



REXCAPITAL Financial Holdings Limited
御泰金融控股有限公司

(Incorporated in Bermuda with limited liability) (Stock Code: 555)
(於百慕達註冊成立之有限公司) (股份代號：555)

2006

INTERIM REPORT 中期報告



Condensed Consolidated Income Statement

For the six months ended 30 June 2006

簡明綜合收益表

截至二零零六年六月三十日止六個月

The board of directors (the "Board") of REXCAPITAL Financial Holdings Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2006 together with the unaudited comparative figures for the corresponding period in 2005 as follows:

御泰金融控股有限公司（「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」）截至二零零六年六月三十日止六個月之未經審核綜合中期業績連同二零零五年同期之未經審核比較數字如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Turnover	營業額	27,944	25,447
Other income	其他收入	691	746
Fair value gain/(loss) on financial assets at fair value through profit and loss, net	通過損益按公允價值計量之金融資產之收益／(虧損) 淨額	15,610	(9,418)
Write-back of impairment losses on recovery of bad debts previously provided	收回以往已撥備之壞賬之減值虧損撥回	13,225	-
Cost of trading of listed securities	上市證券交易成本	(1,852)	-
Commission expenses	佣金開支	(1,445)	(3,755)
Depreciation	折舊	(771)	(957)
Impairment losses for bad and doubtful debts	呆壞賬減值虧損	(1,652)	(12,541)
Staff costs	僱員成本	(8,647)	(9,562)
Other operating expenses	其他經營開支	(12,689)	(13,931)
Operating profit/(loss)	經營溢利／(虧損)	30,414	(23,971)
Finance costs	融資成本	(8,905)	(5,451)
Profit/(loss) before taxation	除稅前溢利／(虧損)	21,509	(29,422)
Taxation	稅項	(1,279)	-
Profit/(loss) for the period	期內溢利／(虧損)	20,230	(29,422)
Dividend	股息	-	-
Earnings/(loss) per share	每股盈利／(虧損)		
Basic	基本	0.61 cents 仙	(0.98) cents 仙
Diluted	攤薄	0.59 cents 仙	N/A 不適用

Condensed Consolidated Balance Sheet

At 30 June 2006

簡明綜合資產負債表

於二零零六年六月三十日

			At 30 June 2006 於二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2005 於二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
NON CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備		2,681	3,452
Other non-current assets	其他非流動資產		2,264	3,820
Deferred tax asset	遞延稅項資產		6,330	7,609
			11,275	14,881
CURRENT ASSETS	流動資產			
Trade receivables	應收貿易賬款	8	357,652	291,018
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款		32,625	2,264
Financial assets at fair value through profit or loss	通過損益按公允價值計量之金融資產		27,216	13,382
Profits tax refundable	應退利得稅		842	790
Bank balances and cash	銀行結餘及現金	9	156,085	27,182
			574,420	334,636
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	10	23,612	24,563
Other payables and accruals	其他應付賬款及應計費用		97,312	4,802
Short term bank loan, secured	短期銀行貸款，有抵押		2,000	1,000
Bank overdrafts, secured	銀行透支，有抵押		202,893	204,580
			325,817	234,945
NET CURRENT ASSETS	流動資產淨值		248,603	99,691
NET ASSETS	資產淨值		259,878	114,572
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	11	36,560	30,000
Reserves	儲備		223,318	84,572
			259,878	114,572

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2006

簡明綜合權益變動表

截至二零零六年六月三十日止六個月

		Share capital	Share premium	Capital reserve	Retained profits/ (accumulated losses)	Special reserve	Total
		股本	股份溢價	資本儲備	保留溢利/ (累計虧損)	特別儲備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2004	於二零零四年 十二月三十一日	30,000	-	-	15,962	112,270	158,232
Loss for the period	期內虧損	-	-	-	(29,422)	-	(29,422)
At 30 June 2005	於二零零五年六月三十日	30,000	-	-	(13,460)	112,270	128,810
At 31 December 2005	於二零零五年 十二月三十一日	30,000	-	7,040	(34,738)	112,270	114,572
Profit for the period	期內溢利	-	-	-	20,230	-	20,230
Share issued on placing and subscription	配售及認購時發行 之股份	6,000	114,000	-	-	-	120,000
Share issued expenses	發行股份開支	-	(1,932)	-	-	-	(1,932)
Exercise of share options	行使購股權	560	6,448	-	-	-	7,008
At 30 June 2006	於二零零六年六月三十日	36,560	118,516	7,040	(14,508)	112,270	259,878

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2006

簡明綜合現金流量表

截至二零零六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Net cash generated from operating activities	經營活動所得現金淨額	11,407	38,435
Net cash used in investing activities	投資活動所用現金淨額	-	(493)
Net cash generated from financing activities	融資活動所得現金淨額		
Proceed from issue of shares, net of expenses	扣除開支後發行股份所得款項	118,068	-
Proceed from exercise of share options	行使購股權所得款項	7,008	-
Proceed from short term bank loan raised	短期銀行貸款所得款項	1,000	-
Increase in cash and cash equivalents	現金及現金等價物增加	137,483	37,942
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	(199,559)	(196,093)
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	(62,076)	(158,151)
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances – general accounts	銀行結餘—一般賬戶	140,791	18,516
Cash in hand	手頭現金	26	98
Bank overdrafts	銀行透支	(202,893)	(176,765)
		(62,076)	(158,151)

Notes to the Unaudited Condensed Interim Financial Report

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註

截至二零零六年六月三十日止六個月

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and are in compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation adopted in the preparation of these unaudited condensed consolidated interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2005, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs"), which contain amendments mandatory for annual periods beginning on or after 1 January 2006.

HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts

The adoption of the above HKFRS has no material impact on the Group's results of operations for the current period or financial position at 30 June 2006.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is principally organized into five main operating divisions, namely broking, securities margin financing, corporate finance and asset management, money lending and investment trading and holding. These divisions are the basis on which the Group reports its primary segment information. There are no sales or other transactions between segments during the current and prior periods.

