



REXCAPITAL International Holdings Limited

御泰國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

中 期 報 告
Interim Report
2004/2005

The board of directors (the "Board") of REXCAPITAL International Holdings Limited (the "Company") hereby announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2004.

御泰國際控股有限公司(「本公司」)董事會(「董事會」)謹此公佈本公司及其附屬公司(「本集團」)截至二零零四年九月三十日止六個月之未經審核中期業績。

Consolidated Income Statement

for the six months ended 30 September 2004 (Expressed in Hong Kong dollars)

綜合損益表

截至二零零四年九月三十日止六個月(以港幣列示)

		Six months ended 30 September		
		截至九月三十日止六個月		
		2004	2003	
		(Unaudited)	(Unaudited)	
		二零零四年	二零零三年	
		(未經審核)	(未經審核)	
		\$'000	\$'000	
		千元	千元	
	Note 附註			
Turnover	營業額	2	9,026	12,141
Other income, net	其他收入淨額	3	619	72
Unrealized (loss)/gain on trading securities	交易證券之未變現(虧損)/收益		(16,312)	7,388
Cost of trading securities sold	已售交易證券成本		(10,858)	(6,599)
Staff costs	僱員成本		(1,873)	(2,593)
Amortization of goodwill	商譽攤銷		(1,356)	(1,356)
Depreciation	折舊		(1)	(3)
Other operating expenses	其他經營開支		(3,448)	(3,206)
(Loss)/Profit from operations	經營(虧損)/溢利		(24,203)	5,844
Finance costs	融資成本	6(a)	(585)	(1,194)
Non-operating income, net	非經營收入淨額	4	-	633
(Loss)/Profit from ordinary activities before taxation	除稅前日常業務(虧損)/溢利	6	(24,788)	5,283
Taxation	稅項	7	-	(372)
(Loss)/Profit from ordinary activities after taxation	除稅後日常業務(虧損)/溢利		(24,788)	4,911
Minority interests	少數股東權益		-	6
(Loss)/Profit attributable to shareholders	股東應佔(虧損)/溢利		(24,788)	4,917
(Loss)/Earnings per share	每股(虧損)/盈利			
Basic	基本	9(a)	(1.45) cents 仙	0.34 cents 仙
Diluted	攤薄	9(b)	N/A 不適用	0.29 cents 仙

The notes on pages 5 to 19 form part of this interim financial report.

第5至19頁之附註屬本中期財務報告之一部份。

Consolidated Balance Sheet

as at 30 September 2004 (Expressed in Hong Kong dollars)

綜合資產負債表

於二零零四年九月三十日(以港幣列示)

		At 30 September 2004 (Unaudited) 於二零零四年 九月三十日 (未經審核)	At 31 March 2004 (Audited) 於二零零四年 三月三十一日 (經審核)
	Note 附註	\$'000 千元	\$'000 千元
ASSETS AND LIABILITIES			
Non-current assets			
Fixed assets		3	4
Goodwill		49,246	50,602
		<u>49,249</u>	<u>50,606</u>
Current assets			
Trading securities		13,951	39,598
Trade and other receivables	10	382,936	390,613
Tax recoverable		674	674
Cash at banks and in hand		241	1,217
		<u>397,802</u>	<u>432,102</u>
Current liabilities			
Trade and other payables	11	(3,245)	(7,352)
Other loans		(3,311)	(10,073)
Convertible notes		(45,000)	(45,000)
		<u>(51,556)</u>	<u>(62,425)</u>
Net current assets		<u>346,246</u>	<u>369,677</u>
NET ASSETS		<u>395,495</u>	<u>420,283</u>
CAPITAL AND RESERVES			
Share capital		17,094	17,094
Reserves		378,401	403,189
		<u>395,495</u>	<u>420,283</u>

The notes on pages 5 to 19 form part of this interim financial report.

第5至19頁之附註屬本中期財務報告之一部份。

Consolidated Statement of Changes in Equity

for the six months ended 30 September 2004 (Expressed in Hong Kong dollars)

綜合權益變動表

截至二零零四年九月三十日止六個月(以港幣列示)

		Share capital 股本 \$'000 千元	Share premium 股份溢價 \$'000 千元	Contributed surplus 繳納盈餘 \$'000 千元	Accumulated losses 累計虧損 \$'000 千元	Total 總計 \$'000 千元
At 1 April 2003	於二零零三年四月一日	13,079	386,879	596,248	(623,058)	373,148
Issue of shares	發行股份	1,800	15,725	–	–	17,525
Profit for the period	期內溢利	–	–	–	4,917	4,917
At 30 September 2003	於二零零三年九月三十日	<u>14,879</u>	<u>402,604</u>	<u>596,248</u>	<u>(618,141)</u>	<u>395,590</u>
At 1 April 2004	於二零零四年四月一日	17,094	432,125	596,248	(625,184)	420,283
Loss for the period	期內虧損	–	–	–	(24,788)	(24,788)
At 30 September 2004	於二零零四年九月三十日	<u>17,094</u>	<u>432,125</u>	<u>596,248</u>	<u>(649,972)</u>	<u>395,495</u>

The notes on pages 5 to 19 form part of this interim financial report.

第5至19頁之附註屬本中期財務報告之一部份。

Condensed Consolidated Cash Flow Statement

for the six months ended 30 September 2004 (Expressed in Hong Kong dollars)

簡明綜合現金流量表

截至二零零四年九月三十日止六個月(以港幣列示)

		Six months ended 30 September 截至九月三十日止六個月	
		2004 (Unaudited) 二零零四年 (未經審核) \$'000 千元	2003 (Unaudited) 二零零三年 (未經審核) \$'000 千元
Net cash generated from/(used in) operating activities	經營業務所得／(所用) 現金淨額	7,520	(29,822)
Net cash generated from investing activities	投資活動所得 現金淨額	-	50,000
Net cash (used in)/generated from financing activities	融資活動(所用)／所得 現金淨額	<u>(8,496)</u>	<u>6,837</u>
(Decrease)/Increase in cash and cash equivalents	現金及現金等價物之 (減少)／增加	(976)	27,015
Cash and cash equivalents at 1 April	於四月一日之現金及 現金等價物	<u>1,217</u>	<u>8,097</u>
Cash and cash equivalents at 30 September	於九月三十日之現金及 現金等價物	<u>241</u>	<u>35,112</u>
Analysis of the balances of cash and cash equivalents	現金及現金等價物 結餘之分析		
Cash at banks and in hand	銀行及手頭現金	<u>241</u>	<u>35,112</u>

The notes on pages 5 to 19 form part of this interim financial report.

第5至19頁之附註屬本中期財務報告之一部份。

Notes on the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註

(以港幣列示)

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim financial report is unaudited, but has been reviewed by the Company's Audit Committee. The unaudited interim financial report has been prepared in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), including compliance with Statement of Standard Accounting Practice 25 (Revised) "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The interim financial report is prepared under the historical cost convention as modified by the revaluation of trading securities at fair value.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual accounts for the year ended 31 March 2004.

2 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Turnover represents the aggregate of servicing fees receivable from the provision of investment advisory and capital market advisory services, proceeds from sales of trading securities and interest income from money lending business for the period.

