民共和國統計局二零零五年國民經濟和社會發展統計公報》)。

隨著中國經濟在過去數年之增長，本公司所採取專注中國之投資策略現已成功建立穩固基礎，為未來之長遠發展鋪路。

前景

於二零零二年四月，本集團收購永安遊旅(控股)有限公司之控制權益，永安為一間從事提供旅行團、酒店業務及運輸業務之集團公司。該公司當時錄得虧損經營。經本集團堅毅及努力工作之文化激勵後，加上本集團經驗豐富之管理層，曾經錄得虧損之企業現時已轉虧為盈，並成功恢復盈利能力及生命力。為一直延續本集團在此項投資之成績，管理層承諾取得所有潛在投資機會，為本集團股東創造長期價值。

同時，管理層亦將在本集團每項策略性決策上秉承保守及謹慎之態度，以確保取得輝煌業績。

謝謝！

主席
陳國強博士