1. 編製基準及會計政策

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之適用披露規定及香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。

編製此等未經審核簡明綜合中期財務報表所採納之會計政策及計算方法與截至二零零五年十二月三十一日止年度之全年財務報表所使用者一致，惟採用以下經修訂之香港財務報告準則（「香港財務報告準則」），載有於二零零六年一月一日或之後開始之年度期間強制採納之修訂）除外。

香港會計準則 第39號（修訂）	選擇以公允價值 入賬
香港會計準則 第39號（修訂） 及香港財務報告 準則第4號（修訂）	財務擔保合約

採納上述香港財務報告準則對本集團本期間之經營業績或於二零零六年六月三十日之財務狀況並無重大影響。

2. 業務及地區分部

本集團基本上分為五個主要營業分部，計有經紀業務、證券孖展融資、企業融資與資產管理、貸款以及投資買賣及控股。本集團根據該等分類呈報主要分部資料。於期內及過往期間分部之間並無進行銷售或其他交易。

Notes to the Unaudited Condensed Interim Financial Report (continued)

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

An analysis of the Group's unaudited turnover and segmental results for the period by principal activities are as follows:

Business segments

For the six months ended 30 June 2006

		Money lending 貸款		Investment trading and holding 投資買賣及控股		Broking 經紀業務		Securities margin financing 證券孖展融資		Corporate finance and asset management 企業融資與資產管理		Total 總計	
		2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)
REVENUE	收益												
Turnover	營業額	8,924	7,634	9,575	64	3,393	9,307	5,549	7,675	503	767	27,944	25,447
RESULTS	業績												
Segment profit/(loss)	分部溢利/(虧損)	807	3,914	22,121	(9,398)	191	(13,892)	3,369	(8,533)	(468)	(746)	26,020	(28,655)
Net unallocated expenses	未分類開支淨額											(4,511)	(767)
Profit/(loss) before taxation	除稅前溢利/(虧損)											21,509	(29,422)
Taxation	稅項											(1,279)	-
Profit/(loss) for the period	期內溢利/(虧損)											20,230	(29,422)

As over 90% of the Group's turnover and profit/(loss) before taxation are derived from Hong Kong, no analysis of geographical segments has been disclosed in the condensed consolidated financial statements.

2. 業務及地區分部 (續)

以下為本集團於期內根據其主要業務對未經審核營業額及分部業績作出之分析:

業務分部

截至二零零六年六月三十日止六個月

由於本集團90%以上營業額及除稅前溢利/(虧損)均來自香港,故並無於簡明綜合財務報表披露地區分部之分析。

Notes to the Unaudited Condensed Interim Financial Report *(continued)*

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

3. TURNOVER

Revenue from the following activities has been included in turnover:

3. 營業額

以下業務所得收益已計入營業額：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Commission income and handling fee income	佣金收入及手續費收入	3,393	9,307
Interest income from	來自以下各項之利息收入		
Bank	銀行	1,148	64
Margin clients	孖展客戶	5,549	7,675
Loan receivables	應收貸款	8,924	7,634
Sales of trading listed securities	出售上市證券	8,427	-
Asset management and advisory fee income	資產管理及顧問費收入	503	767
		<u>27,944</u>	<u>25,447</u>

Notes to the Unaudited Condensed Interim Financial Report (continued)

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

4. OPERATING PROFIT/(LOSS) BEFORE TAX

The Group's operating profit/(loss) is stated after charging the following:

Auditors' remuneration	核數師酬金
Operating lease rentals in respect of office premises and warehouse	辦公室物業及倉庫之經營租賃租金

4. 除稅前之經營溢利／(虧損)

本集團之經營溢利／(虧損)呈列前已扣除以下各項：

Six months ended
30 June
截至六月三十日止六個月

2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
204	124
2,768	2,611

5. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2005: Nil) on the estimated assessable profits for the six months ended 30 June 2006.

5. 稅項

香港利得稅乃根據截至二零零六年六月三十日止六個月估計應課稅溢利按17.5%之稅率(二零零五年:無)作出撥備。

Six months ended
30 June
截至六月三十日止六個月

	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Current tax		
Hong Kong profits tax	1,279	-

Notes to the Unaudited Condensed Interim Financial Report (continued)

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註(續)

截至二零零六年六月三十日止六個月

6. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2006 (2005: HK\$ Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings per share are based on the profit attributable to equity holders of the Company of HK\$20,230,000 (2005: loss of HK\$29,422,000).

- (a) The basic earnings per share is based on the weighted average number of 3,305,773,000 (2005: 3,000,000,000) ordinary shares in issue during the six months ended 30 June 2006.
- (b) The diluted earnings per share for the six months ended 30 June 2006 is based on 3,438,191,000 (2005: N/A) ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average number of 132,418,000 ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

8. TRADE RECEIVABLES

6. 股息

董事會並不建議派付截至二零零六年六月三十日止六個月之中期股息(二零零五年:零港元)。

7. 每股盈利/(虧損)

每股基本及攤薄盈利乃按本公司權益持有人應佔溢利20,230,000港元(二零零五年:虧損29,422,000港元)計算。

- (a) 每股基本盈利乃根據截至二零零六年六月三十日止六個月已發行普通股之加權平均數3,305,773,000股(二零零五年:3,000,000,000股)計算。
- (b) 截至二零零六年六月三十日止六個月之每股攤薄盈利乃根據3,438,191,000股(二零零五年:不適用)普通股(即期內已發行普通股之加權平均數),另加將於所有尚未行使購股權獲行使時被視為無償發行之132,418,000股普通股之加權平均數計算。

8. 應收貿易賬款

		At 30 June 2006 於二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2005 於二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Margin client receivables, net	應收孖展客戶款項淨額	23,534	43,745
Other client receivables, net	應收其他客戶款項淨額	9,997	4,465
Broker receivables	應收經紀款項	517	387
Amounts due from clearing houses	應收結算所款項	1,460	805
Loan receivables, net	應收貸款淨額	311,744	234,097
Loan interest receivables, net	應收貸款利息淨額	10,400	7,519
		<u>357,652</u>	<u>291,018</u>

Notes to the Unaudited Condensed Interim Financial Report (continued)

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

8. TRADE RECEIVABLES (continued)

Margin client receivables are repayable on demand, bear interest at prevailing market rates and are secured by clients' securities listed on the Stock Exchange of Hong Kong Limited (the "SEHK") with a market value of approximately HK\$69,882,000 as at 30 June 2006 (31 December 2005: HK\$94,305,000). No aged analysis is disclosed for margin client receivables as, in the opinion of the directors of the Company (the "Directors"), the aged analysis does not give additional value in view of the nature of business of securities margin financing.

The settlement terms of other client receivables, broker receivables and amounts due from clearing houses are one to two days after the trade date. The age of these balances is within 30 days.

