



I am pleased to announce to the shareholders the audited consolidated results of Karl Thomson Holdings Limited (the “Company”), together with its subsidiaries (the “Group”), for the nine months ended 31 December 2004.

The Group recorded an audited net profits for the nine months ended 31 December 2004 of HK\$45,684,000 (1.4.2003 to 31.3.2004: HK\$8,148,000), equivalent to earnings per share of HK9.9 cents (1.4.2003 to 31.3.2004: HK1.8 cents), with the greatest contribution from the acquisition of its new associate company, Asia Tele-Net and Technology Corporation Limited (“ATNT”), a company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), after converting its convertible note into ordinary shares of ATNT during the period. The Group successfully completed a more balanced business profile for healthier growth in the future and has secured incomes from diversified earning bases across the economic and market cycles.

MARKET REVIEW

Fueled by the global cyclical economy recovery, consecutive favorable China policies towards Hong Kong and low interest rate environment, economy in 2004 was resilient and sustained board based advances from the downturn after the outbreak of SARS in 2003. The Closer Economic Partnership Arrangement (the “CEPA”) has broadened tax exemption coverage to more than 1,000 products. The “Individual Travel Scheme” brought tremendous tourist increase and has been extending to include Tianjin and Chongqing to a total of 15 areas in March 2005. GDP growth for 2004 finished impressively at 8.1%, the highest rate in last four years. The total tourist visits hit a historic high of more than 21.81 millions, representing 33% growth over 2002 and 40.4% over the SARS year of 2003. Both hotel occupancy and rents posted a rosy picture with those in Tsimshatsui, Causeway Bay and Wanchai maintaining over 90% occupancy rate. Unemployment rate continued to drop to 6.1% for the period of December 2004 to February 2005 from the peak of 8.5% in 2003 with the total employment already marking a new record of nearly 3.346 million. External trade registered encouraging double-digit growth. Though Composite Price Index, an inflation indicator, still reported a paltry softening of 0.4% for 2004, the trend was already reversed in the second half and gained the first rise of 0.9% in July 2004 since November 1999, ending the 57-month deflation. It is anticipated to maintain a mild inflation in periods ahead. As a result of corresponding asset appreciations particular in property on improving return value and investment confidence, the number of homeowners with negative equity dropped dramatically from the peak of 106,000 in mid-2003 to 19,000 at the end of 2004. Similarly, the number of bankruptcy petitions also slid from 22,000 in 2003 to 12,000 in 2004. More funds were released to the domestic consumptions and investment market.

本人欣然向股東宣佈高信集團控股有限公司(「本公司」)暨附屬公司(「本集團」)截至二零零四年十二月三十一日止九個月之經審核綜合業績。

本集團錄得截至二零零四年十二月三十一日止九個月之經審核溢利45,684,000港元(二零零三年四月一日至二零零四年三月三十一日: 8,148,000港元), 相等於每股盈利9.9港仙(二零零三年四月一日至二零零四年三月三十一日: 1.8港仙), 最大之貢獻來自分佔亞洲聯網科技有限公司(「亞洲聯網」, 一家於香港聯合交易所有限公司(「聯交所」)上市之公司)之投資溢利。於期間內, 本集團轉換亞洲聯網之可換股票據為普通股後, 該公司成為一家新聯營公司。本集團成功實現一個更均衡之業務組合, 以供於未來更穩健地增長, 並從一個多元化之盈利基礎, 於不同經濟及市場周期鞏固收入。

