

Financial Highlights

	Period from 1 April 2003 to 31 December 2003	Year ended 31 March 2003 (Restated) ⁵	Change in Percentage Increase/ (Decrease)
For the period from 1 April 2003 to 31 December 2003/ year ended 31 March 2003			
Turnover (HK\$ '000)	245,258	273,779	(10)
Profit/(Loss) After Tax (HK\$ '000)	41,580	(39,431)	205
Per share			
Basic Earnings/(Loss) Per Share (HK Cents)	8.78	(8.26)	206
Dividend Per Share (HK Cents)	4	1	300
NAV Per Share (HK\$)	1.74	1.61	8
At year end			
Shareholders' Funds (HK\$ '000)	822,452	766,141	7
Total Assets (HK\$ '000)	2,883,828	2,146,237	34
Number of Shares in Issue	472,401,699	475,633,699	(1)
Share Price			
– High (HK\$)	1.27	1.18	8
– Low (HK\$)	0.70	0.60	17
Financial ratios			
Gearing Ratio			
– Borrowing to Total Assets ¹	0.20	0.22	(9)
– Borrowing to NAV ²	0.70	0.63	11
Return on Total Assets ³ (%)	1	(2)	150
Return on Shareholders' Fund ⁴ (%)	5	(5)	200

$$1. \text{ Borrowing to Total Assets} = \frac{\text{Total Borrowings}}{\text{Total Assets}}$$

$$2. \text{ Borrowing to NAV} = \frac{\text{Total Borrowings}}{\text{Net Asset Value (NAV)}}$$

$$3. \text{ Return on Total Assets} = \frac{\text{Profit/(Loss) After Tax}}{\text{Total Assets}}$$

$$4. \text{ Return on Shareholders' Fund} = \frac{\text{Profit/(Loss) After Tax}}{\text{Shareholders' Fund}}$$

5. Certain figures for the year ended 2003 have been restated to reflect the adoption of SSAP 12 (revised) "Income taxes".

