

BUSINESS REVIEW

For the six months ended 30 September 2003, the Group's net profit was HK\$3.5 million (1.4.2002 – 30.9.2002: HK\$6.8 million) and the basic earnings per share was HK0.80 cents (1.4.2002 – 30.9.2002: HK1.56 cents).

Sale of mobile phones

Due to the outbreak of SARS in April and May 2003, we were forced to lower the profit margin in order to enhance the sales and reduce the stock level. As a result, the profit for this segment has been reduced to HK\$2.6 million (1.4.2002 – 30.9.2002: HK\$3.2 million) even though the turnover has subsequently increased by 13.5%.

Sale of business solutions

This relates to the sales of office telephone systems, security systems and provision of integrated services. Due to the keen competition and initial setting up costs of security systems sales team, this segment recorded a loss of HK\$0.6 million (1.4.2002 – 30.9.2002: profit HK\$0.9 million) during the period under review.

Connection services

This relates to the referral of customers to network operators for subscription of their network services. The Group will receive commission for such referrals. This segment recorded a profit of HK\$0.3 million (1.4.2002 – 30.9.2002: loss of HK\$0.3 million) reflecting our efforts on the cost cutting.

Property investment

Due to the purchase of a property in December 2002, the profit from this segment has increased to HK\$1.7 million (1.4.2002 – 30.9.2002: HK\$0.6 million).

Installation, repair and maintenance services

The outbreak of SARS led to the low demand of these services. The turnover has reduced by approximately HK\$4 million and profit has decreased by approximately 75% to HK\$0.9 million (1.4.2002 – 30.9.2002: HK\$3.7 million).