



PREMIUM LAND LIMITED

(上海策略置地有限公司)*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 164)

Interim Report
中 期 報 告 **2006**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Ma Kwok Hung, Warren
Gao Feng

Independent Non-executive Directors:

Wong Hoi Kuen, Edmund
Chan Chi Yuen
Chow Siu Ngor
Pang Haiou
Zuo Guang

AUDIT COMMITTEE

Wong Hoi Kuen, Edmund (*Chairman*)
Chan Chi Yuen
Chow Siu Ngor
Pang Haiou
Zuo Guang

REMUNERATION COMMITTEE

Chan Chi Yuen (*Chairman*)
Wong Hoi Kuen, Edmund
Chow Siu Ngor

QUALIFIED ACCOUNTANT

Cheung Yu Shum, Jenkin

COMPANY SECRETARY

Lo Kwok Hung, John

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

SOLICITORS

Hong Kong:

Richards Butler
20th Floor, Alexandra House
16-20 Chater Road
Hong Kong

公司資料

董事會

執行董事：

馬國雄
高峰

獨立非執行董事：

黃海權
陳志遠
鄒小岳
龐海歐
左廣

審核委員會

黃海權 (主席)
陳志遠
鄒小岳
龐海歐
左廣

薪酬委員會

陳志遠 (主席)
黃海權
鄒小岳

合資格會計師

張如深

公司秘書

盧國雄

主要往來銀行

星展銀行(香港)有限公司
香港上海滙豐銀行有限公司

律師

香港：

齊伯禮律師行
香港
遮打道16-20號
歷山大廈20樓

Bermuda:

Conyers Dill & Pearman
2901 One Exchange Square
8 Connaught Place
Central
Hong Kong

AUDITORS

Ting Ho Kwan & Chan
Certified Public Accountants
9th Floor, Tung Ning Building
249-253 Des Voeux Road C.
Hong Kong

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton
HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2203, 22/F, Sino Plaza
255-257 Gloucester Road
Causeway Bay
Hong Kong

PRINCIPAL REGISTRARS

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

BRANCH REGISTRARS IN HONG KONG

Secretaries Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

百慕達：

Conyers Dill & Pearman
香港
中環
康樂廣場8號
交易廣場1期2901室

核數師

丁何關陳會計師行
執業會計師
香港
德輔道中249-253號
東寧大廈9字樓

註冊辦事處

Clarendon House
Church Street
Hamilton
HM11
Bermuda

香港主要營業地點

香港
銅鑼灣
告士打道255-257號
信和廣場22樓2203室

主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

香港股份過戶登記處分處

秘書商業服務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

INTERIM RESULTS

The board of directors (the "Board") of Premium Land Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (together "the Group") for the six months ended 30th September, 2006 together with the comparative figures for the corresponding period in 2005 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

中期業績

上海策略置地有限公司(「本公司」)董事會(「董事會」)謹此公佈本公司及其附屬公司(統稱「本集團」)截至二零零六年九月三十日止六個月之未經審核簡明綜合中期業績，連同二零零五年同期之比較數字如下：

簡明綜合收益表

		Six months ended 30th September, 截至九月三十日止六個月	
		(As restated) 2006 (unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (unaudited) HK\$'000 (經重列) 二零零五年 (未經審核) 千港元
	Notes 附註		
Turnover		118,265	22,758
Cost of sales		(136,838)	(23,891)
Gross loss		(18,573)	(1,133)
Other income		358	325
Administrative expenses		(8,803)	(7,955)
Net unrealised gain (loss) on other financial assets at fair value through profit or loss		3,963	(5,597)
Loss from operations		(23,055)	(14,360)
Gain (Loss) on disposal of subsidiaries	4	18,039	(1,985)
Loss on deconsolidation of subsidiaries		(7,194)	–
Finance costs		(3,241)	(5,369)
Share of losses of associates		(8)	–
Loss for the period		(15,459)	(21,714)
Attributable to:			
Equity holders of the Company		(15,459)	(20,773)
Minority interests		–	(941)
		(15,459)	(21,714)
Loss per share			
Basic	6	(4.33) cents	(6.03) cents

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

			30th September, 2006 (unaudited) HK\$'000 二零零六年 九月三十日 (未經審核) 千港元	31st March, 2006 (audited) HK\$'000 二零零六年 三月三十一日 (經審核) 千港元
	Notes 附註			
Non-current Assets		非流動資產		
Property, plant and equipment		物業、廠房及設備	1,967	66,472
Investment properties	7	投資物業	9,804	15,324
Interests in associates		於聯營公司之權益	—	2,040
Available-for-sale financial assets	8	可出售金融資產	12,153	12,153
			23,924	95,989
Current Assets		流動資產		
Inventories		存貨	2,087	4,761
Trade and other receivables	9	應收貿易及其他賬項	141,846	171,725
Other financial assets at fair value through profit or loss	10	按公平值計入損益之 其他金融資產	100,121	110,987
Bank balances and cash		銀行結餘及現金	12,539	8,517
			256,593	295,990
Current Liabilities		流動負債		
Trade and other payables	11	應付貿易及其他賬項	20,444	82,921
Amount due to a minority shareholder of a subsidiary		應付附屬公司 少數股東款項	4,207	2,442
Bank and other borrowings		銀行及其他借貸	45,851	86,231
			70,502	171,594
Net Current Assets		流動資產淨值	186,091	124,396
Net Assets		資產淨值	210,015	220,385
Capital and Reserves		資本及儲備		
Share capital	14	股本	4,212	3,512
Reserves		儲備	205,803	206,632
Equity attributable to equity holders of the Company		本公司權益持有人 應佔權益	210,015	210,144
Minority interests		少數股東權益	—	10,241
Total Equity		權益總額	210,015	220,385

CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

簡明綜合權益變動表

		Share capital HK\$'000	Share premium account HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Minority interests HK\$'000 少數 股東權益 千港元	Total HK\$'000 總額 千港元
		股本 千港元	股份溢價賬 千港元	其他儲備 千港元	累計虧損 千港元		
At 1st April, 2005, as previously reported	於二零零五年 四月一日·如前呈報	64,937	465,651	778,405	(1,088,905)	10,955	231,043
Opening adjustment for the adoption of HKAS 40	採納香港會計準則 第40號之期初調整	—	—	(1,385)	1,385	—	—
As restated	經重列	64,937	465,651	777,020	(1,087,520)	10,955	231,043
Initial recognition of convertible notes	初次確認可換股票據	—	—	594	—	—	594
Redemption of convertible notes	贖回可換股票據	—	—	(493)	493	—	—
Capital reduction	資本削減	(61,690)	—	—	61,690	—	—
Issue of shares	發行股份	265	15,635	—	—	—	15,900
Loss for the period, as restated	本期間虧損·經重列	—	—	—	(20,773)	(941)	(21,714)
At 30th September, 2005, as restated	於二零零五年 九月三十日·經重列	3,512	481,286	777,121	(1,046,110)	10,014	225,823
	於二零零六年						
At 1st April, 2006	四月一日	3,512	481,286	777,020	(1,051,674)	10,241	220,385
Shares issued on placing	配售時發行股份	700	12,881	—	—	—	13,581
Share-based payment	以股份支付款項	—	—	1,749	—	—	1,749
Deconsolidation of subsidiaries	取消綜合入賬附屬公司	—	—	—	—	(10,241)	(10,241)
Loss for the period	本期間虧損	—	—	—	(15,459)	—	(15,459)
At 30th September, 2006	於二零零六年 九月三十日	4,212	494,167	778,769	(1,067,133)	—	210,015

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 (unaudited) HK\$'000 二零零六年 (未經審核) 千港元	2005 (unaudited) HK\$'000 二零零五年 (未經審核) 千港元
NET CASH FROM (USED IN)	經營業務所得(所用)		
OPERATING ACTIVITIES	現金淨額	14,133	(50,618)
NET CASH FROM	投資活動所得		
INVESTING ACTIVITIES	現金淨額	18,164	3,178
NET CASH (USED IN) FROM	融資活動(所用)所得		
FINANCING ACTIVITIES	現金淨額	(28,275)	9,621
INCREASE (DECREASE) IN CASH	現金及現金等額項目		
AND CASH EQUIVALENTS	增加(減少)	4,022	(37,819)
CASH AND CASH EQUIVALENTS	期初之現金及		
AT BEGINNING OF THE PERIOD	現金等額項目	8,517	48,617
CASH AND CASH EQUIVALENTS	期終之現金及		
AT END OF THE PERIOD	現金等額項目	12,539	10,798
ANALYSIS OF THE BALANCES OF	現金及現金等額項目		
CASH AND CASH EQUIVALENTS	結餘分析		
Bank balances and cash	銀行結餘及現金	12,539	10,798

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2006

1. General

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The registered office of the Company is located at Clarendon House, Church Street, Hamilton HM11, Bermuda. The principal place of business of the Group is located at Unit 2203, 22/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

2. Basis of preparation and principal accounting policies

The unaudited interim financial statements have been prepared in accordance with the 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 with Hong Kong Accounting Standard No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and under the historical cost convention except for investment properties and certain financial assets which are measured at fair values.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2006 except as described below.

These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st March, 2006.

In the current period, the Group has applied, for the first time, a number of Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2006.

簡明綜合財務報表附註

截至二零零六年九月三十日止六個月

1. 一般資料

本公司乃於百慕達註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司為投資控股公司，本公司之註冊辦事處位於 Clarendon House, Church Street, Hamilton HM11, Bermuda。本集團之主要營業地點位於香港銅鑼灣告士打道255-257號信和廣場22樓2203室。

2. 編製基準及主要會計政策

除物業投資及若干金融資產按公平值計算外，未經審核中期財務報表乃遵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（「香港會計師公會」）所頒佈香港會計準則第34號「中期財務報告」，按歷史成本法編製。

除下述者外，所採納之會計政策與編製本集團截至二零零六年三月三十一日止年度之年度財務報表所用者貫徹一致。

此等簡明中期財務報表應連同截至二零零六年三月三十一日止年度之年度財務報表一併閱覽。

於本期間，本集團首次採用多項香港會計師公會所頒佈於二零零六年一月一日或之後開始之會計期間生效之香港財務報告準則（「香港財務報告準則」）、香港會計準則及詮釋（下文統稱「新香港財務報告準則」）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Basis of preparation and principal accounting policies (Continued)

Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:

- HKAS 1 “Presentation of Financial Statements”
- HKAS 27 “Consolidated and Separate Financial Statements”
- HKFRS 3 “Business Combinations”

Amendments to HKAS 39 “Financial Instruments: Recognition and Measurement”:

- The fair value option
- Financial guarantee contracts
- Cash Flow Hedge Accounting of Forecast Intragroup Transactions

Amendments to HKAS 19 Employee Benefits – “Actuarial gains and losses, group plans and disclosures”

Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates – “Net investment in a foreign operation”

HKFRS-Int 4 “Determining whether an Arrangement contains a Lease”

The adoption of the above new/revised HKFRSs has no material impact on the Group’s condensed consolidated interim financial statements.