Included in the above client receivables as at 31 December 2005 are the accounts of associates of a Director of approximately HK\$8,788,000 (30 June 2006: HK\$Nil). The amounts due from the associates are of similar trading terms as the other clients. The balance was fully repaid during the period.

Included in the above loan receivables as at 30 June 2006 is the account of a company which is in liquidation of approximately HK\$2,640,000 (31 December 2005: HK\$2,640,000). The loan was secured by listed securities in Hong Kong which has a market value well above the outstanding balance as at 30 June 2006.

8. 應收貿易賬款 (續)

應收孖展客戶款項須於要求時償還，按當時市場利率計息，並以香港聯合交易所有限公司（「聯交所」）上市之客戶證券作為抵押，該等證券於二零零六年六月三十日之市值約69,882,000港元（二零零五年十二月三十一日：94,305,000港元）。由於本公司董事（「董事」）認為就證券孖展融資業務性質而言，賬齡分析意義不大，因此並無披露應收孖展客戶款項之賬齡分析資料。

應收其他客戶款項、應收經紀款項及應收結算所款項之結算條款為交易日後一至兩天。此等結餘之賬齡為30天內。

上述於二零零五年十二月三十一日之應收客戶款項包括應收一名董事之聯繫人士之貸款約8,788,000港元（二零零六年六月三十日：零港元）。應收聯繫人士之款項所適用之交易條款與其他客戶相若。該款項已於期內悉數償還。

上述於二零零六年六月三十日之應收貸款包括應收一家正進行清盤之公司之貸款約2,640,000港元（二零零五年十二月三十一日：2,640,000港元）。該等貸款以香港上市證券作為抵押，其市值高於二零零六年六月三十日之尚未償還餘額。

Notes to the Unaudited Condensed Interim Financial Report *(continued)*

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

8. TRADE RECEIVABLES *(continued)*

The remaining maturity of loan receivables as at 30 June 2006 is as follows:

Three months or less	三個月或以內
One year or less but over three months	一年以內但 三個月以上
Over one year	一年以上

8. 應收貿易賬款 (續)

於二零零六年六月三十日，應收貸款之尚餘到期日如下：

	At 30 June 2006 於二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2005 於二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	196,872	124,090
	112,232	110,007
	2,640	–
	<u>311,744</u>	<u>234,097</u>

9. BANK BALANCES AND CASH

Bank balances	銀行結餘
– general accounts	– 一般賬戶
– segregated accounts	– 獨立賬戶
Cash in hand	手頭現金

9. 銀行結餘及現金

	At 30 June 2006 於二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2005 於二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	140,791	4,995
	15,268	22,161
	26	26
	<u>156,085</u>	<u>27,182</u>

Notes to the Unaudited Condensed Interim Financial Report (continued)

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

10. TRADE PAYABLES

Margin client payables	應付孖展客戶款項
Other client payables	應付其他客戶款項

Margin client payables and other client payables are repayable on demand and bear interest at prevailing market rates. No aged analysis is disclosed for margin client payables and other client payables as, in the opinion of the Directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing and broking.

The settlement terms of broker payables are one or two days after the trade date. The age of these balances is within 30 days.

10. 應付貿易賬款

At 30 June 2006 於二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2005 於二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
3,432	6,056
20,180	18,507
23,612	24,563

應付孖展客戶款項及應付其他客戶款項於要求時償還，並按當時市場利率計息。由於董事認為就證券孖展融資業務及經紀業務性質而言，賬齡分析意義不大，因此並無披露應付孖展客戶款項及應付其他客戶款項之賬齡分析資料。

應付經紀款項之結算條款為交易日後一或兩天。此等結餘之賬齡為30天內。

Notes to the Unaudited Condensed Interim Financial Report (continued)

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註(續)

截至二零零六年六月三十日止六個月

11. SHARE CAPITAL

Authorized:

		Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
		Number of shares 股份數目	HK\$ 港元
At 31 December 2005 and at 30 June 2006	於二零零五年十二月三十一日及 於二零零六年六月三十日	20,000,000,000	200,000,000

Issued and fully paid:

		Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
		Number of shares 股份數目	HK\$ 港元
At 31 December 2004 and at 31 December 2005	於二零零四年十二月三十一日及 於二零零五年十二月三十一日	3,000,000,000	30,000,000
Placing and subscription (note (a))	配售及認購(附註(a))	600,000,000	6,000,000
Exercise of share options (note (b))	行使購股權(附註(b))	56,000,000	560,000
At 30 June 2006	於二零零六年六月三十日	3,656,000,000	36,560,000

Notes:

- (a) During the period, the Company issued 600,000,000 new shares of HK\$0.01 each at a price of HK\$0.2 per share pursuant to a subscription agreement dated 23 March 2006. Details of which are set out in the circular of the Company dated 12 June 2006.
- (b) 56,000,000 new shares of HK\$0.01 each were issued and allotted during the period upon exercise of share options granted by the Company.

12. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to comply with the new and revised HKFRSs' requirements and conform to the current period's presentation.

11. 股本

法定:

		Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
		Number of shares 股份數目	HK\$ 港元
At 31 December 2005 and at 30 June 2006	於二零零五年十二月三十一日及 於二零零六年六月三十日	20,000,000,000	200,000,000

已發行及繳足:

		Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
		Number of shares 股份數目	HK\$ 港元
At 31 December 2004 and at 31 December 2005	於二零零四年十二月三十一日及 於二零零五年十二月三十一日	3,000,000,000	30,000,000
Placing and subscription (note (a))	配售及認購(附註(a))	600,000,000	6,000,000
Exercise of share options (note (b))	行使購股權(附註(b))	56,000,000	560,000
At 30 June 2006	於二零零六年六月三十日	3,656,000,000	36,560,000

附註:

- (a) 期內,本公司根據日期為二零零六年三月二十三日之認購協議以每股0.2港元之價格發行600,000,000股每股面值0.01港元之新股份,有關詳情載於本公司於二零零六年六月十二日所發出之通函。
- (b) 期內,因本公司所授購股權獲行使而發行及配發56,000,000股每股面值0.01港元之新股份。

12. 比較數字

若干比較數字已重新分類及重列,以符合新訂及經修訂之香港財務報告準則之規定及配合本期間之呈列。

Notes to the Unaudited Condensed Interim Financial Report (continued)

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

13. CONTINGENT LIABILITIES

The Group has no significant contingent liabilities as at 30 June 2006 (31 December 2005: HK\$Nil).

