

Chairman's Statement

Our fiscal year 2003/2004 started with a severe economic downturn on account of the Sars outbreak, but fortunately, the economy rebounded swiftly and sharply. The Group's financial data services showed improved results during the year thanks to the pick-up of financial markets in the latter part of the year. During the year, we also seized upon the opportunity of improving equity markets in Hong Kong and Taiwan to monetize part of our investment gains from our telecommunications holdings.

RESULTS

Our Group reported a net profit of about HK\$49.2 million or 10.5 cents per share for the fiscal year ended 31st March 2004, as compared to a loss of 8.9 cents per share in the previous year.

FINAL DIVIDENDS

The directors recommend a final dividend of 10 cents per ordinary share totalling HK\$46,688,600 payable on 10th August 2004 to shareholders registered on the Company's Register of Members as at 5th August 2004.

An interim dividend of 1 cent per share has been paid during the year.

BUSINESS REVIEW AND PROSPECTS

Our Group recorded a turnover of HK\$21.9 million for the fiscal year ended 31st March 2004, a rise of 4% as compared to HK\$21.1 million in the previous year. Results for the previous year however included a sum of HK\$1.5 million attributable to a business unit divested in late 2002. Group turnover would have increased by 11.8% after deducting the said HK\$1.5 million from the preceding year's results.

A net profit of about HK\$49.2 million was reported for the year under review, as against a loss of HK\$41.4 million in the preceding year. A large part of the profit for the year was derived from the substantial gains that we made over divestments of some of our long-term telecommunications investments.

During the year, an operating loss of HK\$15.5 million was incurred over the Group's business units and corporate overheads. Provisions of approximately HK\$1.5 million and HK\$1 million were also made over the Group's property holdings and its investment in a Wireless Internet Fund respectively. Disposals of shares in cellular operators Far Eastone and SmartTone however produced net investment gains of about HK\$60.1 million. Incomes from bank interest, share dividends and property rental further contributed HK\$7.1 million to the Group's earnings.

Subsequent to the year-end, our Group further disposed of 2.5 million shares in Far Eastone, realizing an investment gain of approximately HK\$14.9 million, which will be reflected in the accounts for the subsequent period.

As the Group's overseas telecommunications investments are beginning to mature, they will be able to make significant contributions to our earnings in the coming years. Meanwhile, our Group will continue with its search for business opportunities to better utilize its cash resources.