The following new/revised HKFRSs relevant to the Group’s operations have been issued but are not effective for 2006 and have not been early adopted:

HK(IFRIC) Int 9 “Scope of HKFRS 2”

HK(IFRIC) Int 10 “Interim Financial Reporting and Impairment”

HKFRS 7 “Financial Instruments: Disclosures”

Amendments to HKAS 1 “Presentation of Financial Statements: Capital Disclosures”

簡明綜合財務報表附註 (續)

2. 編製基準及主要會計政策 (續)

基於二零零五年香港公司(修訂)條例對下列各項作出修訂:

- 香港會計準則第1號「財務報告之呈列方式」
- 香港會計準則第27號「綜合及獨立財務報表」
- 香港財務報告準則第3號「業務合併」

修訂香港會計準則第39號「金融工具: 確認與計量」:

- 公平值期權
- 財務擔保合約
- 預測集團內公司間交易之現金流量對沖會計處理

修訂香港會計準則第19號僱員福利—「精算損益、集團計劃及披露」

修訂香港會計準則第21號匯率變動之影響—「於外國業務之投資淨額」

香港財務報告準則—詮釋第4號「釐定一項協議是否包含租賃」

採納上述新訂/經修訂香港財務報告準則對本集團之簡明綜合中期財務報表概無任何重大影響。

下列與本集團業務有關之新訂/經修訂香港財務報告準則經已頒佈, 但於二零零六年尚未生效, 亦未有提早採納:

香港(國際財務報告詮釋委員會)詮釋第9號「香港財務報告準則第2號之範圍」

香港(國際財務報告詮釋委員會)詮釋第10號「中期財務報告及減值」

香港財務報告準則第7號「金融工具: 披露」

修訂香港會計準則第1號「財務報表之呈列方式: 資本披露」

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註 (續)

3. Segment information

The Group's operating business are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The following table presents revenue and results for the Group's primary segments.

3. 分類資料

本集團之營運業務乃按業務及所提供產品之性質分開架構及管理。本集團各業務分類為所提供產品面對之風險及回報有別於其他業務分類之策略業務單位。下表呈列本集團按主要分類劃分之收益及業績。

Business segment	業務分類	Turnover Six months ended 30th September, 營業額 截至九月三十日止六個月		Segment results Six months ended 30th September, 分類業績 截至九月三十日止六個月 (As restated)	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 (經重列) 二零零五年 千港元
Securities trading and investment	證券買賣及投資	115,106	16,748	(16,171)	(8,241)
Property development and sales	物業發展及銷售	—	—	(433)	(437)
Trading of building materials and renovations services	建築材料貿易 及裝修服務	3,143	5,988	(731)	(1,023)
Property rental	物業租賃	16	22	15	21
		<u>118,265</u>	<u>22,758</u>	<u>(17,320)</u>	<u>(9,680)</u>
Other operating income	其他營運收入			358	325
Unallocated corporate expenses	未分配公司開支			(6,093)	(5,005)
Loss from operations	經營虧損			<u>(23,055)</u>	<u>(14,360)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Loss from operations

Loss from operations has been arrived at after charging (crediting):

Depreciation of property, plant and equipment	物業、廠房及設備折舊
Interest income	利息收入

5. Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the companies comprising the Group incurred tax losses for the six month periods ended 30th September, 2005 and 2006, respectively.

Pursuant to relevant laws and regulations in the People's Republic of China, other than Hong Kong (the "PRC"), one of the Group's PRC subsidiaries is entitled to an exemption from PRC income tax for the two years starting from their first profit making year, followed by a 50% tax reduction for the next three years. No provision for PRC income tax has been made for the year as the Group's PRC subsidiaries were still within the PRC income tax exemption period during the year or they have not had any assessable profits.

6. Loss per share

The calculation of the basic loss per share is based on the loss for the six months ended 30th September, 2006 of HK\$15,459,000 (six months ended 30th September, 2005: HK\$20,773,000) and on the weighted average number of 357,306,517 shares (30th September, 2005: 344,342,891 shares) in issue during the period.

簡明綜合財務報表附註 (續)

4. 經營虧損

經營虧損已扣除(計入)下列各項:

Six months ended 30th September, 截至九月三十日止六個月	
2006	2005
HK\$'000	HK\$'000
二零零六年	二零零五年
千港元	千港元

322	297
(51)	(325)

5. 稅項

由於本集團旗下公司分別於截至二零零五年及二零零六年九月三十日止六個月期間錄得稅項虧損，故並無於財務報表作出香港利得稅撥備。

根據中華人民共和國(「中國」，不包括香港)有關法例及規例，本集團其中一間中國附屬公司可於首個獲利年度起計兩年內獲豁免繳納中國所得稅，其後三年則可獲寬減50%稅項。由於本集團中國附屬公司之中國所得稅免繳期於本年度仍未結束或該等公司並無任何應課稅溢利，故並無於本年度作出中國所得稅撥備。

6. 每股虧損

每股基本虧損乃按截至二零零六年九月三十日止六個月之虧損15,459,000港元(截至二零零五年九月三十日止六個月: 20,773,000港元)及期內已發行股份加權平均股數357,306,517股(二零零五年九月三十日: 344,342,891股)計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註 (續)

7. Investment properties

The directors consider that the values of the Group's investment properties as at 30th September, 2006 would not differ materially from the professional valuation made as at 31st March, 2006 and, accordingly, no revaluation surplus or deficit has been recognised in the current period.

During the period, the Group disposed of the investment properties with the carrying value amounting to HK\$5.5 million.