For the period ended 30 September 2003, turnover also included servicing fees receivable from the provision of telecommunications and technology-related services. This segment is classified as discontinued operation for the period ended 30 September 2004.

Business segments

The Group comprises the following main business segments:

Continuing operation: –

Strategic investments and capital market activities:

- Participation in primary and secondary securities market and provision of capital market advisory services

Financing:

- Provision of commercial and personal loans

Discontinued operation: –

Telecommunications and technology-related services:

- Provision of telecommunications and technology-related services

1 編製基準及會計政策

本中期財務報告乃未經審核，但已由本公司之審核委員會審閱。未經審核中期財務報告乃根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）之規定編製，並符合香港會計師公會所頒佈之會計實務準則第25號（經修訂）「中期財務報告」之規定。

除交易證券按公允價值重估列賬外，本中期財務報告乃按歷史成本規定編製。

編製本中期財務報告所採納之會計政策與編製本集團截至二零零四年三月三十一日止年度全年賬目所採納之會計政策一致。

2 分部呈報

分部資料按本集團之業務及經營地區分佈劃分。由於與本集團內部財務申報制度較為符合，故此選擇以業務分部資料為本集團之主要呈報方式。

營業額指期內提供投資顧問及資本市場顧問服務之應收服務費、交易證券之銷售收益及貸款業務之利息收入之總額。

截至二零零三年九月三十日止期間，營業額亦包括提供電訊及科技相關服務之應收服務費。有關分部於截至二零零四年九月三十日止期間已被列為已終止經營業務。

業務分部

本集團之主要業務分部如下：

持續經營業務：–

策略性投資及資本市場活動：

- 參與主要及次要證券市場與提供資本市場顧問服務

融資：

- 提供商業及個人貸款

已終止經營業務：–

電訊及科技相關服務：

- 提供電訊及科技相關服務

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

2 SEGMENT REPORTING (continued)

2 分部呈報 (續)

Business segments (continued)

業務分部 (續)

	Continuing 持續				Discontinued 已終止				Consolidated		
	Strategic investments and capital market activities 策略性投資及 資本市場活動		Financing 融資		Telecommunications and technology- related services 電訊及科技 相關服務		Unallocated 未分配 數額		綜合		
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	
	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	
Six months ended 30 September (unaudited)	截至九月三十日止六個月 (未經審核)										
Revenue from external customers	來自外界客戶之收入	7,502	12,139	1,524	-	-	2	-	-	9,026	12,141
Segment result	分部業績	(24,384)	7,687	1,522	-	-	(40)	-	-	(22,862)	7,647
Unallocated operating income and expenses	未分配經營收入 及費用									(1,341)	(1,803)
(Loss)/Profit from operations	經營(虧損)/溢利								(24,203)	5,844	
Finance costs	融資成本								(585)	(1,194)	
Non-operating income, net	非經營收入淨額	-	-	-	-	-	-	633	-	633	
(Loss)/Profit from ordinary activities before taxation	除稅前日常業務 (虧損)/溢利								(24,788)	5,283	
Taxation	稅項								-	(372)	
(Loss)/Profit from ordinary activities after taxation	除稅後日常業務 (虧損)/溢利								(24,788)	4,911	
Minority interests	少數股東權益								-	6	
(Loss)/Profit attributable to shareholders	股東應佔(虧損)/溢利								(24,788)	4,917	
Depreciation and amortization for the period	期內折舊及攤銷	1	-	-	-	-	3	-	-	1	3

The Group did not have any inter-segment sales during either period.

本集團於兩個期間均無分部業務間之銷售。

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

2 SEGMENT REPORTING (continued)

Geographical segments

The Group participates in two principal economic environments: Hong Kong and other areas of China.

In presenting information on the basis of geographical segments, segment revenue is based on the country where the contract is signed or the order is placed.

2 分部呈報 (續)

地區分部

本集團在兩個主要經濟地區經營，即香港及中國其他地區。

在呈列地區分部資料時，分部收入是以簽定合約或作出指示之國家為計算基準。

	Hong Kong 香港		Other areas of China 中國其他地區		Consolidated 綜合	
	2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元	2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元	2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元
Six months ended 30 September (unaudited)	截至九月三十日止 六個月 (未經審核)					
Revenue from external customers	1,844	5,836	7,182	6,305	9,026	12,141
Segment result	(1,856)	1,622	(21,006)	6,025	(22,862)	7,647

3 OTHER INCOME, NET

3 其他收入淨額

		Six months ended 30 September 截至九月三十日止六個月	
		2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元
Reversal of bad debt provision	壞賬撥備撥回	233	—
Others	其他	386	72
		619	72

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

4 NON-OPERATING INCOME, NET

4 非經營收入淨額

		Six months ended 30 September	
		截至九月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		\$'000	\$'000
		千元	千元
Gain on disposal of subsidiaries	出售附屬公司之收益	-	10
Gain on disposal of discontinued operation (Note 5)	出售已終止經營業務之收益 (附註5)	-	623
		<u>-</u>	<u>633</u>

5 DISCONTINUED OPERATION

5 已終止經營業務

On 18 July 2003, the Group entered into an agreement with an independent third party for the disposal of a 12.5% equity interest in REXCAPITAL Infrastructure Limited, an intermediate holding company investing in the fibre-optic network, at a cash consideration of \$50,000,000. This transaction was completed on 31 July 2003. The Group recorded a gain of \$623,000 on this transaction.

於二零零三年七月十八日，本集團與獨立第三方就出售 REXCAPITAL Infrastructure Limited (為一家投資於光纖網絡之中介控股公司) 12.5% 股權訂立協議，代價為現金 50,000,000 元。此交易於二零零三年七月三十一日完成。本集團就此交易錄得 623,000 元收益。

On 29 October 2003, the Group entered into a sale and purchase agreement with another independent third party pursuant to which the Group shall dispose of its entire remaining interest in REXCAPITAL Infrastructure Limited at a cash consideration of \$350,000,000. This transaction was completed on 31 January 2004, which constituted the discontinuance of the Group's telecommunications and technology-related operations. The Group recorded a gain of \$4,346,000 on this transaction.

