

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of HK1 cent (2003: HK2 cents) per share for the six months ended 30th September, 2004 payable on Friday, 14th January, 2005 to shareholders whose names appear on the Register of Members of the Company on Friday, 7th January, 2005.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 3rd January, 2005 to Friday, 7th January, 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the above interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Standard Registrars Limited of G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 31st December, 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30th September, 2004, both the Group's turnover and operating profit decreased when compared with the same period last year. The performance of the computer division was encouraging despite the difficult market situation. However, the major setback in the overall result was the decline in investment income due to the unrealized loss on the investment in fixed income.

During the period under review, the computer division's turnover increased robustly with the launch of stylish and competitive PC products, such as the Toshiba Satellite M30 Series, the Toshiba Portege A100 and R150 Series. Such performance, however, was offset by the decline in profit of the business machine division due to keen competition.

The network solutions and telecommunication systems division achieved an encouraging turnaround and reported profit when compared with the loss in the last corresponding period. The large-scale contracts in progress included the installation of a PABX system for the Four Seasons Hotel at the Hong Kong Station Development, installation of Toshiba Business Telephone System for all HKSAR government departments, provision of Maintenance Service Support to all the NEC PABX Telephone System installed at American International Assurance (AIA) offices in Hong Kong and Macau.

The performance of the technical and maintenance services division was slightly affected by keen competition and the decreasing prices of products and their life cycles.

Steady investment income remained as an important revenue stream of the Group in the extremely volatile market during the period under review. However, it was affected by the unrealized loss arising from marking the value of the investment on hand as at 30th September 2004 to market. Currently, the Group's investment portfolio included foreign bonds and high yield structured notes and will continue to enhance the yield of its portfolio prudently.