



OUTLOOK AND PROSPECTS

Subsequent to the interim period, the Group has obtained nationwide distribution right for the latest Nokia's handset model 2600 and N-Gage QD. Nokia's 2600 is a color display handset with good value for functions selling at retail price of approximately Renminbi 1,200. N-Gage QD is a games oriented GSM handset with multimedia messaging services, FM radio, personal information management, voice recorder and MP3 features that will capture not only the handset market but also the mobile handheld game market in China as well. We are confident that these two models as well as other existing current handset models will continue to provide good profit contribution to the Group during the final quarter ending December 2004. As the Group has changed its year end date to 31 December commencing in the current calendar year, the forthcoming annual results will be based on nine months operation instead of full 12 months.

The management will continue to explore and develop other telecommunications and distribution related business in China that can build on its core competence as a distribution specialist.

DIRECTORS' INTERESTS IN SECURITIES

At 30 September 2004, the interests of the directors and their associates in the share capital of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Future Ordinance ("SFO") or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Name of director	Capacity	Number of ordinary shares held <i>(Note)</i>	Percentage of the issued share capital of the Company
Lau Siu Ying	Held by trust	211,500,013	70%

Note:

These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a trust. The beneficiaries of the discretionary trust include Mr. Lau Siu Ying, his spouse and his children.

The interest disclosed above represents long positions in the shares of the Company or its associated corporations.

Save as disclosed above, none of the directors or their associates, had any interests or short positions in any securities of the Company or any of its associated corporations as defined in the SFO at 30 September 2004.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company or its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors, their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company or had exercised any such rights during the period.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisting at 30 September 2004 or at any time during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2004, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed in the section headed "Directors' interests in securities" above, the Company has not been notified of any other relevant interests in the issued share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2004, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.