於二零零三年十月二十九日，本集團與另一名獨立第三方訂立買賣協議，據此，本集團以現金代價 350,000,000 元出售其於 REXCAPITAL Infrastructure Limited 之全部餘下權益，此交易於二零零四年一月三十一日完成，本集團之電訊及科技相關業務隨此而終止。本集團就此交易錄得 4,346,000 元收益。

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

5 DISCONTINUED OPERATION (continued)

The telecommunications and technology-related segment is reported in the financial statements for the six months ended 30 September 2003 as a discontinuing operation. The sales, results, cash flows and net assets of that segment were as follows:

		Six months ended 30 September 2003 截至二零零三年 九月三十日止六個月 \$'000 千元
Turnover	營業額	2
Operating expenses	經營開支	(42)
Loss from operations	經營虧損	(40)
Finance costs	融資成本	-
Loss from ordinary activities before taxation	除稅前日常業務虧損	(40)
Taxation	稅項	-
Loss from ordinary activities after taxation	除稅後日常業務虧損	(40)

		Six months ended 30 September 2003 截至二零零三年 九月三十日止六個月 \$'000 千元
Net cash used in operating activities	經營業務所用之現金淨額	(75)
Total cash outflows	現金流出總額	(75)

		At 30 September 2003 於二零零三年九月三十日 \$'000 千元
Total assets	資產總值	395,022
Total liabilities	負債總值	(6,618)
Net assets	資產淨值	388,404

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

6 (LOSS)/PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/Profit from ordinary activities before taxation is arrived at after charging:

6 除稅前日常業務(虧損)/溢利

除稅前日常業務(虧損)/溢利已扣除:

		Six months ended 30 September 截至九月三十日止六個月	
		2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元
(a) Finance costs:	(a) 融資成本:		
Interest on bank loans and overdrafts and other loans repayable within five years	須於五年內償還之銀行貸款及透支與其他貸款之利息	585	1,194
		<u>585</u>	<u>1,194</u>
(b) Other items:	(b) 其他項目:		
Contributions to defined contribution plan	設定提存計劃供款	51	74
Bad debts provision	壞賬撥備	1,285	233
Operating lease charges in respect of properties	物業之經營租賃費用	291	496
Depreciation	折舊	1	3
		<u>1</u>	<u>3</u>

7 TAXATION

7 稅項

		Six months ended 30 September 截至九月三十日止六個月	
		2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元
Current tax	現行稅項		
Hong Kong profits tax	香港利得稅	-	372
		<u>-</u>	<u>372</u>

Notes on the Unaudited Interim Financial Report *(continued)*

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

7 TAXATION *(continued)*

No provision for Hong Kong profits tax has been made in the financial statements as the Group either sustained a loss for taxation purposes or did not earn any assessable income for the period ended 30 September 2004. Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profit for the period ended 30 September 2003.

No provision for overseas taxation has been made as there is no assessable profit for overseas tax purpose for both periods.

As at 30 September 2004, the Group had potential net deferred tax asset principally resulting from estimated tax losses. The potential net deferred tax asset has not been recognized in the financial statements, as it is uncertain that these tax losses could be utilized in the foreseeable future.

8 DIVIDEND

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2004 (2003: \$Nil).

9 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the Group's loss attributable to shareholders of \$24,788,000 (2003: profit of \$4,917,000) and the weighted average number of ordinary shares of 1,709,399,471 shares (2003: 1,447,544,000 shares) in issue during the six months ended 30 September 2004.

7 稅項 (續)

由於截至二零零四年九月三十日止期間，本集團在計算稅項方面錄得虧損或並無賺取任何應課稅收入，因此並無於財務報表中就香港利得稅作出撥備。香港利得稅乃按稅率17.5%就截至二零零三年九月三十日止期間之估計應課稅溢利作出撥備。

由於上述兩段期間內概無海外稅項之應課稅溢利，因此並無就海外稅項作出撥備。

於二零零四年九月三十日，本集團之潛在遞延稅項資產淨值主要產生自估計稅務虧損。由於不能確定是否可於可見將來動用該等稅務虧損，故潛在遞延稅項資產淨值並未於財務報表確認。

8 股息

本公司董事（「董事」）並不建議派發截至二零零四年九月三十日止六個月之中期股息（二零零三年：零元）。

9 每股（虧損）／盈利

(a) 每股基本（虧損）／盈利

每股基本（虧損）／盈利乃根據本集團截至二零零四年九月三十日止六個月之股東應佔虧損24,788,000元（二零零三年：溢利4,917,000元）及已發行普通股之加權平均數1,709,399,471股（二零零三年：1,447,544,000股）計算。

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

9 (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted (loss)/earnings per share

Diluted loss per share for the period ended 30 September 2004 is not presented because the effect of all potential ordinary shares is anti-dilutive.

The calculation of diluted earnings per share for 2003 is based on the Group's adjusted profit attributable to shareholders of \$5,714,000 and the weighted average number of ordinary shares of 2,004,445,000 shares after adjusting for the effects of all potential dilutive ordinary shares for the six months ended 30 September 2003.

(c) Reconciliation for diluted earnings per share

9 每股(虧損)/盈利(續)

(b) 每股攤薄(虧損)/盈利

由於所有普通股具有潛在反攤薄影響，因此並無呈列截至二零零四年九月三十日止期間之每股攤薄虧損。

二零零三年度每股攤薄盈利乃根據本集團於截至二零零三年九月三十日止六個月之經調整股東應佔溢利5,714,000元及就所有具潛在攤薄影響之普通股作出調整後之普通股加權平均數2,004,445,000股計算。

(c) 每股攤薄盈利之調節表

		Six months ended 30 September 2003 截至二零零三年 九月三十日止六個月 \$'000 千元
Profit attributable to shareholders used in calculating basic earnings per share	用作計算每股基本盈利之股東應佔溢利	4,917
Deemed interest expense saved as a result of the conversion of potential dilutive ordinary shares	因兌換具潛在攤薄影響普通股而視為減省之利息開支	797
Profit attributable to shareholders used in calculating diluted earnings per share	用作計算每股攤薄盈利之股東應佔溢利	<u>5,714</u>
		Six months ended 30 September 2003 截至二零零三年 九月三十日止六個月 Number of shares 股份數目 '000 千股
Weighted average number of ordinary shares used in calculating basic earnings per share	用作計算每股基本盈利之普通股加權平均數	1,447,544
Deemed issue of ordinary shares for no consideration	被視為無償發行之普通股	556,901
Weighted average number of ordinary shares used in calculating diluted earnings per share	用作計算每股攤薄盈利之普通股加權平均數	<u>2,004,445</u>

Notes on the Unaudited Interim Financial Report *(continued)*

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

10 TRADE AND OTHER RECEIVABLES

An aging analysis of trade receivables (net of specific allowances for bad and doubtful debts) included in trade and other receivables is as follows:

		At 30 September 2004 於二零零四年 九月三十日	At 31 March 2004 於二零零四年 三月三十一日
	Note 附註	\$'000 千元	\$'000 千元
Within 3 months	三個月內	18,419	37,829
More than 3 months but less than 1 year	多於三個月 但於一年內	14,089	1,468
Total trade receivables	應收賬款總額	(a) 32,508	39,297
Deposits, prepayments and other receivables	訂金、預付款及 其他應收款	(b), (c) 350,428	351,316
		382,936	390,613

Notes:

- (a) The credit terms granted to customers by the Group are generally not more than 30 days.
- (b) All of the deposits, prepayments and other receivables are expected to be recovered within one year.
- (c) As at 31 March 2004, included in other receivables is a receivable from a broker, in which two executive Directors are common directors and beneficial shareholders, of \$1,205,000 (30 September 2004: \$Nil). The trading terms are similar to the terms granted by other unrelated brokers and the settlement term is two days after the trade date.