14. COMMITMENTS

Operating lease commitment

As at 30 June 2006, the Group's future aggregate minimum lease payments under non-cancellable operating leases are payable as follows:

	土地及樓宇
Land and buildings	土地及樓宇
Within one year	一年內
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)

The Group leases office premises under operating leases. The leases run for an initial period of one to six years. The leases do not include any contingent rentals.

Capital commitment

Pursuant to the agreement dated 15 March 2006 in relation to the acquisition of Multi Glory Limited, the Group is required to make a capital contribution of RMB27 million into the registered capital and reserves of Shenzhen Sinodata Technology Co., Ltd.. As at the date of this report, the Group has not yet made such capital contribution.

13. 或然負債

於二零零六年六月三十日,本集團並無重大或然負債(二零零五年十二月三十一日:零港元)。

14. 承擔

經營租約承擔

於二零零六年六月三十日,本集團根據不可撤銷經營租約之未來應付最低租金總額如下:

	At 30 June 2006 於二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2005 於二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Land and buildings		
Within one year	4,209	5,689
In the second to fifth year inclusive	5,290	6,592
	<u>9,499</u>	<u>12,281</u>

本集團根據經營租約租用辦公室物業,而該等租約初步為期一至六年不等,並不包括任何或然租金。

資本承擔

根據於二零零六年三月十五日就收購 Multi Glory Limited 而訂立之協議,本集團須向深圳市思樂數據技術有限公司之註冊資本及儲備作出人民幣27,000,000元之注資。截至本報告日期止,本集團尚未作出其注資。

Notes to the Unaudited Condensed Interim Financial Report *(continued)*

For the six months ended 30 June 2006

未經審核簡明中期財務報告附註 (續)

截至二零零六年六月三十日止六個月

15. RELATED PARTY TRANSACTIONS

Details of the Group's significant transactions with the following related parties during the period are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Associates of a Director	董事之聯繫人士		
Commission, fee and interest income arising from futures and securities trading	買賣期貨及證券所得佣金、費用及利息收入	245	483

In the opinion of the Directors, including the independent non-executive Directors, the above transactions were entered into in the Group's ordinary course of business and on normal commercial terms.

15. 關連人士交易

本集團於本期間曾與以下關連人士進行重大交易之細節概述如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
Associates of a Director	董事之聯繫人士		
Commission, fee and interest income arising from futures and securities trading	買賣期貨及證券所得佣金、費用及利息收入	245	483

董事(包括獨立非執行董事)認為,上述交易乃於本集團日常業務過程中按正常商業條款進行。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESULTS

For the six months ended 30 June 2006, the Group achieved an encouraging result. During the period, the unaudited profit attributable to shareholders was HK\$20,230,000 (2005: loss of HK\$29,422,000). Turnover rose by HK\$2,497,000 to HK\$27,944,000 (2005: HK\$25,447,000).

BUSINESS REVIEW AND PROSPECTS

For the period under review, the Group was engaged in the provision of financial services, including money lending, investment trading and holding, broking, securities margin financing and asset management. In order to diversify its business, the Group has been exploring investment opportunities in China.

Money Lending

Interest income earned from money lending business in the period accounted for 32% (2005: 30%) of the Group's turnover. The Group will continue to adopt a prudent policy in granting of loans and carry out regular assessment on the creditworthiness of the clients.

Investment Trading and Holding

As a result of the stock market recovered stably in the first half of 2006. The turnover of investment trading and holding segment increased substantially to HK\$9,575,000, representing 34% of the total turnover and generating a profit of HK\$22,121,000. The substantial increase in turnover and profit was mainly contributed by an increase in investment activities of HK\$8,427,000 and unrealized gain on securities amounting to HK\$15,610,000 respectively. However, given the rising interest rates and buoyant oil price have been affecting the market sentiment, the Group will continue to adopt a prudent approach to carry out regular reviews and assessments of the investment portfolio.

財務業績

截至二零零六年六月三十日止六個月，本集團錄得之業績令人鼓舞。期內，未經審核股東應佔溢利為20,230,000港元（二零零五年：虧損29,422,000港元）。營業額上升2,497,000港元至27,944,000港元（二零零五年：25,447,000港元）。

業務回顧與展望

於回顧期內，本集團提供各項金融服務，包括貸款、投資買賣及控股、經紀業務、證券孖展融資及資產管理服務。為了令業務多元化，本集團一直努力在中國物色投資機會。

貸款業務

期內，貸款業務之利息收入佔本集團營業額32%（二零零五年：30%）。本集團將繼續採取審慎政策審批貸款，並定期對客戶作出信貸評估。

投資買賣及控股

二零零六年上半年股市穩步向好，投資買賣及控股業務之營業額大幅增加至9,575,000港元，佔總營業額34%，帶來溢利22,121,000港元。營業額及溢利大幅上升，主要分別是投資活動增加8,427,000港元及證券之未變現收益15,610,000港元所致。然而，息率上升及油價高企仍然影響市場氣氛，本集團將繼續採取審慎方針，定期對投資組合進行檢討及評估。

BUSINESS REVIEW AND PROSPECTS (continued)

Broking and Securities Margin Financing

Despite daily average turnover of Hong Kong stock market sustaining at HK\$32 billion level, the market conditions remained tough in the light of keen competition from local brokerage and banks. Broking business still faced a challenging time especially when the Group 'A' brokers were dominating the market. Turnover of the Group's broking business decreased by 64% to HK\$3,393,000, representing 12% of the total turnover. Turnover of the Group's securities margin financing business also decreased by 28% to HK\$5,549,000, representing 20% of the total turnover. Nevertheless, this segment achieved a profit of HK\$3,560,000 which was the result of net doubtful debts written back amounting to approximately HK\$11,573,000 during the period.

Asset Management

Turnover from this segment accounted for 2% of the Group's total turnover. The downturn of the Group's asset management business was partially reflected by higher operating cost and the keen competition in the market. However, Hong Kong is a major asset management centre in Asia. The Group sees growth potential in asset management and will continue to identify and accumulate quality investments.

Acquisition of China Lottery System Developer

In March 2006, the Group entered into an agreement to acquire Multi Glory Limited, which holds a controlling stake in Shenzhen Sinodata Technology Co., Ltd. ("Sinodata"), for a total consideration of HK\$227,880,000. Sinodata is one of the largest computer ticket lottery system and machine providers in China and accounts for approximately 40% of the total welfare lottery market in 2005 in terms of the geographical coverage, number of machines deployed and welfare lottery revenue generated in the provinces covered. Sinodata has been in operation for over 7 years with growing track records. It has already deployed over 40,000 lottery machines located in 13 provinces in China. The transaction was completed in July 2006.