7. 投資物業

董事認為，本集團投資物業於二零零六年九月三十日之價值與其於二零零六年三月三十一日進行之專業估值並無重大差異，故於本期間並無確認任何重估盈餘或虧絀。

期內，本集團售出賬面值為5,500,000港元之投資物業。

8. Available-for-sale financial assets

8. 可出售金融資產

		THE GROUP 本集團	
		30th September, 2006 HK\$'000 二零零六年 九月三十日 千港元	31st March, 2006 HK\$'000 二零零六年 三月三十一日 千港元
Unlisted equity securities in overseas, at cost less impairment losses	按成本減減值虧損列賬之 海外非上市股本證券	12,153	12,153

9. Trade and other receivables

The Group allows a credit period normally ranging from 60 days to 90 days to its customers. The following is an aged analysis:

9. 應收貿易及其他賬項

本集團一般給予其客戶介乎60日至90日之信貸期。賬齡分析如下：

		THE GROUP 本集團	
		30th September, 2006 HK\$'000 二零零六年 九月三十日 千港元	31st March, 2006 HK\$'000 二零零六年 三月三十一日 千港元
Trade receivables	應收貿易賬項		
0 to 30 days	0至30日	382	821
31 to 90 days	31至90日	928	459
More than 90 days	超過90日	1,531	1,685
		2,841	2,965
Retention receivable	應收保留賬項	124	122
Other receivables and prepayments	其他應收賬項及預付賬項	138,881	168,638
		141,846	171,725

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註 (續)

10. Other financial assets at fair value through profit or loss

10. 按公平值計入損益之其他金融資產

		THE GROUP 本集團	
		30th September, 2006 HK\$'000 二零零六年 九月三十日 千港元	31st March, 2006 HK\$'000 二零零六年 三月三十一日 千港元
Listed equity securities, at fair value:	按公平值列賬之上市股本證券:		
Hong Kong	香港	88,676	103,237
Elsewhere	其他地區	11,445	7,750
		100,121	110,987

11. Trade and other payables

11. 應付貿易及其他賬項

An aged analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

於結算日按發票日期計算之應付貿易賬項賬齡分析如下:

		THE GROUP 本集團	
		30th September, 2006 HK\$'000 二零零六年 九月三十日 千港元	31st March, 2006 HK\$'000 二零零六年 三月三十一日 千港元
Trade payables	應付貿易賬項		
0 to 30 days	0至30日	312	420
31 to 90 days	31至90日	614	239
More than 90 days	超過90日	1,139	1,175
		2,065	1,834
Retention payables	應付保留賬項	179	179
Other payables and accruals	其他應付賬項及應計款項	18,200	80,908
		20,444	82,921

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註 (續)

12. Convertible notes

On 6th January, 2005, the Company entered into a placing agreement with independent third parties for the placing of convertible notes with an aggregate principal amount of HK\$31.2 million, convertible into shares of the Company at an initial conversion price of HK\$0.03 each (HK\$0.6 each adjusted by the share consolidation on 7th April, 2005). These convertible notes were issued on 19th May, 2005 bearing an interest of 3% per annum and redeemable in six months from the date of issue. All of these convertible notes were redeemed during the year ended 31st March, 2006.

The fair value of the liability component of the convertible notes was determined, upon issuance, using the prevailing market interest rate for similar debt without a conversion option of 5% and is carried as a short term liability. The remainder of the proceeds was allocated to the conversion option that is recognised and included in shareholders' equity.

The movement of the interest bearing redeemable convertible notes is as follows:

12. 可換股票據

於二零零五年一月六日，本公司與獨立第三方就配售本金總額31,200,000港元之可換股票據訂立配售協議，該等可換股票據可按初步兌換價每股0.03港元（經於二零零五年四月七日股份合併調整為每股0.6港元）兌換為本公司股份。此等可換股票據於二零零五年五月十九日發行，按年利率3厘計息，並可於發行日期起計六個月內贖回。截至二零零六年三月三十一日止年度，所有可換股票據已贖回。

可換股票據負債部分之公平值乃於發行時按並無兌換選擇權之同類債務之現行市場利率5厘釐定，並列作短期負債。所得款項餘額將分配至於股東權益確認及計入之兌換選擇權內。

附息可贖回可換股票據之變動如下：

		THE GROUP 本集團	
		30th September, 2006 HK\$'000 二零零六年 九月三十日 千港元	31st March, 2006 HK\$'000 二零零六年 三月三十一日 千港元
Nominal value of convertible notes issued	已發行可換股票據之面值	—	31,200
Less: equity component	減：權益部分	—	(594)
Liability component on initial recognition	初次確認之負債部分	—	30,606
Interest charged	已計利息	—	1,574
Interest paid	已付利息	—	(980)
Redemption of convertible notes	贖回可換股票據	—	(31,200)
		—	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Deferred taxation

At 30th September, 2006, the Group has unused tax losses of HK\$433,528,000 (31st March, 2006: HK\$426,559,000) available for offset against future profits. Included in unrecognised tax losses are losses of HK\$27,757,000 (31st March, 2006: HK\$27,757,000) that will be expired in five years.

At 30th September, 2006, the Group has other deductible temporary differences of HK\$113,393,000 (31st March, 2006: HK\$113,393,000) in respect of allowance and impairment losses recognised. No deferred asset has been recognised in relation to such deductible temporary difference as it is not probable that future taxation profit will be available against which the deductible temporary differences can be utilised.