10 應收賬款及其他應收款

包括於應收賬款及其他應收款中之應收賬款(已扣除呆壞賬特別撥備)之賬齡分析如下:

	At 30 September 2004 於二零零四年 九月三十日	At 31 March 2004 於二零零四年 三月三十一日
	Note 附註	\$'000 千元
Within 3 months		37,829
More than 3 months but less than 1 year		1,468
Total trade receivables	(a)	39,297
Deposits, prepayments and other receivables	(b), (c)	351,316
		390,613

附註:

- (a) 本集團授予客戶之信貸期一般不超過30日。
- (b) 所有訂金、預付款及其他應收款預期將於1年內收回。
- (c) 於二零零四年三月三十一日，其他應收款中包括來自一家經紀商之應收款1,205,000元(二零零四年九月三十日：零元)，兩名執行董事同時為該經紀商之董事及實益股東。交易條款與其他無關連經紀商授出之條款類似，結算期為交易日後兩日。

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

11 TRADE AND OTHER PAYABLES

An aging analysis of trade payables included in trade and other payables is as follows:

Within 3 months	三個月內
Other payables and accrued charges	其他應付款及應計費用

All the trade and other payables are expected to be settled within one year.

11 應付賬款及其他應付款

包括於應付賬款及其他應付款中之應付賬款之賬齡分析如下：

	At 30 September 2004 於二零零四年 九月三十日 \$'000 千元	At 31 March 2004 於二零零四年 三月三十一日 \$'000 千元
	3	–
	3,242	7,352
	<u>3,245</u>	<u>7,352</u>

所有應付賬款及其他應付款預期可於1年內償清。

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

12 COMMITMENTS

(a) Commitment under operating lease

At 30 September 2004, the total future minimum lease payments under a non-cancellable lease relating to a property are payable as follows:

	At 30 September 2004 於二零零四年 九月三十日 \$'000 千元	At 31 March 2004 於二零零四年 三月三十一日 \$'000 千元
Within 1 year	136	285

The Group leases a property under an operating lease. The lease runs for an initial period of 6 months, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect the market rentals. The lease does not include contingent rentals.

(b) Investment commitment

On 12 January 2004, REXCAPITAL Group Limited, a direct wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with REXCAPITAL Financial Holdings Limited to purchase the entire issued share capital of REXCAPITAL Financial Group Limited ("RFG") at an aggregate cash consideration of \$229,000,000, subject to adjustment with reference to the unaudited consolidated net asset value of RFG and its subsidiaries as at the determination date in accordance with the terms of the sales and purchase agreement. This transaction has not been completed up to the date of this report.

12 承擔

(a) 經營租賃承擔

於二零零四年九月三十日，本集團根據不可解除之經營租賃就日後應付的最低租賃付款總額如下：

	At 30 September 2004 於二零零四年 九月三十日 \$'000 千元	At 31 March 2004 於二零零四年 三月三十一日 \$'000 千元
Within 1 year	136	285

本集團按經營租賃租用一項物業。租期初步定為6個月，並可於重新商討條款時續約。租賃款項一般會逐年調整以反映市場租金。租賃中並無包括或有租金。

(b) 投資承擔

於二零零四年一月十二日，由本公司直接全資擁有之附屬公司REXCAPITAL Group Limited與御泰金融控股有限公司訂立有條件買賣協議，以總現金代價229,000,000元購買REXCAPITAL Financial Group Limited ("RFG")之全部已發行股本，惟代價須按買賣協議之條款根據RFG及其附屬公司於釐定日期之未經審核綜合資產淨值而調整。截至本報告日期，此項交易尚未完成。

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

13 OUTSTANDING LITIGATION

Significant litigation outstanding as at 30 September 2004 and up to the date of this interim financial report is summarized as follows:

On 21 September 1999, a former director of the Company, Mr Wong Chong Shan, commenced proceedings in the High Court against the Company claiming a sum of \$5,000,000. Mr Wong Chong Shan alleged that he paid the said sum on the Company's behalf in August 1997 to a third party as deposit and that the Company failed to make repayment to him. The Directors have considered the matter and are of the opinion that since no positive steps have been taken by Mr Wong Chong Shan to proceed with the action since June 2000, it is not necessary at this stage to make a provision in the financial statements for these proceedings.

14 RELATED PARTY TRANSACTIONS

Particulars of related party transactions are as follows:

13 尚未完結之訴訟

於二零零四年九月三十日及截至本中期財務報告日期為止之尚未完結重大訴訟概述如下:

於一九九九年九月二十一日,本公司之前任董事黃創山先生於高等法院提出向本公司索償合共5,000,000元。黃創山先生宣稱於一九九七年八月代表本公司向第三方支付該等款項作為按金,惟本公司並未向其償還該款項。董事經考慮有關事宜後,認為由於黃創山先生自二零零零年六月後並無就有關訴訟採取任何行動,故認為在現階段毋須就此於財務報表中作出撥備。

14 關連人士交易

關連人士交易詳情如下:

		Six months ended 30 September 截至九月三十日止六個月	
		2004 二零零四年	2003 二零零三年
		\$'000 千元	\$'000 千元
Note 附註			
Advisory fee income	顧問費用收入	(a) -	900
Secondment fee income	借調費用收入	(b) 383	-
Interest expense	利息開支		
- other loans, unsecured	- 其他貸款(無抵押)	(c) -	92
- other loan, secured	- 其他貸款(有抵押)	(d) -	161
- convertible notes	- 可換股票據	(e) 451	622
		451	875
Commission	佣金	(f) 7	43
Operating lease charges in respect of properties	物業之 經營租賃費用	(g) 291	489

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

14 RELATED PARTY TRANSACTIONS (continued)

Particulars of material balances with related parties are as follows:

			At 30 September 2004 於二零零四年 九月三十日	At 31 March 2004 於二零零四年 三月三十一日
		Note 附註	\$'000 千元	\$'000 千元
Trade receivable	應收賬款	(d)	-	1,205
Convertible notes	可換股票據	(e)	45,000	45,000
Convertible notes interest payable	應付可換股票據利息	(e)	268	1,417

Notes:

(a) During the six months ended 30 September 2003, advisory fee income was received from a related company with reference to the market rates (2004: \$Nil).

(b) During the six months ended 30 September 2004, secondment fee income was received from a related company as certain staff members employed by the Group were seconded to provide services to the related company (2003: \$Nil).

(c) During the six months ended 30 September 2003, short-term loans were advanced to the Group by certain related companies (the "Lenders"). The loans due to the Lenders are unsecured, interest bearing at prime rate plus 3% per annum and have no fixed repayment terms.

Interest expense paid to the Lenders for the six months ended 30 September 2003 amounted to \$92,000 (2004: \$Nil).

(d) During the six months ended 30 September 2003, a short-term loan was advanced to the Group by a related company. The loan due to this related company is interest bearing at prime rate plus 3% per annum and secured by certain equity securities listed in Hong Kong with market value of \$21,210,000.

Interest expense payable to this related company for the six months ended 30 September 2003 amounted to \$161,000 (2004: \$Nil).