市場回顧

在全球經濟復甦、中國持續推出對香港有利之政策, 及低息環境等之推動下, 二零零四年之經濟繼於二零零三年爆發非典型肺炎延引之衰退局面後呈強勁復甦, 不同環節都錄得增長。更緊密經貿安排放寬稅項豁免拓展至涉及超過1,000種產品。「個人遊計劃」令訪港旅客激增, 及已於二零零五年三月擴大至天津及重慶等十五個地區。二零零四年本港生產總值增長8.1%, 為以往四年來錄得之最高增幅, 成績驕人。訪港旅客數目創新高, 達21,810,000人次, 比二零零二年增長33%, 並比爆發非典型肺炎之二零零三年增長40.4%。酒店在入住率及租金方面前景美好, 尤以尖沙咀、銅鑼灣及灣仔之區域為甚, 入住率一直維持超過90%。失業率從二零零三年之高位8.5%, 持續下跌至二零零四年十二月至二零零五年二月之6.1%, 總就業人數接近3,346,000人, 刷新歷史記錄。對外貿易錄得令人鼓舞之雙位數字增長。雖然通脹指標之一綜合物價指數於二零零四年仍較上一年微跌0.4%, 跌勢於下半年已逆轉, 並於二零零四年七月首次錄得自一九九九年十一月以來之0.9%升幅, 結束長達57個月之通縮期。預計通脹仍會保持溫和增長。由於投資信心改善及物業價格回升, 負資產個案數目大幅下跌, 從二零零三年中高峰之106,000名減至二零零四年底之19,000名。同樣地, 申請破產個案亦由二零零三年之22,000宗減少至二零零四年之12,000宗, 將釋放更多資金流入本地消費及投資市場。



The robust economy performance in 2004 paved a fertile land for a buoyant stock market but the market was not without challenges. The external uncertainties in soaring oil prices, volatile commodities prices, the Chinese austerity program in curbing overheating economy and terror threats before US presidency election did cause some short term market jitters in the middle of the year. The market resumed upturn in the last quarter and closed at near the year high. Hang Seng Index ended at 14,222, about 12.5% over that of last year. Total turnover for 2004 broke historic record at HK\$3,974 billion, exceeding that of 1997 and similar new transaction records were registered in the futures market. Hong Kong topped the most active derivatives market in the world. For the period of the year 2004, it raised a total equity fund of HK\$281.4 billion and ranked the No. 3 greatest fund raising market among the international markets after New York and Spain mainly attributing to the listing of Chinese giant enterprises. It also made another IPO fund raising record of HK\$93 billion in 2004.

OUTLOOK

The Financial Budget in March 2005 marked a positive tone and forecasted a 4.5% GDP growth for 2005 despite the strong gain and higher base in 2004. The resignation of Mr. Tung Chee Hwa from the post of Chief Executive of Hong Kong SAR did not produce any shock to the local economy. In fact, it may provide a honeymoon harmony for the new Chief Executive with higher poll rating to concentrate in economic development. Hong Kong shall maintain its unrivalled position as a financial platform and gateway for China due to the mature and impeccable legal and financial system and geographical proximity to China. The Pan-Pearl River Delta regional development project will be further materialized to help the economic development. The Hong Kong-Zhuhai-Macau Bridge proposal was finalized to construct in the near future and will be submitted for final approval from Beijing. The project will involve a construction value of HK\$20 billion to HK\$30 billion and will be completed by 2011. It will create sizeable jobs opportunities and help to capture tremendous re-export and related business service demand from the Western part of Pearl River in the long run. The Grand Opening of Disney Park in September 2005 coupled with the massive plan of Ocean Park to expand the sightseeing zone and operation scale strengthens Hong Kong as an attractive Asia tourist center and will attract domestic tourists visiting Hong Kong. Rumenbi (RMB) saving in Hong Kong banks is reported to reach 13 billion and the bank operators intend to extend to offer more related services. The conditions of forming a significant international offshore RMB center in Hong Kong is getting more crystallized. Meanwhile, more sizeable Chinese Enterprises are in

二零零四年經濟蓬勃發展，形成股市暢旺之局面，但市場仍面對一些挑戰。油價上升、商品價格波動、中國對過熱經濟採取之宏觀調控措施，以及美國舉行總統選舉前發生恐怖襲擊之威脅等外在不明確因素，於年中對市場造成短暫衝擊。市場於最後一季重拾升軌，二零零四年股市收市更接近全年最高位。恒生指數以14,222點收市，較去年上升約12.5%。二零零四年總成交量刷新歷史記錄，達39,740億港元，超過一九九七年水平，而期貨市場亦錄得類似創新記錄。香港成為全球衍生工具交投最活躍之市場。於二零零四年期間，香港股市集資總額為2,814億港元，於紐約及西班牙後全球排名第三大集資市場，主要歸因於多家大型中國企業上市，而首次公開招股集資額亦刷新記錄，於二零零四年達930億港元。