業務回顧與展望 (續)

經紀業務及證券孖展融資

儘管香港股市平均每日成交金額維持320億港元水平，惟基於要面對來自本地證券行及銀行之激烈競爭，故市況仍然嚴峻。證券業面臨重大考驗，特別是出現A組經紀主導市場之局面。本集團經紀業務之營業額減少64%至3,393,000港元，佔總營業額12%。本集團證券孖展融資業務營業額減少28%至5,549,000港元，佔總營業額20%。然而，此項業務錄得溢利3,560,000港元，乃來自期內約11,573,000港元之呆賬撥回淨額所致。

資產管理

此項業務之營業額佔本集團總營業額2%。本集團資產管理業務欠佳，部份是由於營運成本高昂及市場競爭劇烈所致。然而，香港作為亞洲主要資產管理中心，本集團看好此方面之增長潛力，並會繼續物色更多優質之投資項目。

收購中國彩票系統供應商

於二零零六年三月，本集團訂立協議以總代價227,880,000港元收購Multi Glory Limited，該公司持有深圳市思樂數據技術有限公司（「思樂」）之控制性權益。思樂是中國其中一家最大型電腦彩票系統及彩票機供應商，以地區覆蓋率、彩票機數目及來自所覆蓋省份之福利彩票收益計算，佔二零零五年福利彩票市場總額約40%。思樂已經營超過七年，往績持續增長。現時思樂共有超過40,000部彩票機，分佈中國13個省份。此項交易已於二零零六年七月完成。

BUSINESS REVIEW AND PROSPECTS *(continued)*

Placing and Subscription of Shares

On 23 March 2006, the Company, a placing agent and Kingly Profits Corporation (“Kingly Profits”) entered into a placing agreement, pursuant to which the placing agent agreed to place, on a best efforts basis, up to an aggregate of 1,200,000,000 existing shares at the placing price of HK\$0.20 per share (the “Placing Shares”) on behalf of the Kingly Profits. On the same date, the Company entered into a subscription agreement with Kingly Profits for the subscription of up to an aggregate of 1,200,000,000 new shares at the same price per share. The subscription of the 600,000,000 1st tranche subscription shares and the 600,000,000 2nd tranche subscription shares were completed on 4 April 2006 and 12 July 2006 respectively.

Looking Ahead

The Group is principally engaged in the provision of financial services including broking, securities margin financing, money lending, investment trading and holding, corporate finance and asset management. In the past period, the Group has been proactively identifying suitable investment opportunities to enhance the Group’s revenue base and profitability. The Directors are of the view that its investment in Sinodata will provide an exciting opportunity for the Group to diversify its business into the machines and system supply section of the welfare lottery market in the PRC. Through the acquisition and given that Sinodata is one of the leaders in the supply of machine and system section in the welfare lottery business in the PRC with it accounting for approximately 40% of the total welfare lottery market in the PRC, the Directors believe that the Group’s recurrent income base could be strengthened which would have a positive impact on the Group’s long term profitability. In addition, the shareholders’ base of the Company could be further broadened.

業務回顧與展望 *(續)*

配售及認購股份

於二零零六年三月二十三日，本公司、配售代理與 Kingly Profits Corporation (「Kingly Profits」) 訂立配售協議，據此，配售代理同意代表 Kingly Profits 盡最大努力以每股 0.20 港元之配售價配售最多合共 1,200,000,000 股現有股份 (「配售股份」)。同日，本公司與 Kingly Profits 訂立認購協議，Kingly Profits 以相同之每股價格認購最多合共 1,200,000,000 股新股。於二零零六年四月四日及二零零六年七月十二日，已分別完成認購 600,000,000 股第一批認購股份及 600,000,000 股第二批認購股份。

展望未來

本集團主要提供各項金融業務，包括經紀業務、證券孖展融資、貸款、投資買賣及控股、企業融資及資產管理服務。於過往期間，本集團一直積極物色合適之投資機會，藉以壯大本集團收入基礎及盈利能力。董事認為投資於思樂將為本集團提供多元化發展之良機，有助拓展業務至中國福利彩票機及系統之供應。透過收購，加上思樂為中國福利彩票機及系統業界主要供應商之一，佔中國整體福利彩票市場約 40%，董事相信本集團之經常性收入基礎得以擴大，為本集團之長遠盈利產生積極作用，並且有助進一步擴闊股東基礎。

Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

BUSINESS REVIEW AND PROSPECTS *(continued)*

Looking Ahead *(continued)*

Subsequent to the period end in July 2006, the Group announced the acquisition of 70% stake in 北京戈德利邦科技有限公司 (“Guard Libang”), one of the leaders in the instant lottery industry in China, for a total consideration of HK\$157,040,000. Leveraging on the patented 2D barcode anti-counterfeiting technology, Guard Libang is engaged in projects with 13 provincial and municipal Welfare Lottery Administration Centres involving the construction of various instant lottery games ticket issuing and sale administration system.

Meanwhile, the Group extended its business to China sports lottery system and entered into an agreement to acquire 58% stake in Shenzhen Kingsail Software Tech. Co., Ltd. (“Kingsail”) for a total consideration of HK\$29,000,000. Kingsail is one of the approved vendors for the development and production of sports lottery machine by China Sports Lottery Administration Center. Details of the above transactions are set out in the Company’s announcements dated 31 July 2006 and 9 August 2006 respectively.

There is huge growth potential in lottery market in China. The revenue generated by welfare lottery in the PRC has increased from RMB22.6 billion in 2004 to RMB41 billion in 2005 (an increase of approximately 80%). During the first half of the year, the revenue generated was over RMB23 billion. The Group has confidence in development and provision of related services of lottery system in order to capitalize on the fast growing market. The Group is considering to put in more resources which enables it to offer more comprehensive and quality services to the lottery market in China, with a view to enrich the business portfolio.

