

INTERIM DIVIDEND

The directors of the Company (the “Directors”) have resolved not to declare an interim dividend for the six months ended 30th September, 2004 (six months ended 30th September, 2003: nil).

INTERIM RESULTS

The Directors are pleased to report that the Group’s profit for the six months ended 30th September, 2004 was HK\$9,058,000, representing an increase of about 1.2 times when compared to the prior period, earnings per share were HK0.25 cents. The significant improvement of the Group’s results was primarily due to the increase in profitability of the Group’s financing business.

OPERATIONS REVIEW

During the period under review, the emphasis of management was on the Group’s established financing business and the newly commenced trading operation which will focus on raw materials trading. The Group’s turnover for the review period, comprising mainly interest income and trading revenue, amounted to HK\$34,108,000, whereas the Group’s operating profit, which showed an increase of about 4.6 times when compared to the previous period, was HK\$9,864,000. The improved operating results of the Group were mainly attributable to the increased profit contribution from the Group’s financing activities. Compared to the prior period, revenue and profit from the financing segment both showed an increase reaching HK\$15,997,000 and HK\$14,826,000 respectively. The financing business has been a stable and major contributor to the Group’s turnover and operating profit in the past years, as a result, it is the Group’s operational strategy to deploy its financial resources in hand as capital for its financing business before such resources are committed to other investment opportunities. The Group was not very active in its securities and property businesses during the period. The operating loss from the property segment mainly represented the property management costs of the Group’s investment properties which are currently vacant. During the period, the Group invested in an associate company which it holds 40% equity interest. The associate is principally engaged in investment in Hong Kong listed securities and the share of the associate’s profit represented mainly the unrealised gain on listed securities.