前景

儘管二零零四年升幅巨大，形成基數亦較大，於二零零五年三月公佈之財政預算案，對二零零五年本港生產總值增長作出4.5%之正面預測。董建華先生辭任香港特區行政長官，未有對本地經濟造成太大的衝擊，而新任行政長官，若能於民意調查中獲得較多支持，將締造和諧融合氣氛，使香港更能專注於經濟發展。由於香港有地理上之優勢，加上法律及經濟體系發展成熟，香港作為中國與國際接軌之融資中心之獨特地位將繼續鞏固及強化。泛珠江三角洲地區發展項目將可幫助香港經濟取得更進一步發展。港珠澳大橋發展方案提交北京作最終審批，短期將會落實興建，該項目涉及200至300億港元之建造合約，預期於二零一一年落成，將會為建築行業帶來大量就業機會，長遠而言更可協助香港取得珠江西部轉口及相關之大商業服務。迪士尼樂園於二零零五年九月正式啟用，加上海洋公園展開大型拓展計劃，增加景點區及擴大營運規模，將會吸引大量旅客訪港，香港作為亞洲具吸引力之旅遊中心將會更加鞏固。據報香港銀行人民幣總存款額已達130億元，預計本地銀行將會擴充提供更多相關服務，香港成為主要國際人民幣離岸中心之條件慢慢成熟。與此同時，更多大型中國企業計劃來香港上市，將會再次觸發投資者對投資股市之興趣。整體經濟復甦，資產持續升值，有助支持股



the pipeline to be listing in Hong Kong and these will rekindle investment interests in the stock market. The continuous asset appreciation reflecting the improvement of overall economy helps to underpin the fundamental value of the stocks and to provide additional liquidity into the investment market. We expect the investment momentum and active stock market to carry on to 2005.

The Group has been striving hard to minimize cost, improve profitability, and enrich product mix over the past few years. Progress of new business is promising. The investment in ATNT was proven to be successful and enables the Group to lock up a solid diversified income. The financial management and advisory services consecutively reported fantastic increases and now acts a growth engine for the pillar financial business. It is further planned to set up and launch online futures trading platform in 2005 and the development is satisfactory within schedule. Having consolidated a comprehensive and intact financial platform for The Greater China Market, the Group is working closely with the Chinese strategic partners to expand the network in China and is actively seeking cooperation with more strategic partners to deepen the penetration in the region. I have confidence on the prospect of the Group and believe that it is now well positioned to achieve reasonable returns and stable growth in periods ahead.

On behalf of the Board
LAM KWOK HING
Chairman
Hong Kong, 26 April 2005

票之基本價值，並為投資市場提供更多流動資金。吾等預計，二零零五年投資資金仍然充裕，而股市交投亦繼續活躍。

本集團於過去幾年一直致力有效控制成本，改善盈利能力，及擴大產品組合，而新業務進展亦令人滿意。對於亞洲聯網之投資，是讓本集團能建立更廣泛之收入來源。財務管理及顧問服務增長合符預期目標，現時成為推動核心金融業務增長之其中動力來源。除此之外，現正進一步計劃於二零零五年設立及推出網上期貨交易平台，而此項目亦順利地取得令人滿意之進展。本集團正與中國策略夥伴緊密合作，擴大於中國之網絡，並積極尋求與更多策略夥伴合作，加強於區內之滲透，繼續於大中華市場整合形成全面及完整之金融平台。本人對本集團之前景充滿信心，並相信現時處於有利地位，於未來期間取得合理回報及穩定增長。

代表董事會
藍國慶
主席
香港，二零零五年四月二十六日