

Management Discussion and Analysis

During the year of 2004, turnover of the Group was approximately HK\$77.0 million as compared to approximately HK\$112.4 million in 2003. The 2003 turnover included approximately HK\$45.9 million resulted from the electronic consumer products business which was disposed of in June 2003. The turnover from the provision of advertising agency services and related conferences and events was increased by 15.8% from approximately HK\$66.5 million to approximately HK\$77.0 million in 2004.

During the year, the Company disposed a subsidiary, which held an exclusive advertising right to a financial newspaper, China Business Post, with a gain on disposal of approximately HK\$30.7 million.

The net profit attributable to shareholders for the year 2004 amounted to approximately HK\$53.1 million, representing an increase of 87.9% from approximately HK\$28.3 million in 2003.

Liquidity and Financial Resources

In November 2003, the Company entered into a transaction to purchase a 60% interest in the registered capital of Beijing Caixun Century InfoTech Co. Ltd. for a cash consideration of approximately HK\$36,723,000 which was completed in March 2004.

During the year, the Company disposed a subsidiary which held an exclusive advertising right to a financial newspaper, China Business Post, at a consideration of HK\$42,154,000 which was satisfied by investments in securities of approximately HK\$13,154,000 and cash consideration of HK\$29,000,000 of which approximately HK\$944,000 was received as at 31st December, 2004.

The Group's daily operating activities were financed by internal sources. As at 31st December, 2004, the Group's equity was approximately HK\$254.2 million (2003: HK\$200.6 million). The Group had no long term debt as at 31st December, 2004 and 2003. The gearing ratio, which was computed by current liabilities over shareholders' fund, was 9.9% (2003: 8.6%).

As at 31st December, 2004, the Group had cash and time deposits amounted to approximately HK\$102.5 million (2003: HK\$47.4 million).

As at 31st December, 2004, the Group had investments in securities of value approximately HK\$26.2 million (2003: HK\$16.6 million).

Contingent Liabilities

The Group and the Company did not have any significant contingent liability as at 31st December, 2004.

Charges on Assets

As at 31st December, 2004, the Group and the Company did not have any charges on assets.

Foreign Currencies and Treasury Policy

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars, United States Dollars or Renminbi. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. During the year, the Group did not have any fixed interest rate borrowings and had not engaged in any financial instruments for hedging or speculative activities.

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Employees

As at 31st December, 2004, the Group had 126 (2003: 110) employees in Hong Kong and the PRC. Salaries, bonuses and benefits were decided in accordance with market conditions and performance of the respective employees.

Share Option Schemes

The shares option scheme of the Company adopted on 3rd December, 1992 was ceased to operate and all outstanding options under this option scheme was cancelled on 30th June, 2003. A new share option scheme was adopted on 26th August, 2002. As at 31st December, 2004, the number of share issuable under share options granted under this new share option scheme was 38,850,000.