

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30 September 2004 (2003: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operation Review

For the six months ended 30 September 2004, the Group recorded a turnover of HK\$4,834,464 which was less than last year's HK\$22,920,335, and the loss attributable to shareholders was HK\$10,891,718 when compared to last year's profit of HK\$5,800,250. The loss for the period was mainly comprised of a net unrealized loss of HK\$9,651,674 of the Group's listed investment. The Directors believe that the temporarily increase of the net unrealized loss will not affect the Group's listed investment's long-term value.

In addition, in view of the continuous unfavourable operating result of an investment project, a provision of HK\$500,000 was made by the Group during the period.

Prospects

The surge of crude oil price to above US\$55 per barrel and the Federal Reserve's policy to raise interest rate may have impact on the global economy. The Directors have anticipated such impact on the Group should be minimal. With the speculation of local economic recovery, particularly in the sectors of properties and retail, and the anticipation of impressive corporate earnings growth, the view of Hong Kong stock market should remain positive in the coming six months.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2004, the Group had bank balances and cash of HK\$178,318 (31 March 2004: HK\$1,276,005) 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 2004.