14 關連人士交易 (續)

與關連人士之重大結餘詳情如下:

			At 30 September 2004 於二零零四年 九月三十日	At 31 March 2004 於二零零四年 三月三十一日
		Note 附註	\$'000 千元	\$'000 千元
Trade receivable	應收賬款	(d)	-	1,205
Convertible notes	可換股票據	(e)	45,000	45,000
Convertible notes interest payable	應付可換股票據利息	(e)	268	1,417

附註:

(a) 截至二零零三年九月三十日止六個月，顧問費用收入乃經參考市價後向一家關連公司收取 (二零零四年: 零元)。

(b) 截至二零零四年九月三十日止六個月，借調費用收入乃向一家關連公司收取，原因是本集團聘用之若干員工獲借調以提供服務予該關連公司 (二零零三年: 零元)。

(c) 截至二零零三年九月三十日止六個月，若干關連公司 (「借款人」) 向本集團借出短期貸款。應償還借款人之貸款為無抵押、年利率按最優惠利率加3厘計息，且無固定還款期。

截至二零零三年九月三十日止六個月，支付予借款人之利息開支為92,000元 (二零零四年: 零元)。

(d) 截至二零零三年九月三十日止六個月，一家關連公司向本集團借出短期貸款。欠負該關連公司之貸款之年利率乃按最優惠利率加3厘計息，並以市價為21,210,000元之若干於香港上市之股本證券作為擔保。

截至二零零三年九月三十日止六個月，應付予該關連公司之利息開支為161,000元 (二零零四年: 零元)。

Notes on the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

14 RELATED PARTY TRANSACTIONS (continued)

Credit facilities of \$5 million were granted to the Group by this related company as at 30 September 2004 (31 March 2004: \$5,000,000).

The Group had no trade receivable with that related company arising from trading of securities (31 March 2004: \$1,205,000).

- (e) In 2002, convertible notes bearing interest at a fixed rate of 2% per annum payable bi-annually were issued to a related company.

Interest expense payable to this related company for the six months ended 30 September 2004 amounted to \$451,000 (2003: \$622,000).

Interest expense payable to this related company as at 30 September 2004 was \$268,000 (31 March 2004: \$1,417,000), which has been included in "other payables and accrued charges" of note 11.

- (f) During the period ended 30 September 2004, trading securities were bought and sold through a related company (the "Broker Firm"). The purchases and sales of trading securities through the Broker Firm for the six months ended 30 September 2004, excluding any commission expense, amounted to \$540,000 (2003: \$4,066,000) and \$1,488,000 (2003: \$6,193,000) respectively.

Commission expense incurred in respect of the sales and purchases of trading securities amounted to \$7,000 for the six months ended 30 September 2004 (2003: \$43,000).

- (g) During the six months ended 30 September 2004, operating lease charges of \$291,000 (2003: \$489,000) were paid to a related company for the use of office premises.

An executive Director is a director of the related companies referred to in notes (a) to (c), (e) and (g) and a beneficial shareholder of the related companies referred to in notes (a) to (g).

Another executive Director is a director of the related companies in notes (a) to (g). This Director is also a beneficial shareholder of the related companies in notes (a) and (e) and a beneficial shareholder of two of the related companies in note (c).

15 PLEDGE OF ASSETS

As at 30 September 2004, trading securities with market value of \$5,622,000 have been pledged to secure other loans granted to the Group (31 March 2004: \$28,989,000).

14 關連人士交易 (續)

於二零零四年九月三十日，該關連公司給予本集團之信貸額為5,000,000元(二零零四年三月三十一日：5,000,000元)。

本集團與該關連公司並無因證券交易而產生之應收賬款(二零零四年三月三十一日：1,205,000元)。

- (e) 於二零零二年，本公司向一家關連公司發行每半年按固定年利率2厘支付利息之可換股票據。

截至二零零四年九月三十日止六個月，應付予該關連公司之利息費用為451,000元(二零零三年：622,000元)。

於二零零四年九月三十日，應付予該關連公司之利息費用為268,000元(二零零四年三月三十一日：1,417,000元)，並已計入附註11「其他應付款及應計費用」內。

- (f) 截至二零零四年九月三十日止期間，本集團透過一家關連公司(「經紀行」)買賣交易證券。截至二零零四年九月三十日止六個月，不包括佣金開支在內，透過經紀行出售及購買交易證券之數額分別為540,000元(二零零三年：4,066,000元)及1,488,000元(二零零三年：6,193,000元)。

截至二零零四年九月三十日止六個月，買賣交易證券所產生之佣金開支為7,000元(二零零三年：43,000元)。

- (g) 截至二零零四年九月三十日止六個月，就使用辦公室物業而應付予一家關連公司之經營租賃費用為291,000元(二零零三年：489,000元)。

一名執行董事為附註(a)至(c)、(e)及(g)所述關連公司之董事及附註(a)至(g)所述關連公司之實益股東。

另一名執行董事為附註(a)至(g)所述關連公司之董事。該董事亦為附註(a)及(e)所述關連公司之實益股東及附註(c)所述其中兩家關連公司之實益股東。

15 資產抵押

於二零零四年九月三十日，市值約5,622,000元之交易證券已作抵押，以獲取授予本集團之其他貸款(二零零四年三月三十一日：28,989,000元)。

Notes on the Unaudited Interim Financial Report *(continued)*

(Expressed in Hong Kong dollars)

未經審核中期財務報告附註 (續)

(以港幣列示)

16 POST BALANCE SHEET EVENTS

- (a) On 13 December 2002, the Company issued the 2% convertible notes (the "2% Notes") of \$80,000,000 to a related company. The 2% Notes bear interest at a fixed rate of 2% per annum payable semi-annually in arrears on 30 June and 31 December and mature on 13 December 2004.

Subsequent to 30 September 2004, the conversion rights of the 2% Notes in the aggregate amount of \$25,000,000 were exercised and 617,582,417 ordinary shares of the Company of \$0.01 each were allotted and issued to the relevant noteholders at prices ranging from \$0.039 to \$0.042 per share. The outstanding 2% Notes in the principal amount of \$20,000,000 which were not converted became due for redemption on 13 December 2004. As at the date of this report, \$10,370,000 has been repaid and the outstanding balance remains as non-interest bearing loan repayable on demand.

- (b) A placing of 340,000,000 new ordinary shares of the Company of \$0.01 each was taken place on 5 November 2004. The net proceeds of the placing were approximately \$13 million. The placing shares were fully placed with investors.

16 結算日後事項

- (a) 於二零零二年十二月十三日，本公司發行80,000,000元之2厘可換股票據（「2厘票據」）予一關連公司。2厘票據按固定年利率2厘計息，利息每半年（即六月三十日及十二月三十一日）繳付一次，並於二零零四年十二月十三日到期。

於二零零四年九月三十日後，總金額25,000,000元之2厘票據之換股權獲行使，617,582,417股每股0.01元之本公司普通股乃按介乎每股0.039元至0.042元之價格配發及發行予有關票據持有人。本金額為20,000,000元之尚未兌換2厘票據已於二零零四年十二月十三日到期贖回。截至本報告日期，已償還10,370,000元，而未償還結餘則繼續為按要求償還之免息貸款。

- (b) 於二零零四年十一月五日，本公司配售340,000,000股每股0.01元之新普通股。配售所得款項淨額約為13,000,000元。配售股份已全數配售予投資者。

BUSINESS REVIEW AND PROSPECTS

During the period under review, the Group, supported by its expertise and track record, focused on its core businesses of strategic investments and capital markets in Asia by participating in primary and secondary securities markets and providing capital market advisory services. Increasing uncertainties within the overseas investment environment dampened investor confidence, however, which in turn adversely affected the Group's operating results.