14. Share capital

AUTHORISED
15,000,000,000 ordinary shares
of HK\$0.01 each

ISSUED AND FULLY PAID
421,186,298
(31st March, 2006: 351,186,298)
ordinary shares of HK\$0.01 each

法定
15,000,000,000股每股面值0.01港元
之普通股

已發行及繳足
421,186,298股(二零零六年
三月三十一日: 351,186,298股)
每股面值0.01港元之普通股

Pursuant to a placing agreement dated 21st August, 2006, the Company issued 70,000,000 new shares of HK\$0.01 each to no less than six placees who were independent professional and institutional investors, at the issue price of HK\$0.198 per share. The placing was completed on 15th September, 2006. The net proceeds of approximately HK\$13.5 million were used for general working capital of the Group.

All the ordinary shares issued during the period rank pari passu with the then existing ordinary shares in all respects.

簡明綜合財務報表附註(續)

13. 遞延稅項

於二零零六年九月三十日，本集團可供抵銷未來溢利之未動用稅務虧損為433,528,000港元(二零零六年三月三十一日: 426,559,000港元)。未確認稅務虧損包括將於五年內到期之虧損27,757,000港元(二零零六年三月三十一日: 27,757,000港元)。

於二零零六年九月三十日，本集團就已確認撥備及減值虧損有其他可扣減暫時差額113,393,000港元(二零零六年三月三十一日: 113,393,000港元)。由於不大可能有未來應課稅溢利可用以抵銷可扣減暫時差額，故並無就該可扣減暫時差額確認任何遞延資產。

14. 股本

30th September, 2006 HK\$'000 二零零六年 九月三十日 千港元	31st March, 2006 HK\$'000 二零零六年 三月三十一日 千港元
150,000	150,000
4,212	3,512

根據一份日期為二零零六年八月二十一日之配售協議，本公司按每股0.198港元之發行價向不少於六名為獨立專業及機構投資者之承配人發行70,000,000股每股面值0.01港元之新股。配售已於二零零六年九月十五日完成。所得款項淨額約13,500,000港元已用於本集團之一般營運資金用途。

期內發行之所有普通股於各方面均與當時現有普通股享有同等權益。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***15. Capital commitments**

At 30th September, 2006 and 31st March, 2006, the Group had no significant capital commitment.

16. Contingent liabilities

At 30th September, 2006 and 31st March, 2006, the Company had no material contingent liability.

17. Comparative amounts

As further explained in note 2 to the condensed interim financial statements, due to the adoption of HKFRS during the current period, the accounting treatment and the presentation of certain items and balances in the condensed interim financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and certain comparative amounts have been restated. In addition, certain comparative amounts have been reclassified to conform to the current period's presentation.

簡明綜合財務報表附註 (續)**15. 資本承擔**

於二零零六年九月三十日及二零零六年三月三十一日，本集團並無任何重大資本承擔。

16. 或然負債

於二零零六年九月三十日及二零零六年三月三十一日，本公司並無任何重大或然負債。

17. 比較金額

誠如簡明中期財務報表附註2所作出之進一步解釋，由於本期間採納香港財務報告準則，簡明中期財務報表內之若干項目及結餘之會計處理及呈報方式經已修改，以符合新規定。因此，本公司已作出若干以往年度調整，亦已重列若干比較金額。此外，若干比較金額經已重新分類，以符合本期之呈報方式。

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30th September, 2006

FINANCIAL RESULTS

For the six months ended 30th September, 2006, the Group's turnover amounted to approximately HK\$118.3 million, representing an increase of 420% from HK\$22.8 million for the corresponding period last year. The increase was mainly due to the increase in securities trading and investment from HK\$16.7 million in last corresponding period to HK\$115.1 million for the period under review. The loss attributable to shareholders amounted to HK\$15.4 million for the six months ended 30th September, 2006 compared to approximately HK\$20.8 million for the corresponding period in the prior year.

The Board does not recommend the payment of any interim dividend for the six months ended 30th September, 2006 (2005: Nil).

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in securities trading and investments, property development and sales, trading of building materials and provision of renovations services and operation of toll highway.

During the period, amid turbulence of oil price and uncertainty in interest rate direction, the operating environment of the Group remained challenging. The business in trading of building materials and renovation services was affected by keen competition in the industry, resulting in decrease in turnover from approximately HK\$6 million in last corresponding period to approximately HK\$3.1 million. In line with the increase in average daily turnover value of the Stock Exchange, the turnover of the securities trading and investment segment increased substantially to approximately HK\$115.1 million as compared to approximately HK\$16.7 million reported in last corresponding period. The operation of toll highway was excluded by deconsolidation of a group of subsidiaries holding the relevant assets. Losses on deconsolidation of HK\$7.2 million had been charged to the income statement for the period under review.

管理層討論及分析

截至二零零六年九月三十日止六個月

財務業績

截至二零零六年九月三十日止六個月，本集團之營業額約達118,300,000港元，較去年同期之22,800,000港元增加420%。有關增長主要由於證券買賣及投資由去年同期之16,700,000港元增加至回顧期內之115,100,000港元。截至二零零六年九月三十日止六個月之股東應佔虧損為15,400,000港元，相較去年同期約為20,800,000港元。

董事會並不建議就截至二零零六年九月三十日止六個月派付任何中期股息（二零零五年：無）。

業務回顧及展望

本集團之主要業務包括證券買賣及投資、物業發展及銷售、建築材料貿易及提供裝修服務及收費公路營運。

期內之油價反覆，利率走向不定，令本集團之經營環境挑戰重重。建築材料貿易及裝修服務業務受業內競爭劇烈所影響，營業額由去年同期約6,000,000港元下跌至約3,100,000港元。證券買賣及投資分類營業額較去年同期呈報之約16,700,000港元大幅增長至約115,100,000港元，與聯交所之每日平均交易額增長一致。收費公路營運業務已因取消綜合持有相關資產之附屬公司之賬目而豁除。取消綜合虧損7,200,000港元已從回顧期內之收益表中扣除。

BUSINESS REVIEW AND PROSPECTS (Continued)

The economy of the PRC is expected to continue its growth. Even though the central government has taken austerity measures, there was no fatal impact on the market. The Group continues its strategic investment policies to pursue opportunities in the PRC with a view to broaden its earning and asset base for mid-to-long term growth.