業務回顧與展望 *(續)*

展望未來 *(續)*

二零零六年七月期結後，本集團宣佈以總代價157,040,000港元收購中國大型即開型彩票系統供應商北京戈德利邦科技有限公司（「戈德利邦」）70%權益。憑藉其開發專利之二維條碼防偽技術，戈德利邦已為13個省市之福利彩票發行中心建立多個即開型彩票之發行及銷售系統。

與此同時，本集團將業務拓展至中國體育彩票系統，並訂立協議收購深圳市金帆軟件技術有限公司（「金帆」）58%股權，總代價為29,000,000港元。金帆為其中一家獲得國家體育總局體育彩票管理中心認可資格開發及生產體育彩票機公司。上述交易詳情分別載於本公司於二零零六年七月三十一日及二零零六年八月九日刊發之公佈。

中國彩票市場極具增長潛力，來自中國福利彩票之收益由二零零四年之人民幣226億元增至二零零五年之人民幣410億元，增幅約80%。於上半年度，來自中國福利彩票之收益超過人民幣230億元。本集團對彩票系統開發及相關服務充滿信心，並受惠於市場之快速增長。本集團現正考慮投放更多資源，從而為中國彩票市場提供更完備及優質之服務，以圖強化本集團業務之組合。

FINANCIAL REVIEW

Liquidity, Financial Resources and Funding

At 30 June 2006, the equity attributable to equity holders of the Company amounted to HK\$259,878,000, representing an increase of HK\$145,306,000 or approximately 127% from those of 31 December 2005.

At 30 June 2006, the Group had cash reserves of approximately HK\$156,085,000 (31 December 2005: HK\$27,182,000), which included approximately HK\$15,268,000 (31 December 2005: HK\$22,161,000) of clients' funds that were kept in designated segregated bank accounts. Most of the cash reserves were placed in Hong Kong dollar short-term deposits with major banks in Hong Kong.

The gearing ratio as at 30 June 2006 was 79% (31 December 2005: 179%). The gearing ratio was derived by dividing the aggregate of bank borrowings 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 176% (31 December 2005: 142%), reflecting adequacy of financial resources.

The Group had outstanding bank loan and overdrafts of approximately HK\$204,893,000 as at 30 June 2006 (31 December 2005: HK\$205,580,000). The bank loan and overdrafts were denominated in Hong Kong dollars, interest bearing at prevailing commercial lending rates and repayable on demand or within one year. Listed investments belonging to clients were pledged to secure these bank loan and overdrafts. These loan and overdrafts were used to finance the Group's operations. We expect that all these borrowings will be repaid by internally generated funds.

During the period, banking facilities were created for the settlement of cash consideration for the acquisition projects and general working capital of the Group and were secured by charges over the bank deposit of approximately HK\$123,000,000. As at the reporting date, no advance has been made under the facilities.

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

財務回顧

流動資金、財務資源及融資

於二零零六年六月三十日，本公司權益持有人應佔權益達259,878,000港元，較二零零五年十二月三十一日增加145,306,000港元，增幅約為127%。

於二零零六年六月三十日，本集團有現金儲備約156,085,000港元（二零零五年十二月三十一日：27,182,000港元），包括存放在指定獨立銀行賬戶內之客戶資金約15,268,000港元（二零零五年十二月三十一日：22,161,000港元）。大部分現金儲備存放於香港主要銀行作為港元短期存款。

於二零零六年六月三十日之負債比率為79%（二零零五年十二月三十一日：179%）。負債比率乃以銀行貸款及其他貸款總額除以股東資金計算。本集團以流動資產除以流動負債計算之流動資金比率為176%（二零零五年十二月三十一日：142%），反映財務資源充裕。

本集團於二零零六年六月三十日有未償還之銀行貸款及透支約204,893,000港元（二零零五年十二月三十一日：205,580,000港元）。銀行貸款及透支以港元列值及以現行商業貸款利率計息，並於應要求時或於一年內償還。屬於客戶之上市投資已用作擔保該等銀行貸款及透支。此等貸款及透支乃用於撥付本集團之營運所需。本集團預期所有此等貸款將以內部資金償還。

期內，本集團就償付收購項目之現金代價及一般營運資金而產生之銀行額度，以約123,000,000港元銀行存款之押記作擔保。於報告日期，額度項下並無墊款。

連同本集團可動用財務資源（包括內部資金及可用銀行信貸），本集團有足夠營運資金應付現時需要。

FINANCIAL REVIEW (continued)

Pledge of Assets

At 30 June 2006, listed investments belonging to clients and the Group with total market value of approximately HK\$84,098,000 and HK\$26,986,000 respectively (31 December 2005: HK\$89,042,000 and HK\$13,348,000 respectively) were pledged to banks to secure term loan and overdraft facilities granted to the Group.

Share Capital

During the period, the Company issued 600,000,000 new shares of HK\$0.01 each at a price of HK\$0.2 per share pursuant to a subscription agreement dated 23 March 2006. Details of which are set out in the circular of the Company dated 12 June 2006.

56,000,000 new shares of HK\$0.01 each were issued and allotted during the period upon exercise of share options granted by the Company.

Save as the above, there was no change in the share capital structure of the Company during the period under review.

Exchange Rate Risk

The Group is exposed to a very limited level of exchange risk as the business transactions of the Group are mainly denominated in Hong Kong dollars.

Material Acquisitions and Disposals of Subsidiaries

On 15 March 2006, REXCAPITAL Financial Group Limited ("RFGL"), a wholly-owned subsidiary of the Company, entered into a share purchase agreement with Magic Dynasty Limited under which RFGL agreed to acquire the entire issued share capital of Multi Glory Limited, a company which is holding an indirect interest in 45.436% of the registered capital of Sinodata. The consideration payable for the acquisition is HK\$227,880,000 which is to be satisfied as to HK\$152,880,000 in cash and as to HK\$75,000,000 by the issue of 500,000,000 consideration shares at a price of HK\$0.15 per share. Details of the acquisition are set out in the Company's circular dated 12 June 2006. The transaction has been completed on 7 July 2006.