Strategic Investments and Capital Market Activities

During the period under review, renewed fears over terrorist attacks, heightened tension in the Middle East and rising concern over interest-rate hikes and high oil prices led to a downtrend in major overseas stock markets. This volatile environment affected the performance of the Group's securities investments, and resulted in corporate finance revenue slowing down for the first half of the financial year.

Financing Business

The Group has commenced to engage in the provision of financing services to commercial and personal customers in early 2004 and the operating result was encouraging. For the period under review, turnover from this business accounted for 17% of the total turnover of the Group. In view of the gradual rebound of the Hong Kong economy, the revival of various corporate and investment activities represents a growth of financial needs for the participants, which in turn will lead to an ample supply of business opportunities to our Group. We will continue to adopt a prudent and conservative financing policy and a strict control on the risk level to protect the interests of our shareholders.

業務回顧及展望

於回顧期內，本集團憑藉其專業知識及優秀的往績表現，專注發展策略性投資及亞洲資本市場的核心業務，積極參與主要及次要證券市場活動，並且為資本市場提供顧問服務。然而，海外投資環境的不明朗因素日增，削弱了投資者的信心，打擊本集團的經營業績。

策略性投資及資本市場業務

於回顧期內，由於面對恐怖襲擊重臨之危機，中東局勢愈趨緊張，加上市場憂慮加息及油價高企，令主要海外股票市場表現下滑。外圍市況不穩影響本集團的證券投資表現，並引致財政年度內的上半年，來自企業融資的收入減少。

融資業務

二零零四年初，本集團開始為商業及個人客戶提供融資服務，經營業績令人鼓舞。於回顧期內，融資業務的營業額佔本集團總營業額17%。鑒於香港經濟逐漸復甦，各項企業及投資活動再度活躍，參與者對資金的需求亦隨之增加，繼而為本集團帶來大量商機。我們會繼續採取謹慎保守的融資政策，並嚴格控制風險水平，以保障股東的利益。

Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

Placing of New Shares

In November 2004, the Group completed the placement of 340 million new shares to independent investors, at HK\$0.04 per share, raising net proceeds of approximately HK\$13 million that will be used for general working capital and future investments. We were delighted with the overwhelming positive response from independent investors to this placement, which is a reflection of the financial market's confidence in the Group's investment value and growth potential. The placement will not only broaden the Group's shareholder base but also boost the liquidity of our shares. By utilizing net proceeds from the placement, we will be able to enhance our operating efficiency and expand business further, thereby creating greater returns for shareholders.

Looking Ahead

The group is confident of a much brighter future, given the more diversified structure in the stock market of Hong Kong. With the gradual rebound of the Hong Kong economy, as of September, new listings have nearly matched last year's pace. For the nine months ended 30 September 2004, there were 32 newly listed companies on the Main Board, representing 70% of the total number of newly listed companies in 2003, and 20 newly listed companies on the GEM Board, accounting for 74% of the total number of newly listed companies in 2003.

In particular, the listing of mainland companies has widened the breadth of the Hong Kong stock market. As of the end of June 2004, there were 177 mainland stocks listed in Hong Kong with a market capitalization of HK\$1,538.4 billion, representing 27.7% of total capitalization. Turnover of mainland stocks totalled HK\$1,594.9 billion for the 12 months ending June 2004, representing 42.1% of the total turnover. With the growing importance of Hong Kong as an international financial centre for China, the Group believes there will be numerous opportunities for the capital market activities as well as financial and corporate advisory sector. We will build on our strong corporate brand name, financial strength and professionalism to serve the capital market and financing needs of our customers.

配售新股

二零零四年十一月，本集團完成向獨立投資者配售340,000,000股新股份，每股作價0.04港元，集資所得款項淨額約為13,000,000港元，將會作一般營運資金及未來投資之用。我們喜見此次配股得到獨立投資者的大力支持，充份反映金融市場對本集團的投資價值及增長潛力信心十足。此舉有利本集團擴大股東基礎，增加股份流通量，我們更可運用配售所得款項淨額進一步提升營運效益及擴展業務，為股東創造更豐厚的回報。

展望未來

鑒於香港的股票市場結構趨向多元化，本集團對前景充滿信心。香港經濟逐漸復甦令二零零四年截至九月份止的新股上市數目已貼近去年水平。截至二零零四年九月三十日止九個月，主板共有32家新上市公司，佔二零零三年全年新上市公司數目的70%，而創業板則有20家新上市公司，佔二零零三年全年新上市公司數目的74%。

國內公司來港上市亦拓闊了香港股票市場的廣度。截至二零零四年六月底，共有177家中資股在港上市，市值15,384億港元，佔總市值27.7%。截至二零零四年六月止十二個月，中資股的成交額合共15,949億港元，佔總成交額42.1%。香港作為中國境內的國際金融中心，重要性日益提高，本集團深信資本市場活動、融資及企業顧問服務所帶來的商機龐大。我們勢將善用其強大企業品牌效應、財務實力及專業知識，應付資本市場及客戶的財務需要。

FINANCIAL REVIEW

Results

For the six months ended 30 September 2004, the Group recorded a turnover of HK\$9,026,000 (2003: HK\$12,141,000). Loss attributable to shareholders was HK\$24,788,000 (2003: profit of HK\$4,917,000). The basic loss per share was 1.45 cents (2003: earnings of 0.34 cents) and the diluted earnings per share for 2003 was 0.29 cents (2004: not applicable).

The Group's staff costs and other operating expenses decreased by 8% to HK\$5,321,000 for the review period in comparison with last year (2003: HK\$5,799,000). Finance costs of the Group for the six months period ended 30 September 2004 was HK\$585,000 representing a decrease of 51% from the corresponding period in last year. The decrease was mainly due to repayment of loans.

Liquidity, Financial Resources and Funding

At 30 September 2004, the Group had net current assets of HK\$346,246,000 (31 March 2004: HK\$369,677,000).

At 30 September 2004, the Group had a total of HK\$241,000 in cash and cash equivalents (31 March 2004: HK\$1,217,000). Most of the cash reserves were placed in Hong Kong dollar short-term deposits with major banks in Hong Kong.

Net cash generated from operating activities for the six months ended 30 September 2004 was HK\$7,520,000 as compared to a net cash outflow of HK\$29,822,000 for the six months ended 30 September 2003. The increase was mainly explained by the increase in trading securities selling during this period and decrease in loan receivables from the Group's financing business. Net cash inflow from investing activities for the six months ended 30 September 2003 was HK\$50,000,000 (2004: \$Nil). The cash inflow from investing activities during that period represented the proceed received from disposal of a 12.5% interest in a subsidiary.

As at 30 September 2004, the Group had outstanding secured loans of HK\$3,311,000 (31 March 2004: HK\$10,073,000). The loans were denominated in Hong Kong dollars and interest bearing at prevailing commercial lending rates. These loans were used to finance the Group's operations.

