

11. Share capital

	No. of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
<i>Authorised:</i>		
At 31 December 2004 and 30 June 2005	1,000,000,000	100,000
<i>Issued and fully paid</i>		
At 31 December 2004 and 30 June 2005	302,100,000	30,210

12. Subsequent events

On 31 August 2005, the Company entered into a loan agreement with a syndicate of banks for a three-year term loan facility amounting to US\$16,000,000 to finance the Company's general working capital requirements.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2005 (1.4.2004 to 30.9.2004: nil).

REVIEW AND OUTLOOK

Financial Review

Performance

During the period, the Group obtained a nationwide distribution right for Nokia's new handset model 6021. This together with other four nationwide distribution models, 7610, 3220, 2600 and N-Gage QD, and other provincial distribution models, 3100 and 2300, enabled the group maintain a high and stable turnover and push its sales to a record high for the period. The total number of handsets sold in the first six months of 1,484,000 sets represents an increase of 21% as compared with that of 1,222,000 sets sold in the six months ended 30 September 2004 and maintained the same momentum as in the last quarter of 2004 of total 741,000 sets per quarter. As most of the above models were launched in the second half of 2004, the strong demand from the market is expected to continue throughout the whole year of 2005. The consolidated turnover for the six months ended 30 June 2005 of HK\$1,541 million represents an increase of approximately 22% as compared with the six months ended 30 September 2004 while, at the same time, the gross profit increased by HK\$3.9 million to HK\$54.6 million.