

### RESULTS

Turnover of the Group for the six months ended 31st December, 2003 was approximately HK\$37,991,000, representing a decrease of 11.8% over the corresponding period in 2002. Loss for the period amounted to approximately HK\$1,559,000.

### INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31st December, 2003.

### BUSINESS REVIEW AND PROSPECTS

The Group is committed to developing a stable and strong revenue base for intellectual technology business as our strategic focus. In order to achieve this strategy, the management tended to increase the turnover through the internal growth and acquisition. On 5th November, 2003, the Group acquired the entire issued shares of Carion Technology Limited (“Carion”) so as to broaden the client’s base and range of computer products. Therefore, during the period under review, the computer trading sales in Hong Kong had a encouraging growth from approximately HK\$24.5million to approximately HK\$34.2million.

Our subsidiary in Shanghai PRC was badly affected by the outbreak of the Severe Acute Respiratory Syndrome. The turnover was sharply decreased to HK\$1.8million, representing a decrease of 86% over the corresponding period in 2002. Thus, it suffered a loss in this period.

The signing of the CEPA between Hong Kong and the Mainland and the relaxation of inbound visitors from selected mainland cities has given Hong Kong a needed boost onto the road of economic recovery towards the end of the interim period. Furthermore, the recovering global economy, favourable investment sentiment, low interest rates and the sharp rebound of the local real estate that sum of these factors will no doubt have a opportunity to develop our business. The Board will continue to look for investments or acquisition to benefit the shareholders’ wealth.

### FINANCIAL HIGHLIGHT

During the period under review, the Group issued 185,000,000 new shares of HK\$0.10 each at a price of HK0.10 per share as a consideration to acquire the entire shares of Carion. As at 31st December 2003, the bank and cash balances were approximately HK\$27,090,000. The current ratio was about 6.9 times with the net current assets amounting to approximately HK\$35,917,000. Basically, its own liquid resources financed all business activities of the Company. The gearing ratio has remained almost at zero for the past two years. The Group has little exposure to foreign exchange fluctuations as most of its assets, receipts and payment are in Hong Kong dollars or Chinese Renminbi. Exchange rates between these currencies were relatively stable during the period under review. At 31st December, 2003, the Group was not liable to any borrowings or guarantees given to any banks or financial institutions. In addition, none of Group’s assets was charged or subject to encumbrance.

### DIRECTOR’S INTERESTS IN SHARES

As at 31st December, 2003 none of the directors or chief executive, or their associates, had any interests in any securities of the Company or any of its associated corporations.

## EMPLOYMENT AND REMUNERATION POLICY

Including the directors of the Group, as at 31st December, 2003, the group employed a total of approximately 27 staff. The Group's remuneration packages are generally structured by reference to market terms and individual merit. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors. During the period under review, no share option were granted or exercised.

## SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2003, the register of substantial shareholders maintained under Section 336 of the Securities and Futures Ordinance showed that, other than the interests disclosed under the section headed "Directors' Interest in Shares" and "Share Options" in respect of certain director, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Name	Number of Shares held	Approximate percentage of issued Share held
Pioneer Wealth Ltd. ( <i>note 1</i> )	269,545,000 Shares	24.27%
Aster Well Ltd. ( <i>note 2</i> )	185,000,000 Shares	16.66%
Zest Zone Ltd. ( <i>note 3</i> )	150,000,000 Shares	13.51%

*Note 1:* The entire share capital of Pioneer Wealth Ltd. is beneficially owned by Ms. Deng Hong.

*Note 2:* The entire share capital of Aster Well Ltd. is beneficially owned by Ms. Guan Mei.

*Note 3:* The entire share capital of Zest Zone Ltd. is beneficially owned by Mr. Hu DianPing.

Other than as disclosed above, the Company has not been notified of any other interests representing 5% or more of the Company's issued share capital as at 31st December, 2003.

## AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. ("the Code"). It comprises the Independent Non-Executive Directors of the Company to review on matters regarding internal controls and financial reporting of the Group.

## PURCHASE, SALE AND REDEMPTION OF SHARES

During the period for the six months ended 31st December, 2003, there was no purchase, sale or redemption of the Shares by the Company or any of its subsidiaries.

### **CODE OF BEST PRACTICE**

None of the Directors is aware of any information that would reasonably indicate that the Company was not in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 31st December, 2003.

### **PUBLICATION OF RESULT OF THE STOCK EXCHANGE**

All information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

On behalf of Board  
**Zhou Liping**  
*Executive Director*

Hong Kong, 17th March, 2004