財務回顧

業績

截至二零零四年九月三十日止六個月，本集團錄得營業額為9,026,000港元（二零零三年：12,141,000港元），股東應佔虧損為24,788,000港元（二零零三年：溢利4,917,000港元）。每股基本虧損為1.45仙（二零零三年：盈利0.34仙），而二零零三年之每股攤薄盈利為0.29仙（二零零四年：不適用）。

本集團於回顧期間之僱員成本及其他經營開支與去年相比下降8%至5,321,000港元（二零零三年：5,799,000港元）。本集團截至二零零四年九月三十日止六個月之融資成本為585,000港元，較上年度同期減少51%。融資成本減少，主要是由於償還貸款所致。

流動資金、財務資源及資金

於二零零四年九月三十日，本集團之流動資產淨值為346,246,000港元（二零零四年三月三十一日：369,677,000港元）。

於二零零四年九月三十日，本集團之現金及現金等價物共為241,000港元（二零零四年三月三十一日：1,217,000港元）。大部份現金儲備存放於香港主要銀行作港元短期銀行存款。

截至二零零四年九月三十日止六個月之經營業務所得現金淨額為7,520,000港元，而截至二零零三年九月三十日止六個月之現金流出淨額為29,822,000港元。此增幅主要是由於期內增加出售交易證券及本集團之融資業務應收賬款減少所致。截至二零零三年九月三十日止六個月之投資業務現金流入淨額為50,000,000港元（二零零四年：零港元）。該期間之投資業務現金流入為出售一家附屬公司12.5%權益之所得款項。

於二零零四年九月三十日，本集團之未償還有抵押貸款為3,311,000港元（二零零四年三月三十一日：10,073,000港元）。該等貸款以港元為單位，並按現行商業借貸利率計息，用作本集團營運資金。

Management Discussion and Analysis *(continued)* 管理層討論及分析 *(續)*

The gearing ratio of the Group decreased to 12% as at 30 September 2004 from 13% as at 31 March 2004 (it is derived by dividing the aggregate amount of bank borrowings, convertible notes and other borrowings by the amount of shareholders' equity). The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 772% (31 March 2004: 692%), reflecting adequacy of financial resources.

The indebtedness of the Group decreased by 12% from HK\$55,073,000 as at 31 March 2004 to HK\$48,311,000 as at 30 September 2004. Of the total debts outstanding as at 30 September 2004, all of them are due within one year (31 March 2004: all of them are due within one year). During the period, the Group continued to maintain most of its borrowings on an unsecured basis.

Taking into account the financial resources available to the Group including internally generated funds and available facilities, the Group has sufficient working capital to meet its present requirements.

Funding Strategy and Foreign Exchange Exposure

To manage the risk associated with an uncertain market environment, the Group pursues a funding strategy of using equity as far as possible to finance long-term investments.

The Group's exposure to a very limit level of exchange risk as the business transactions of the Group are mainly denominated in Hong Kong dollars.

Share Capital Structure

There was no change in the share capital structure of the Company during the period under review.

Material Acquisition and Disposal of Subsidiaries

There was no material acquisition and disposal of subsidiaries during the period under review.

本集團之負債比率(將銀行貸款、可換股票據及其他借貸總額除以股東權益)由二零零四年三月三十一日之13%下降至二零零四年九月三十日之12%。本集團之流動資金比率(乃指流動資產相對流動負債之比率)為772%(二零零四年三月三十一日:692%)，反映財務資源充裕。

本集團之債務由二零零四年三月三十一日之55,073,000港元減少12%至二零零四年九月三十日之48,311,000港元。於二零零四年九月三十日之未償還債項總額中，全部均須於一年內償還(二零零四年三月三十一日：全部須於一年內償還)。本集團於期內繼續維持大部份借貸為無抵押借貸。

經計及本集團可動用之財務資源，包括內部產生之資金及可動用信貸，本集團有充裕之營運資金滿足目前需要。

融資政策及外匯風險

為管理與不明朗市況相關之風險，本集團採納之融資政策乃盡量以股本作為長期投資資金。

由於本集團業務交易主要以港元進行，本集團面對之外匯風險非常有限。

股本架構

於回顧期內，本公司之股本架構並無變動。

重大收購及出售附屬公司

本集團於回顧期間並無重大收購及出售附屬公司。

Capital Commitment

On January 2004, the Group entered into a conditional sale and purchase agreement with REXCAPITAL Financial Holdings Limited regarding the acquisition of the entire issued share capital of REXCAPITAL Financial Group Limited ("RFG") at a consideration of HK\$229,000,000 (31 March 2004: HK\$229,000,000) subject to adjustment with reference to the unaudited consolidated net asset value of RFG and its subsidiaries (together the "RFG Group") as at determination date in accordance with the terms of the sales and purchase agreement. The RFG Group is principally engaged in the provision of financial services including broking, securities margin financing and asset management. This transaction has not been completed up to the date of this report.

Charges on the Group's Assets

As at 30 September 2004, the Group's trading security with market value of HK\$5,622,000 have been pledged to secure other loans granted to its subsidiary (31 March 2004: HK\$28,989,000).

Contingent Liabilities

As at 30 September 2004, the Group had no material contingent liabilities (31 March 2004: HK\$Nil).

Human Resources

As at 30 September 2004, the Group had 11 full time employees.

The Group remunerated its employees mainly based on the individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share option may be granted to eligible employees by reference to the Group's performance as well as individual's performance.

資本承擔

於二零零四年一月，本集團與御泰金融控股有限公司簽訂有條件買賣協議，收購REXCAPITAL Financial Group Limited（「RFG」）全部已發行股本，代價為229,000,000港元（二零零四年三月三十一日：229,000,000港元），惟須按照買賣協議之條款根據RFG及其附屬公司（統稱「RFG集團」）於釐定日期之未經審核綜合資產淨值而調整。RFG集團主要業務為提供金融服務，包括經紀業務、證券孖展融資服務以及資產管理。截至本報告日期，此項交易尚未完成。

本集團之資產抵押

於二零零四年九月三十日，本集團市值5,622,000港元之交易證券已作抵押，以獲取授予其附屬公司之其他貸款（二零零四年三月三十一日：28,989,000港元）。

或然負債

於二零零四年九月三十日，本集團並無任何重大或然負債（二零零四年三月三十一日：零港元）。

人力資源

於二零零四年九月三十日，本集團共有11名全職僱員。

本集團主要按個別員工之表現及經驗釐定員工薪酬。除基本薪酬外，本集團亦會按本集團業績及個別員工之表現向合資格僱員發放不定額花紅及購股權。

Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 September 2004, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(i) Long Position in the ordinary shares of HK\$0.01 each ("Shares") in the Company

Name of Director 董事姓名	Number of Shares 股份數目	Type of interest 權益類別	Percentage of issued share capital 佔已發行股本百分比
Chan How Chung, Victor ("Mr Chan") 陳孝聰 (「陳先生」)	509,573,483 (Note) (附註)	Interest in controlled corporations 受控制公司權益	29.81%

Note: Of the 509,573,483 Shares beneficially owned by Mr Chan, 258,052,510 and 360,000 Shares were held by Mega Market Assets Limited and Sino Success Development Corp. respectively, both of which were wholly-owned by Mr Chan. The remaining 234,393,973 and 16,767,000 Shares were held by RPI Holdings Limited and REXCAPITAL International Limited respectively, both of which were owned as to 75% by Mr Chan. By virtue of the SFO, Mr Chan was taken to be interested in these 509,573,483 Shares.