DECONSOLIDATION OF A GROUP OF SUBSIDIARIES

As explained in this section under the heading "Litigation" below, the Group has commenced legal proceedings for the recovery and declaration of its beneficial ownership in 51% of the issued share capital of Gold United International Industries Limited, which has an 80% direct interest in 杭州恆運交通開發有限公司("HZHY").

Meanwhile, the management of the Group noted that it has not been able to gain access to the books and records of HZHY due to the lack of co-operation from management of HZHY. Previously, the Company received management accounts of HZHY on a monthly basis, the last set of which was for the eleven months ended 28th February, 2005.

Due to the above reasons, the directors considered that the Group is currently unable to exercise its control of HZHY in particular its ability to exercise significant influence over the financial and operating policies and to obtain financial information of HZHY. As such, the Group considered that it is unable and inappropriate to consolidate the financial results of HZHY into the Group.

CAPITAL INVESTMENT AND COMMITMENTS

The Group did not incur or commit any material investment or capital expenditure during the period under review.

業務回顧及展望 (續)

中國經濟預期將持續增長。儘管中央政府採取了宏觀調控措施，然而對市場並無破壞性損害。本集團繼續其策略性投資政策，抓緊中國之發展商機，藉以擴闊盈利及資產基礎，達致中長期的增長。

取消綜合一組附屬公司之賬目

誠如下文「訴訟」一節所闡述，本集團已就收回及宣示其於金聯國際實業有限公司（直接擁有杭州恆運交通開發有限公司（「杭州恆運」）之80%權益）51%已發行股本之實益擁有權開展法律行動。

同時，本集團管理層注意到，彼等因杭州恆運之管理層疏於合作，故一直無法取得杭州恆運之賬冊及紀錄。以往，本公司每月接獲杭州恆運之管理賬目，最後一份賬目為截至二零零五年二月二十八日止十一個月。

由於上述理由，董事認為本集團現時無法對杭州恆運行使控制權，尤其是對杭州恆運之財務及經營政策行使重大影響力及取得其財務資料之權力。因此，本集團認為，本集團未能亦不宜於賬目中將杭州恆運之財務業績綜合入賬。

資本投資及承擔

本集團於回顧期內並無產生或作出任何重大投資或資本開支。

LIQUIDITY AND FINANCIAL RESOURCES

At 30th September, 2006, the Group had cash and bank balance of HK\$12.5 million (31st March, 2006: HK\$8.5 million) and borrowings of HK\$45.8 million (31st March, 2006: HK\$86.2 million). The gearing ratio, being the ratio of total borrowings to shareholders' fund, as at 30th September, 2006 was 22% (31st March, 2006: 41%). The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 364% (31st March, 2006: 172%).

Taking into account the financial resources available to the Group, the Group has sufficient working capital to meet its present requirements.

SHARE CAPITAL

Pursuant to a placing agreement dated 21st August, 2006, the Company issued 70,000,000 new shares of HK\$0.01 each to no less than six placees who were independent professional and institutional investors, at the issue price of HK\$0.198 per share. Details of which are set out in the announcement of the Company dated 21st August, 2006.

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

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES

On 28th September, 2006, the Company entered into a deed of settlement with Asean Resources Limited (the "Lender") under which, inter alia, the Company and the Lender agreed that the Company shall be entitled to repay the loan together with all interest accrued thereon and all other moneys owing by the Company to the Lender by transferring its legal and beneficial ownership in the entire issued share capital of Huey Tai Holdings Limited ("Huey Tai") and assigning all indebtedness owing by Huey Tai to the Company to the Lender (the "Disposal"). The consideration for the Disposal was approximately HK\$28.6 million and was satisfied by way of settlement and discharge of the loan due to the Lender, accrued interest thereon and all other sums and liabilities owing or incurred by the Company. The Disposal was completed on 28th September, 2006. Details of the Disposal are set out in the circular of the Company dated 20th October, 2006.

流動資金及財務資源

於二零零六年九月三十日，本集團擁有現金及銀行結餘12,500,000港元（二零零六年三月三十一日：8,500,000港元）及借貸45,800,000港元（二零零六年三月三十一日：86,200,000港元）。於二零零六年九月三十日之資產負債比率（借貸總額相對股東資金之比率）為22%（二零零六年三月三十一日：41%）。本集團之流動比率（流動資產除以流動負債之比率）為364%（二零零六年三月三十一日：172%）。

經計入本集團可用之財務資源，本集團有足夠之營運資金滿足其現有需求。

股本

根據一份日期為二零零六年八月二十一日之配售協議，本公司按每股0.198港元之發行價向不少於六名身為獨立專業及機構投資者之承配人發行70,000,000股每股面值0.01港元之新股。配售之詳情載於本公司日期為二零零六年八月二十一日之公佈內。

除上文所述者外，本公司之股本結構於回顧期內並無任何變動。

重大附屬公司收購及出售事項

於二零零六年九月二十八日，本公司與亞細安資源有限公司（「貸款人」）訂立還款契據，據此，（其中包括）本公司與貸款人協定，本公司將有權透過向貸款人轉讓其於惠泰控股有限公司（「惠泰」）之全部已發行股本之法定及實益擁有權及向貸款人轉讓惠泰結欠本公司之所有債務（「出售事項」）之方式，以償還應付貸款人之貸款連同所有有關應計利息。出售事項之代價約為28,600,000港元，並已透過償還及解除應付貸款人之貸款、有關應計利息以及本公司結欠或產生之所有其他款項及負債之方式清償。出售事項已於二零零六年九月二十八日完成。出售事項之詳情載於本公司日期為二零零六年十月二十日之通函內。

LITIGATION

On 4th July, 2005, the Company was notified by the Hong Kong Companies Registry that an annual return of Gold United International Industries Limited ("Gold United"), a non-wholly owned subsidiary of the Company, filed in May 2005 ("May Annual Return") contained information, including members and directors of Gold United, which are significantly different from the original annual return that was presented by the Group on 29th April, 2005.

