INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30 September 2003 (2002: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

During the period under review, the spread of severe acute respiratory syndrome ("SARS") hit our economy and investment sentiment which sent the Hang Seng Index to a 5 year low of 8,332 in April.

While the SARS was confirmed under control by the end of June and the tension over the enactment of Article 23 legislation was eased in early July, more good news flow in by supportive measures of Chinese government. Investors' confidence was restored. Some of these measures included the DIY tourists or otherwise known as "individual visit scheme" for Mainland China visitors and the Closer Economic Partnership Agreement ("CEPA") and its six annexes subsequently signed in late October.

The stock market rose sharply in September on the expectations of the economic recovery such as decline in unemployment rate and fall in the number of bankruptcy petitions. Supplemented by the better than expected economic figures released by the US, the momentum for the Hang Seng Index hit its highest for 16 months in September. The index of 11,230 at the end of September was 30% higher than 31 March 2003 and 24% higher than September 2002.

Due to the improved investment market sentiment, we had realised part of our investment portfolio. Accordingly, the proceeds from sale of listed securities increased to HK$22.8 million and the result from operations turned from losses in the corresponding period to profit in the current period.

Prospects

With continuous liquidity inflows since September, the Hang Seng Index broke through the resistance level of 12,000 in late October. However, on 23 October, the Hang Seng Index suffered its biggest decline in two years of 501 points as a result of investors' profit taking, on the excuses of the weakness of US and Japan stock markets and downgrading of Hong Kong's stock market by some international broker houses. The most recently revised economic growth forecast of 3% for the current year and 3.5% for the next 5 years by the Financial Secretary are generally endorsed by various financial institutions.

We are of the view that the recent correction is healthy which gives investors a breather to re-assess the market after the index has gone up by nearly 4,000 points, approximately 48% increase from the lowest point of 8,332.

We will be cautious in selecting mid-cap consumers and industrial shares which will benefit from the signing of the CEPA, or recovery of the local and US economy.

We continue to see vast growth potentials in our premium and quality portfolio.

Financial review

Liquidity and financial resources

As at 30 September 2003, the Group had bank balances and cash of HK$2,440,439 (31 March 2003: HK$1,586,533) and had no other borrowing. The Directors believe that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Capital structure

There was no change to the Group's capital structure for the six months ended 30 September 2003.

Capital commitment and contingent liabilities

During the period, there are no charges on the Group's assets. As at 30 September 2003 the Group had no material capital commitment and contingent liabilities.

Foreign currency fluctuation

The Directors believe that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2003, the Group employed a total of 5 full-time employees, including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

SHARE OPTIONS

The Group does not have any share option scheme.