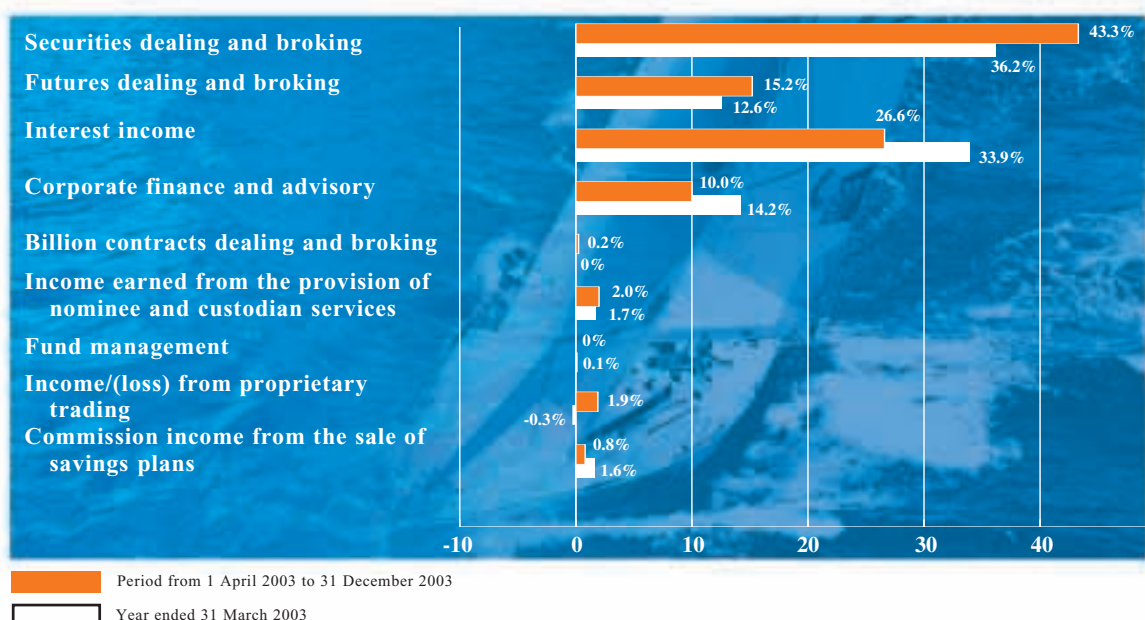
Financial Performance

Turnover

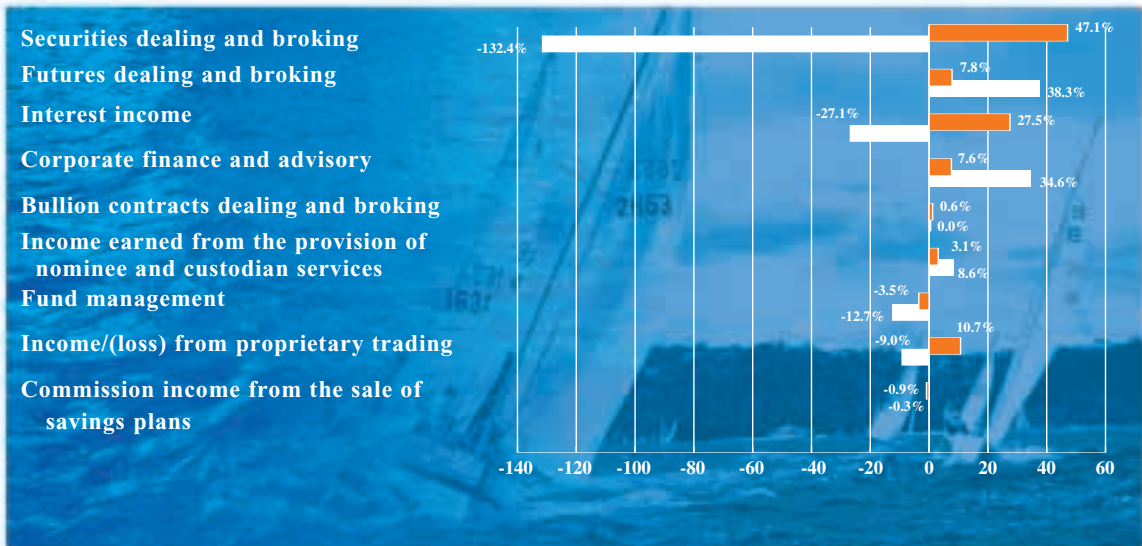
Turnover of the Group for the nine months ended 31 December 2003 was HK\$245.3 million (31 March 2003: HK\$273.8 million). A summary of the turnover from different operations of the Group is set out below:–

	Period from 1 April 2003 to 31 December 2003 HK\$'000	Year ended 31 March 2003 HK\$'000
Securities dealing and broking	106,295	99,209
Futures dealing and broking	37,259	34,432
Interest income	65,162	92,838
Corporate finance and advisory	24,629	38,924
Bullion contracts dealing and broking	470	94
Income earned from the provision of nominee and custodian services	4,786	4,711
Fund management	29	187
Income/(loss) from proprietary trading	4,672	(958)
Commission income from the sale of savings plans	1,956	4,342
	245,258	273,779

Turnover Breakdown



Operating Profit/(Loss) Breakdown

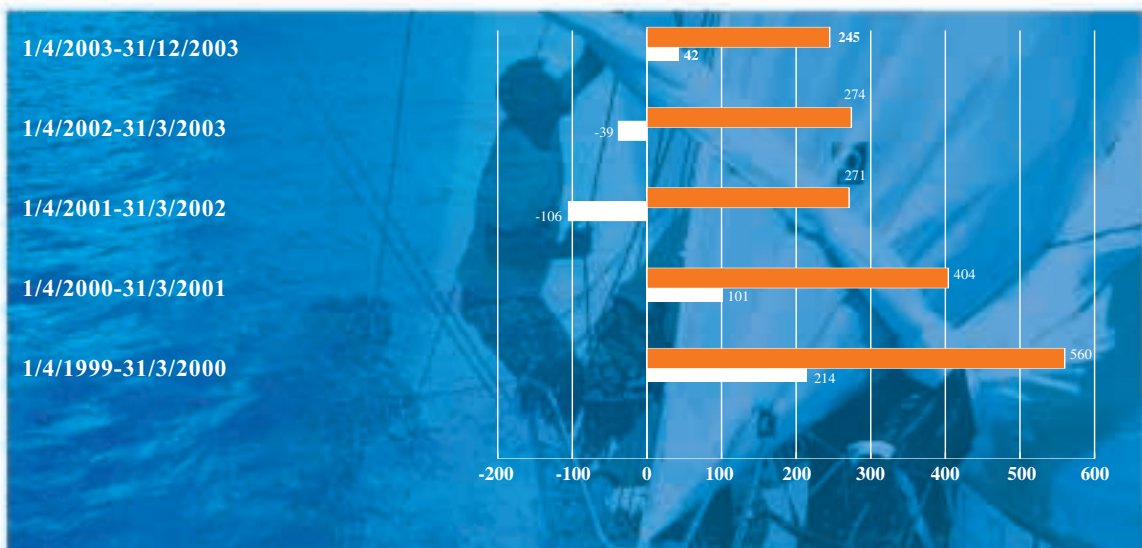


Period from 1 April 2003 to 31 December 2003
 Year ended 31 March 2003

Net Profit/(Loss) Attributable to Shareholders

Net profit attributable to shareholders for the nine months ended 31 December 2003 was HK\$41.6 million, compared with a net loss of HK\$39.4 million for the year ended 31 March 2003.