On 13th July, 2005, the Company filed a Writ of Summons against four persons (the "Defendants") seeking, amongst others, declarations by the court to the effect that Winsky Management Limited, a wholly owned subsidiary of the Company, is the beneficial owner of 51% of the issued share capital of Gold United. The Defendants were those persons who purportedly filed the false information with the Hong Kong Companies Registry and/or were identified as members and directors in the May Annual Return and other documents. Gold United is an investment holding company holding a 80% direct interest in HZHY, which is engaged in the operation of a highway in the PRC.

The Writ of Summons was amended on 1st February, 2006 and the validity of the Amended Writ of Summons was extended for a period of 12 months from 13th July, 2006.

As at 30th September, 2006, the legal action is still proceeding and there is no significant development.

EXCHANGE EXPOSURE

The Group's transactions are denominated in Hong Kong dollars and Renminbi and the related exchange rates are considered relatively stable, and accordingly, the exposure to fluctuations in exchange rate is minimal, and no foreign exchange and interest rate risk management or related hedges were made.

EMPLOYEES

As at 30th September, 2006 the total number of employees of the Group was 26 employees, inclusive of its operation in the PRC and Hong Kong. Remuneration were reviewed periodically in accordance with market situations and the performance of individual staff. Share options may be granted as recognition of their contribution and incentive to motivate them.

訴訟

於二零零五年七月四日，香港公司註冊處通知本公司，本公司非全資附屬公司金聯國際實業有限公司（「金聯」）於二零零五年五月呈交存案之週年申報表（「五月週年申報表」）所載之資料（包括有關金聯股東及董事之資料）與本集團於二零零五年四月二十九日呈交之原先週年申報表有重大差異。

於二零零五年七月十三日，本公司向四名人士（「被告人」）發出傳訊令狀，要求（其中包括）法院宣佈本公司全資附屬公司 Winsky Management Limited 為金聯已發行股本 51% 權益之實益擁有人。被告人為據稱向香港公司註冊處呈交錯誤資料存案及／或於五月週年申報表及其他文件列為股東及董事之人士。金聯為投資控股公司，直接擁有杭州恆運 80% 權益，該公司在中國經營高速公路業務。

該傳訊令狀已於二零零六年二月一日修訂，而經修訂之傳訊令狀之有效期由二零零六年七月十三日起延期 12 個月。

於二零零六年九月三十日，有關法律程序仍在進行中，並無任何重大進展。

匯兌風險

由於本集團之交易以港元及人民幣為結算單位，而有關匯率相對穩定，故本集團面對之匯率波動風險甚微，且無作出任何外匯及利率風險管理或相關對沖。

僱員

於二零零六年九月三十日，本集團之僱員總數為 26 名，當中已計及中國及香港業務。本集團定期根據市況及個別員工之表現檢討薪酬待遇。本集團亦會授出購股權，以表揚員工之貢獻及作為推動員工之獎勵。

DIRECTORS' INTERESTS AND SHORT POSITION IN SECURITIES

As at 30th September 2006, none of the directors or chief executives had or was deemed to have 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 Securities and Futures Ordinance (the "SFO") that are required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section headed "DIRECTORS' INTERESTS AND SHORT POSITION IN SECURITIES", at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTIONS

The movements in the share options granted under the share option scheme adopted by the Company on 24th April, 2002 (the "Scheme") during the six months ended 30th September, 2006 are shown below:

Category of participant	Number of options 購股權數目				At 30th September, 2006
	At 1st April, 2006	Granted during the period	Exercised during the period	Lapsed during the period	
參與者類別	於 二零零六年 四月一日	於期內授出	於期內行使	於期內失效	於 二零零六年 九月三十日
Other eligible participants 其他合資格參與者	- 14,040,000	-	-	-	- 14,040,000
Total 總計	- 14,040,000	-	-	-	- 14,040,000

董事於證券之權益及淡倉

於二零零六年九月三十日，董事或行政總裁概無或概無被視為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，擁有須記錄於本公司根據證券及期貨條例第352條存置之登記冊中之權益或淡倉，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債務證券之權利

除「董事於證券之權益及淡倉」一節披露者外，於期內任何時間，概無董事或彼等各自之配偶或18歲以下子女獲授或行使可藉購入本公司股份或債權證而獲益之權利。本公司或其任何控股公司、附屬公司或同系附屬公司亦無訂立任何安排，致使董事可於其他法人團體獲取有關權利。

購股權

根據本公司於二零零二年四月二十四日採納之購股權計劃（「該計劃」）所授出之購股權於截至二零零六年九月三十日止六個月之變動列示如下：

Date of grant	Exercise price per share (HK\$)	Exercisable period
授出日期	每股行使價 (港元)	可行使期

5/6/2006 0.27 5/6/2006 – 4/6/2009

SHARE OPTIONS (Continued)

At 30th September, 2006, no director had any interests in options to subscribe for shares in the Company. During the six months period ended 30th September, 2006, 14,040,000 number of share options were granted under the Scheme. The closing price of the shares on 2nd June, 2006, being the trading date immediately before the date of grant of such options, was HK\$0.255.