財務回顧 (續)

資產抵押

於二零零六年六月三十日，屬於客戶及本集團所有總市值分別約84,098,000港元及26,986,000港元(二零零五年十二月三十一日：分別為89,042,000港元及13,348,000港元)之上市投資已抵押予銀行，作為本集團獲授有期貨款及透支額之擔保。

股本

期內，本公司根據日期為二零零六年三月二十三日之認購協議以每股0.2港元之價格發行600,000,000股每股面值0.01港元之新股份，有關詳情載於本公司於二零零六年六月十二日所發出之通函。

期內，因本公司所授購股權獲行使而發行及配發56,000,000股每股面值0.01港元之新股份。

除上文所述者外，本公司於回顧期內之股本架構概無任何變動。

匯率風險

由於本集團之業務交易主要以港元列值，故本集團面對之匯兌風險相當有限。

重大收購及出售附屬公司

於二零零六年三月十五日，本公司之全資附屬公司REXCAPITAL Financial Group Limited (「RFGL」)與Magic Dynasty Limited訂立購股協議，據此，RFGL同意購買間接持有思樂註冊資本45.436%權益之Multi Glory Limited全部已發行股本。就收購事項應付之代價為227,880,000港元，其中152,880,000港元以現金支付，另外75,000,000港元以按每股0.15港元之價格發行500,000,000股代價股份支付。收購事項之詳情載於本公司於二零零六年六月十二日所發出之通函。該項交易已於二零零六年七月七日完成。

FINANCIAL REVIEW (continued)

Post Balance Sheet Events

On 25 July 2006, Genius Nation Limited (“Genius Nation”), a wholly-owned subsidiary of the Company, entered into a share purchase agreement with Gain Silver International Limited under which Genius Nation agreed to acquire the entire share capital of Happy Sun Technologies Ltd which, upon completion, will indirectly own 70% of Guard Libang. The consideration payable for the acquisition is HK\$157,040,000 which is to be satisfied as to HK\$68,240,000 in cash and as to HK\$88,800,000 by the issue of 240,000,000 consideration shares at a price of HK\$0.37 per share. Details of the acquisition are set out in the Company’s announcement dated 31 July 2006. The transaction has not yet been completed up to the date of this report.

On 8 August 2006, Huge Top Enterprises Inc., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Grand Langley Limited for the acquisition of the entire issued share capital of Pentium Win Limited at the consideration of HK\$29,000,000. Upon completion of the transaction, Pentium Win Limited shall be indirectly interested in 58% of the registered capital of Kingsail. Details of the acquisition are set out in the Company’s announcement dated 9 August 2006. The transaction has not yet been completed up to the date of this report.

Human Resources

At 30 June 2006, the Group had 21 employees.

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

The Group will continue to emphasise on staff training and total quality management to better prepare its staff members for the upcoming changes and challenges in the market and industry.

財務回顧 (續)

結算日後事項

於二零零六年七月二十五日，本公司之全資附屬公司 Genius Nation Limited (「Genius Nation」) 與 Gain Silver International Limited 訂立購股協議，據此 Genius Nation 同意收購將於完成後間接擁有戈德利邦 70% 權益之 Happy Sun Technologies Ltd 全部股本。就收購事項應付之代價為 157,040,000 港元，其中 68,240,000 港元將以現金支付，而 88,800,000 港元則以按每股 0.37 港元之價格發行 240,000,000 股代價股份支付。收購事項之詳情載於本公司於二零零六年七月三十一日所發出之公佈。截至本報告日期，該項交易尚未完成。

於二零零六年八月八日，本公司之全資附屬公司 Huge Top Enterprises Inc. 與 Grand Langley Limited 就以代價 29,000,000 港元收購 Pentium Win Limited 全部已發行股本訂立買賣協議。該交易完成後，Pentium Win Limited 將間接擁有金帆註冊資本 58% 權益。收購事項之詳情載於本公司於二零零六年八月九日所發出之公佈。截至本報告日期，該項交易尚未完成。

人力資源

於二零零六年六月三十日，本集團共有 21 名僱員。

本集團主要按個別員工之表現及經驗釐定僱員薪酬。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。

本集團將繼續重視員工培訓及全面品質管理，使員工能作好充份準備，面對市場及行業未來之轉變及挑戰。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2006, 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 SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

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」)	717,902,690 (Note) (附註)	Interest of controlled corporations 受控制公司權益	19.64%

Note: Mr Chan was taken to be interested in 717,902,690 Shares by virtue of his 83.06% attributable shareholding interest in TingKong-RexCapital Holdings Limited. TingKong-RexCapital Holdings Limited is a contributory of TKR Finance Limited ("TKR") (in liquidation), which had a security interest over such Shares. TingKong-RexCapital Holdings Limited was owned as to 51.63% by REXCAPITAL Partners Incorporated and as to 44.34% by Mr Chan. REXCAPITAL Partners Incorporated was owned as to 75% by Mr Chan.

Save as disclosed above, as at 30 June 2006, none of the Directors or chief executives 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 SEHK pursuant to the Model Code.

董事及主要行政人員之權益

於二零零六年六月三十日，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、相關股份或債權證中擁有記錄於本公司根據證券及期貨條例第352條存置之股東名冊上之權益或淡倉或根據上市公司董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所之權益或淡倉如下：

於本公司每股0.01港元普通股（「股份」）之好倉

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」)	717,902,690 (Note) (附註)	Interest of controlled corporations 受控制公司權益	19.64%

附註：鑑於陳先生在 TingKong-RexCapital Holdings Limited 的應佔股東權益為 83.06%，TingKong-RexCapital Holdings Limited 為鼎康御泰財務有限公司（「鼎康御泰財務」）（清盤中）之分擔人，而該公司在這些股份有保證權益，故陳先生被視為擁有 717,902,690 股股份之權益。TingKong-RexCapital Holdings Limited 51.63% 和 44.34% 權益分別由 REXCAPITAL Partners Incorporated 和陳先生擁有。REXCAPITAL Partners Incorporated 75% 權益由陳先生擁有。

除上文所披露者外，於二零零六年六月三十日，各董事或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記錄於本公司根據證券及期貨條例第352條存置之股東名冊上之權益或淡倉或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

Other Information (continued)

其他資料 (續)

SHARE OPTIONS

The movements in share options granted under the share option scheme adopted by the Company on 22 November 2002 (the "Scheme") during the six months ended 30 June 2006 are shown below:

購股權

於截至二零零六年六月三十日止六個月內根據本公司於二零零二年十一月二十二日採納之購股權計劃(「該計劃」)所授出購股權之變動如下:

Category of participant	Number of options				At 30 June 2006	Date of offer to grant of options	Exercise price per Share (HK\$)	Exercisable period
	At 1 January 2006	Granted during the period	Exercised during the period (note)	Lapsed during the period				
參與人類別	於二零零六年一月一日	期內授出	期內行使 (附註)	期內失效	於二零零六年六月三十日	購股權授出日期	每股行使價 (港元)	可行使期間
Total employees 僱員總數	30,000,000	-	30,000,000	-	-	11/12/2003	0.138	03/01/2004 - 02/01/2014
	30,000,000	-	-	-	30,000,000	26/09/2005	0.102	26/10/2005 - 25/10/2015
Other eligible participants 其他合資格參與人	60,000,000	-	6,000,000	-	54,000,000	11/12/2003	0.138	03/01/2004 - 02/01/2014
	180,000,000	-	30,000,000	-	150,000,000	26/09/2005	0.102	26/10/2005 - 25/10/2015
Total 總數	<u>300,000,000</u>	<u>-</u>	<u>66,000,000</u>	<u>-</u>	<u>234,000,000</u>			

Note: The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$0.327.

