



Mr Ding Shi Da
Chairman

RESULTS

The Group recorded a profit attributable to shareholders of HK\$56.79 million for the year ended 31st December 2003 with earnings per share of 12.36 cents, an increase of 23.5% from HK\$45.98 million and 10.01 cents per share as compared with 2002.

DIVIDEND

The Directors have resolved to recommend at the forthcoming Annual General Meeting of the Company to be held on 25th June 2004 the payment of a final dividend of 4 cents per share totalling HK\$18,377,146 (2002: Nil) in respect of the year ended 31st December 2003 to those shareholders whose names appear on the Register of Members on 25th June 2004. The proposed dividend, if approved, will be paid on or before 3rd July 2004.

BUSINESS REVIEW

Banking Business

The Group's major investment, a 36.75% interest in Xiamen International Bank, maintained steady growth in its profits during the year. It has attained satisfactory performance in various aspects including business development, asset quality and internal management, and has met its established goal. According to the statutory accounts of Xiamen International Bank prepared in accordance with the accounting standards in the People's Republic of China, a consolidated profit after tax of HK\$116.30 million was recorded for the year ended 31st December 2003, an increase of 1.2% from HK\$114.92 million in 2002. Being a commercial bank with international shareholders, Xiamen International Bank will capitalize on the new opportunities to enhance its efficiencies, set up new branches, initiate new businesses and enhance its capital strength with a view to pursuing stable and healthy long-term development in order to generate favourable returns to the shareholders.

Insurance Business

Min Xin Insurance Company Limited ("MXIC"), the Group's wholly-owned subsidiary, achieved a net profit after tax of HK\$4.82 million for the year ended 31st December 2003, an increase of 34.6% from HK\$3.58 million in 2002. Apart from maintaining its core business in the private car insurance sector, MXIC will strive to explore business opportunities in the commercial vehicle insurance sector in order to maintain its premium and profit growth momentum.

Toll Road Investments

The Group's toll road investment, through its associated company in Maanshan, Anhui Province, continued to operate satisfactorily in 2003 and generated an increase of 11.2% in the toll revenue as compared with last year. It is anticipated that the traffic flow and revenue of this toll road will continue the rising trend in 2004. However, the Group's toll road investment, through its associated company in Fenghua, Zhejiang Province, recorded an impairment loss of about HK\$13.03 million in 2003 due to the adverse effect arising from neighbouring competing routes.

Property Investments

In 2003, the Group's property project in Jinan, Shandong Province achieved prominent growth in its profits and recorded a profit after tax of RMB8.14 million, an increase of 49.6% from RMB5.44 million in 2002. It is expected that this project will continue to contribute a steady return to the Group in 2004.

High-Tech Investments

The Group together with Charm Faith Hi-Tech Limited set up a joint-venture company, Min Faith Investments Limited, of which the Group holds a 40% interest, by investing HK\$16.33 million in Hong Kong in January 2003. The wholly-owned subsidiary of this joint-venture company, Fuzhou Charm Faith Autosystem Co., Ltd., is principally engaged in the manufacturing of digital instruments for industrial auto-control. It has performed remarkably in 2003 and reported a net profit after tax of RMB11.45 million. We envisage promising growth in this investment.

FINANCIAL POSITION

The Group currently maintains a sound financial position. As at 31st December 2003, the Group had current assets and current liabilities of HK\$559.97 million (2002: HK\$549.21 million) and HK\$152.81 million (2002: HK\$152.01 million) respectively with a current ratio of 3.7 (2002: 3.6).

As at 31st December 2002 and 31st December 2003, the Group had no bank borrowings.

As at 31st December 2003, bank deposits of the Group amounted to HK\$478.47 million (2002: HK\$451.69 million) which included deposits of RMB143.05 million (equivalent to HK\$134.71 million) placed with certain banks in Mainland China (2002: RMB117.34 million, equivalent to HK\$110.48 million).

As at 31st December 2003, a subsidiary of the Group in Mainland China has issued guarantees amounting to HK\$13.80 million (2002: HK\$9.45 million) for mortgage loan facilities obtained by certain buyers for purchasing properties from the subsidiary. Such guarantees will be released upon receipt of the title deeds of the properties by the relevant banks.

EMPLOYEES AND REMUNERATION POLICY

As at 31st December 2003, the Group had 85 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to the employees including retirement benefits and medical scheme.

PROSPECTS

In 2004, we will endeavor to enhance the asset value and corporate competitiveness of the Group's existing investments in accordance with our development plan. The Board of Directors believes that with the surplus cash and sound financial position, we have every confidence and capability to capture market opportunities to take on quality investments. In the future, we will continue to look for quality investments actively and seek breakthroughs so as to strengthen the Group's future development. We believe that with the continuous increase in the number of quality investments undertaken in the future, the Group will be able to provide more attractive returns to the shareholders.

APPRECIATION

On behalf of the Board of Directors, I would like to express my appreciation and gratitude to our friends for their support, and to the management and all our staff for their dedicated services and contribution.

Ding Shi Da
Chairman

Hong Kong, 23rd April 2004