Turnover and Net Profit/(Loss) Attributable to Shareholders



HK\$' million
 Turnover
 Net Profit/Loss Attributable to Shareholders

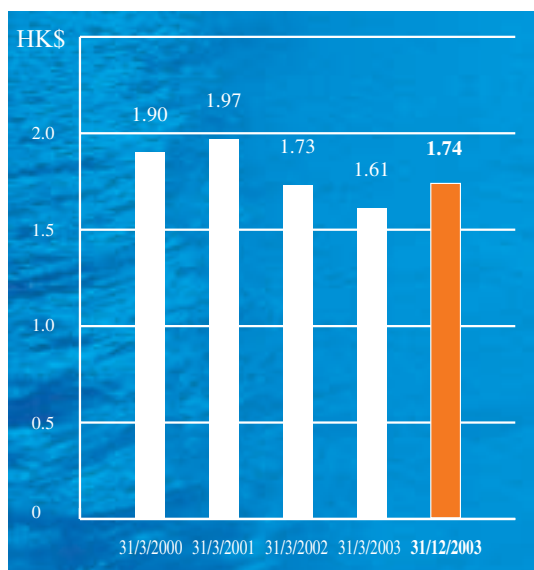
Capital Structure and Treasury Policies

Capital Structure

The Company had issued 400,000 additional shares during the period ended 31 December 2003.

During the period, the Company made share repurchases of a total of 3,632,000 of the shares of the Company on The Stock Exchange of Hong Kong Limited to enhance the net assets value per share of the Company. As at 31 December 2003, the total issued share capital of the Company stood at HK\$47,240,170 comprising of 472,401,699 shares of HK\$0.10 each.

Net Assets Value Per Share



Treasury Policies

The business activities of the Group are funded by bank borrowings, unsecured loans and cash generated from operating activities. Majority of the Group's bank borrowings are renewable on a yearly basis and are subject to floating interest rate.

The Group's financial risk management strategies include obtaining substantial standby banking facilities, extending the tenor of facilities, diversifying the funding sources, spreading out the maturity dates to manage interest rate risk exposure.

The Group considers that fluctuations in exchange rate do not impose a significant risk to the Group since the level of foreign currency exposure on non-HKD assets and liabilities is relatively immaterial as compared with its total assets value or outstanding debts.

Liquidity and Financial Resources

As at 31 December 2003, the Group had cash and bank balances of HK\$139 million (31 March 2003: HK\$62 million). Short term and long term investments were HK\$19.3 million (31 March 2003: HK\$4.8 million) and HK\$74.6 million (31 March 2003: HK\$31.5 million) respectively. 72% of the long term investments were investments in listed equity securities in Hong Kong and were stated at market value.

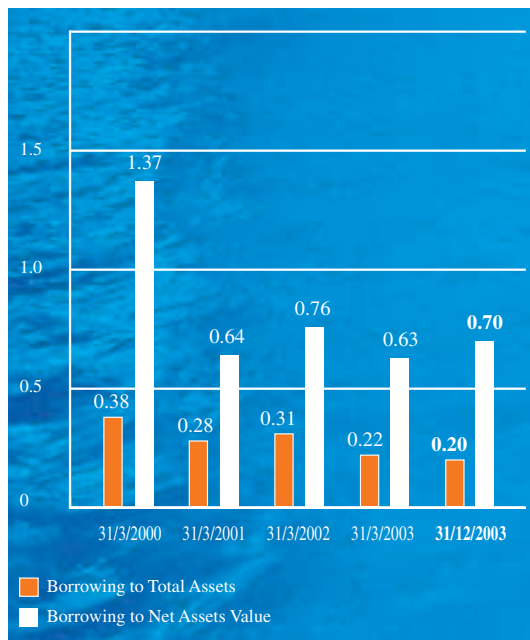
Both the current ratio (current assets/current liabilities) and the ratio of borrowings to total asset as at 31 December 2003 were maintained at satisfactory level of 1.33 (31 March 2003: 1.47) and 0.20 (31 March 2003 (restated): 0.22) respectively. Total borrowings, which were classified under current liabilities, amounted to HK\$579 million and were mainly employed for providing clients with secured loans or share margin financing. As at 31 December 2003, the Group's total banking facilities amounted to HK\$1,375 million, of which HK\$1,004 million remained undrawn. The ratio of interest income to interest expense showed a continuous improvement to 6.51 (31 March 2003: 5.63).

The Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 70% (31 March 2003 (restated): 63%). In order to enhance the capital base of the Group and to broaden its shareholder base, 85 million subscription shares were issued in March 2004 and the net proceeds from the subscription was HK\$103.4 million. The directors believe that the Group has adequate working capital to service its business activities.

Employees

The Group's total staff costs for the period ended 31 December 2003 amounted to HK\$111 million (31 March 2003: HK\$116 million). As at 31 December 2003, the Group employed a total of 415 (31 March 2003: 385) permanent staff of which 110 (31 March 2003: 108) were commission-based staff.

Gearing Ratio



Material Acquisition and Disposal of Subsidiaries and Associated Companies

There was no material acquisition or disposal of subsidiaries and associated companies by the Group for the period.

An aerial photograph of a vast, clear blue ocean. The water transitions from a deep blue in the distance to a lighter, turquoise blue in the foreground. Several sailboats are scattered across the water. One prominent sailboat in the lower right has a multi-colored sail (yellow, red, green, blue). Other sailboats are visible in the middle ground, including one with a white sail and another with a dark sail. The horizon is a straight line, and the sky above is a clear, light blue with a few wispy white clouds. A dark red arrow-shaped graphic points to the left, partially overlapping the text.

Crystalline Clarity