

INTERIM DIVIDEND AND SCRIP DIVIDEND SCHEME

The directors have resolved to pay an interim dividend of HK1 cents per share for the six months ended 31 December 2004 (2003: HK0.6 cents per share) to shareholders whose names appear on the register of members of the Company on 7 April 2005. Such interim dividend will be satisfied by allotment of new shares of the Company, credited as fully paid, by way of scrip dividend, with an option to the shareholders to receive such dividend (or part thereof) in cash in lieu of such allotment (the “Scrip Dividend Scheme”).

The Scrip Dividend Scheme is subject to the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of a listing of and permission to deal in the shares to be issued pursuant thereto. A circular setting out the details of the Scrip Dividend Scheme together with the form of election will be sent to the shareholders of the Company as soon as practicable.

The relevant certificates for the new shares and dividend warrants will be dispatched to those entitled on or before 8 June 2005.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 31 March 2005 to 7 April 2005, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the above interim dividend and the Scrip Dividend Scheme, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrars in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by no later than 4:00 p.m. on 30 March 2005.

MANAGEMENT DISCUSSION AND ANALYSIS

The global telecommunications industry has shown signs of recovery after several years of stagnant to negative growth. Thanks to our continued investment in product development and prudent financial management, the Group has been able to achieve sustainable earnings growth.

Financial Results

The Group achieved a turnover of HK\$530 million for the six months ended 31 December 2004 (the “Period”), an increase of 14 per cent as compared with HK\$463 million for the six months ended 31 December 2003 (the “Previous Period”). Net profit for the Period was HK\$127 million, an increase of 130 per cent as compared with HK\$55 million for the Previous Period. Basic earnings per share for the Period was HK5.51 cents, more than double that of HK2.49 cents for the Previous Period.