附註: 緊接購股權獲行使之日前股份之加權平均收市價為0.327港元。

At 30 June 2006, no Director had any interests in options to subscribe for Shares. During the six months ended 30 June 2006, no share options were granted under the Scheme.

於二零零六年六月三十日, 概無董事於可認購股份之購股權中擁有任何權益。截至二零零六年六月三十日止六個月內概無根據該計劃授出購股權。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2006, the interests or short positions of the following parties (other than a director or chief executive 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	Nature of interests	Number of Shares held	Approximate percentage of issued share capital
股東名稱	權益性質	所持股份數目	佔已發行股本概約百分比
Kingly Profits Corporation	Beneficial and other interest 實益及其他權益	1,298,805,635 (Note 1) (附註1)	35.53%
TKR Finance Limited (in liquidation) 鼎康御泰財務有限公司 (清盤中)	Security interest 保證權益	864,102,690	23.64%
CITIC Media Group Limited 中信文化傳媒集團有限公司	Interest in controlled corporation 受控制公司權益	500,000,000 (Note 2) (附註2)	13.68%
Gandhara Master Fund Limited	Beneficial 實益	646,625,000	17.69%
Citigroup Inc.	Beneficial 實益	254,195,000	6.95%
Indus Capital Partners, LLC	Beneficial 實益	180,400,000 (Note 3) (附註3)	4.93%

主要股東

於二零零六年六月三十日，按本公司根據證券及期貨條例第336條須存置之登記冊所記錄，下列各方（本公司董事或主要行政人員除外）於本公司股份或相關股份中擁有之權益或淡倉如下：

於股份之好倉

Other Information (continued)

其他資料 (續)

SUBSTANTIAL SHAREHOLDERS (continued)

Long Position in the Shares (continued)

Notes:

1. These Shares were held by Kingly Profits Corporation, which was owned as to 70.18% by King United Agents Limited. King United Agents Limited was wholly owned by Mr To Shu Fai.
2. These Shares were held by Magic Dynasty Limited which was wholly owned by CITIC Media Group Limited.
3. These Shares were held by Indus Capital Partners, LLC, which was owned as to 35.3% by Sheldon Fenton Kasowitz and as to 35.3% by David Nathan Kowitz.

Save as disclosed above, the register required to be kept under Section 336 of the SFO shows that as at 30 June 2006, 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 June 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2006.

主要股東 (續)

於股份之好倉 (續)

附註：

1. 此等股份由Kingly Profits Corporation持有，而Kingly Profits Corporation 70.18%權益由King United Agents Limited擁有。King United Agents Limited由杜樹輝先生全資擁有。
2. 此等股份由Magic Dynasty Limited持有，而Magic Dynasty Limited由中信文化傳媒集團有限公司全資擁有。
3. 此等股份由Indus Capital Partners, LLC持有，而Indus Capital Partners, LLC由Sheldon Fenton Kasowitz及David Nathan Kowitz各擁有35.3%權益。

除上文所披露者外，根據證券及期貨條例第336條須存置之登記冊所顯示，於二零零六年六月三十日，本公司並無獲知會任何其他人士於本公司股份或相關股份中擁有權益或淡倉。

買賣或贖回本公司上市證券

本公司及其附屬公司於截至二零零六年六月三十日止六個月內概無買賣或贖回本公司任何上市證券。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則作為董事進行證券交易的操守準則。經本公司作出明確查詢後，所有董事均已確認彼等已於截至二零零六年六月三十日止六個月內一直遵守標準守則所載之規定標準。

AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2006.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company was established, with specific terms of reference in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The Committee is responsible for making recommendations to the board on the Company's policy and structure for all remuneration of Directors and senior management and to determine the specific remuneration packages and conditions of employment for the Directors.

CODE ON CORPORATE GOVERNANCE PRACTICES

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 period, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, except that the Code Provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election. Currently the 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 (the "Bye-laws").

審核委員會

審核委員會已會同管理層審閱本集團採納之會計原則及慣例，並討論內部控制及財務申報事宜，包括審閱截至二零零六年六月三十日止六個月之未經審核中期財務報表。

薪酬委員會

本公司已經成立薪酬委員會，並遵照上市規則附錄十四所載之企業管治常規守則制定特定之權責範圍。該委員會負責向董事會提出有關董事及高級管理人員所有薪酬之政策及架構之推薦建議，並釐定董事之特定薪酬組合及僱用條件。

企業管治常規守則

董事概不知悉任何資料合理顯示，本公司於六個月期內之任何時間並無或曾無遵守上市規則附錄十四所載之企業管治常規守則，惟守則條文A.4.1條規定非執行董事須按特定任期委任，並須重選。現時，非執行董事並無指定任期，惟須根據本公司之公司細則（「公司細則」）之規定於本公司之股東週年大會上輪值告退。

Other Information *(continued)*

其他資料 *(續)*

CODE ON CORPORATE GOVERNANCE PRACTICES *(continued)*

In order to ensure compliance with the Code Provisions and consistency with the Bye-laws, a special resolution was passed at the 2006 annual general meeting held on 19 June 2006 to amend the Bye-laws to the effect that:

- (a) At any general meeting on a show of hands every shareholder who is present in person or by a duly authorized corporate representative or by a proxy shall have one vote.
- (b) All Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

By order of the Board

Chan How Chung, Victor
Director

Hong Kong, 28 September 2006

企業管治常規守則 *(續)*

為確保遵守該守則條文及符合公司細則，於二零零六年六月十九日舉行之二零零六年股東週年大會上，本公司通過一項特別決議案修訂公司細則，致令：

- (a) 於任何股東大會上，以舉手方式表決時，每位親身出席或由正式獲授權公司代表出席之股東或其受委代表均可投票。
- (b) 所有獲委任填補臨時空缺之董事，須於其獲委任後首個股東大會上由股東推選。所有董事（包括按特定年期委任者）須至少每三年輪值退任一次。

承董事會命

董事
陳孝聰

香港，二零零六年九月二十八日