董事及主要行政人員之權益

於二零零四年九月三十日，董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例352條須記錄於本公司備存之登記冊，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉如下：

(i) 於本公司每股面值0.01港元之普通股（「股份」）之好倉

附註：由陳先生實益擁有之509,573,483股股份中，其中258,052,510股及360,000股股份分別由陳先生全資擁有之Mega Market Assets Limited及Sino Success Development Corp. 持有。其餘234,393,973股及16,767,000股股份則分別由陳先生各擁有75%權益之RPI Holdings Limited及REXCAPITAL International Limited持有。根據證券及期貨條例，陳先生被視為於上述509,573,483股股份中擁有權益。

(ii) Long Position in the 2% Notes

Name of Director 董事姓名	Amount of the outstanding 2% Notes held (HK\$) 所持尚未贖回2厘票據之金額 (港元)	Nature of interest 權益類別
Mr Chan 陳先生	45,000,000 (Note) (附註)	Interests in a controlled corporation 受控制公司權益

Note: These 2% Notes were held by RPI Holdings Limited. Mr Chan was taken to be interested in the 2% Notes by virtue of his beneficial interest in 75% of the entire issued share capital of RPI Holdings Limited.

(ii) 於2厘票據之好倉

附註：該等2厘票據由RPI Holdings Limited 持有。由於陳先生實益擁有RPI Holdings Limited 全部已發行股本75%之權益，因此，陳先生被視為於2厘票據中擁有權益。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

Save as disclosed above, as at 30 September 2004, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The movements in the share options granted under the share option scheme adopted by the Company on 29 July 2002 (the "Scheme") during the six months ended 30 September 2004 are shown below:

Category of participant	Number of options 購股權數目				At 30 September 2004 於二零零四年 九月三十日	Date of grant of options 購股權 授出日期	Exercise price per share 每股行使價 (HK\$) (港元)	Exercisable period 可行使期間
	At 1 April 2004 於二零零四年 四月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Other eligible participants 其他合資格 參與人士	32,234,012	-	-	(16,117,006)	16,117,006	2/1/2004	0.16	2/1/2004 - 1/1/2014
	-	85,469,970	-	-	85,469,970	27/9/2004	0.0448	27/9/2004 - 26/9/2014
Total 總數	32,234,012	85,469,970	-	(16,117,006)	101,586,976			

At 30 September 2004, no Director had any interests in options to subscribe for Shares. During the six months ended 30 September 2004, 85,469,970 number of share options were granted under the Scheme. The closing price of the Shares immediately before the date on which the options were granted during the period was HK\$0.045. The Directors do not consider it as appropriate to disclose a theoretical value of the share options granted during the period because in the absence of a readily available market value of the share options on the Shares, any calculation of the value of options ascertained on various theoretical bases and subjective assumptions will not be meaningful and may be misleading to shareholders in some circumstances.

除上文披露者外，於二零零四年九月三十日，董事或本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記錄於本公司備存之登記冊，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

購股權

於截至二零零四年九月三十日止六個月，就本公司於二零零二年七月二十九日採納之購股權計劃（「該計劃」）所授出購股權之變動如下：

於二零零四年九月三十日，概無董事於可認購股份之購股權中擁有任何權益。截至二零零四年九月三十日止六個月期間，在該計劃下授出之購股權為85,469,970份。緊接於期內授出購股權日期前之交易日股份之收市價為0.045港元。由於涉及股份之購股權並無可供參考之市值，根據多項理論性基準及主觀假設計算之購股權價值將無意義及可能誤導股東，故此，董事認為披露於期內所授出購股權之理論價值並不恰當。

Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

SHARE OPTIONS *(continued)*

Subsequent to 30 September 2004, 85,469,970 number of options granted during the period were exercised by the option holders and 85,400,000 number of new options were granted to certain eligible participants.

SHAREHOLDINGS OF OTHER SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 30 September 2004, the interests or short positions of the following party (other than a Director or chief executives of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long Position in the Shares

Name of shareholder 股東名稱	Number of Shares 股份數目	Type of interest 權益類別	Percentage of issued share capital 佔已發行股本百分比
TKR Finance Limited (in liquidation) 鼎康御泰財務有限公司(清盤中)	628,074,794 (Note) (附註)	Security interests 保證權益	36.74%

Note: The Company received a copy of the disclosure of interests form filed pursuant to the SFO by the provisional liquidator of TKR Finance Limited claiming its security interests in 628,074,794 Shares. The Company was informed that the number of Shares it was interested was subject to verification.

Save as disclosed above, the register required to be kept under Section 336 of the SFO shows that as at 30 September 2004, the Company had not been notified of any other person who had an interest or short position in the Shares or underlying shares of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2004.

購股權 *(續)*

於二零零四年九月三十日後，期內已授出之85,469,970份購股權已獲購股權持有人行使，此外共有新購股權85,400,000份獲授予若干合資格參與者。

須予披露權益之其他股東股權

於二零零四年九月三十日，下列人士(董事或本公司主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定須記錄於本公司備存之登記冊之權益或淡倉如下：

於股份之好倉

附註：本公司接獲鼎康御泰財務有限公司之臨時清盤人根據證券及期貨條例存檔之披露權益文本，指稱其於628,074,794股股份中擁有保證權益。本公司得悉，其擁有權益之股份數目尚待核實。

除上述披露者外，於二零零四年九月三十日，根據證券及期貨條例第336條規定須備存之登記冊，本公司並無接獲其他任何人士擁有本公司之股份或相關股份中之權益或淡倉之通知。

購買、出售或贖回本公司上市證券

本公司及其附屬公司於截至二零零四年九月三十日止六個月，概無購買、出售或贖回本公司任何上市證券。

AUDIT COMMITTEE

The audit committee comprises the three independent non-executive Directors. The audit committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim account for the six months ended 30 September 2004.

CODE OF BEST PRACTICE

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the six months ended 30 September 2004, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, except that two independent non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's bye-laws.

By order of the Board

Chan How Chung, Victor

Chairman

Hong Kong, 30 December 2004

審核委員會

審核委員會由三名獨立非執行董事組成。審核委員會已審閱及與管理層討論本集團採納之會計原則及慣例，並已就內部監控及財務報告事宜進行討論，包括審閱截至二零零四年九月三十日止六個月之未經審核中期賬目。

最佳應用守則

董事概不知悉任何資料合理顯示，本公司於截至二零零四年九月三十日止六個月期間之任何時間並無或曾無遵守上市規則附錄14所載之最佳應用守則，惟兩名獨立非執行董事並無特定任期，而須按本公司細則之規定於本公司股東週年大會上輪值告退。

承董事會命

主席

陳孝聰

香港，二零零四年十二月三十日