

## **BUSINESS REVIEW AND OUTLOOKS**

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For the six months ended 30 September 2004, the Group has continued to rectify its investment objective with an aim to minimize losses arising from unsound investments and to strengthen its investment portfolio with stable revenue-generating power. The Group reported a loss of approximately HK\$1,751,000 as compared with a loss of approximately HK\$5,539,000 for the same period last year. The improvement was due mainly to higher revenue derived from disposal of trading securities, as well as, from unrealized holding gains on trading securities. With the proactive actions taken to recover other receivables, and as a result of the Directors' stringent control and their unceasing effort, HK\$150,000 has been recovered from one of the debtors and contributed to income of the period. The Group's cash position remained relatively high, which enables capitalization of future favorable investment opportunities coming to the fore.

The Directors see more favorable investment opportunities emerging in Hong Kong in light of the closer economic ties with PRC. The Group will exercise extreme precaution in managing its investment profile while striving for long-term interests of its shareholders.

## **CAPITAL COMMITMENT AND CONTINGENT LIABILITIES**

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The Group did not have significant capital commitment nor contingent liabilities as at 30 September 2004.

## **EMPLOYEES**

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As at 30 September 2004, the Group has employed 6 employees (2003: 6 employees) and the total remuneration paid to staff was approximately HK\$726,000 (2003: HK\$783,000) during the period under review. The employees were remunerated based on their responsibilities and performance.