The fair value of options granted during the period as determined by an independent third party valuer using a Black-Scholes pricing model was HK\$1,749,000. Key assumptions used in the valuation of the options granted on 5th June, 2006 include an expected volatility of share price of 91.17% per annum, a risk-free rate of interest of 4.273% per annum on the date of grant. The expected volatility is based on the historical volatility of the Company's share price over the previous two years.

On 11th October, 2006, the Company granted 33,600,000 share options to consultants and advisers of the Group at the exercise price of HK\$0.323 per share.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2006, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that, the following shareholders had notified the Company of relevant interest and short positions in the issued share capital of the Company.

購股權 (續)

於二零零六年九月三十日，董事概無擁有可認購本公司股份之購股權權益。截至二零零六年九月三十日止六個月期間，根據該計劃授出之購股權為14,040,000份。股份於二零零六年六月二日（即緊接此等購股權授出日期前之交易日）之收市價為0.255 港元。

期內授出之購股權之公平值由獨立第三方估值師按柏力克－舒爾斯期權定價模式釐定，為1,749,000港元。就二零零六年六月五日授出之購股權所作之估值而言，主要假設包括預期每年91.17%之股價波幅、授出日期之無風險年利率4.273%。預期波幅乃按照本公司股價於過去兩年之歷史波幅為基準。

於二零零六年十月十一日，本公司以每股行使價0.323港元授予本集團顧問及諮詢人33,600,000份購股權。

主要股東

於二零零六年九月三十日，按本公司根據證券及期貨條例第336條存置之主要股東登記冊所示，下列股東已知會本公司彼等於本公司已發行股本中擁有相關權益及淡倉。

SUBSTANTIAL SHAREHOLDERS (Continued)

Long position in ordinary shares of the Company:

主要股東 (續)

本公司普通股之好倉：

Name of shareholders 股東名稱／姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
United Jumbo Limited	Beneficial owner 實益擁有人	51,523,417 (Note 1) (附註1)	12.23%
Dong Bo, Frederic 董波	Held by controlled corporation 由受控法團持有	51,523,417 (Note 1) (附註1)	12.23%
Ma Siu Fong 馬少芳	Held by controlled corporation 由受控法團持有	50,684,517 (Note 2) (附註2)	12.03%
Chu Yuet Wah 朱月華	Held by controlled corporation 由受控法團持有	50,684,517 (Note 2) (附註2)	12.03%
Kingston Finance Limited 金利豐財務有限公司	Security interest 抵押權益	50,684,517 (Note 2) (附註2)	12.03%
Mega Market Assets Limited	Beneficial owner 實益擁有人	31,030,000 (Note 3) (附註3)	7.37%
Chan How Chung, Victor 陳孝聰	Held by controlled corporation 由受控法團持有	31,030,000 (Note 3) (附註3)	7.37%
Hu Die Fei 胡蝶飛	Beneficial Owner 實益擁有人	22,276,500	5.29%

Notes:

- United Jumbo Limited, which directly owned 51,523,417 shares in the Company, is beneficially wholly owned by Mr. Dong Bo, Frederic, a former director and the Chairman of the Company. Accordingly, Mr. Dong Bo, Frederic was deemed to be interested in 51,523,417 shares in the Company.
- Kingston Finance Limited ("Kingston"), which directly owned 50,684,517 shares in the Company, is beneficially owned as to 51% and 49% by Ms. Chu Yuet Wah and Ms. Ma Siu Fong respectively. Accordingly, Ms. Chu Yuet Wah and Ms. Ma Siu Fong were deemed to be interested in the shares held by Kingston.

附註：

- United Jumbo Limited直接擁有本公司51,523,417股股份，而其由本公司前任董事兼主席董波先生實益全資擁有。因此，董波先生被視為於本公司51,523,417股股份中擁有權益。
- 金利豐財務有限公司（「金利豐」）直接擁有本公司50,684,517股股份，而其分別由朱月華女士及馬少芳女士實益擁有51%及49%權益。因此，朱月華女士及馬少芳女士被視為於金利豐所持股份擁有權益。

SUBSTANTIAL SHAREHOLDERS (Continued)

- Mega Market Assets Limited, which directly owned 31,030,000 shares in the Company, is beneficially wholly owned by Mr. Chan How Chung, Victor and, accordingly, Mr. Chan How Chung, Victor was deemed to be interested in 31,030,000 shares in the Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30th September, 2006 as required pursuant to Section 336 of the SFO.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the six months ended 30th September, 2006, the Company was in compliance with the code provisions set out in the Code on Corporate Governance Practices ("Code") in Appendix 14 to the Listing Rules, except for the following:

Code Provision A2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company does not have a separate position for the chief executive officer, and duties of which are currently vesting on the Chairman. In view of the scale of operations of the Company and the fact that the daily operations of the Group's business is delegated to the senior executives and department heads, the Board believes that vesting the roles of both Chairman and chief executive officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

The Company will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of roles of the Chairman and chief executive officer, are necessary.

主要股東 (續)

- Mega Market Assets Limited直接擁有本公司31,030,000股股份，而其由陳孝聰先生實益全資擁有，因此，陳孝聰先生被視為於本公司31,030,000股股份中擁有權益。

除上文披露者外，於二零零六年九月三十日，本公司並無獲悉任何其他於本公司已發行股本中證券及期貨條例336條規定之相關權益或淡倉。

購買、出售或贖回本公司上市證券

期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治

截至二零零六年九月三十日止六個月，本公司一直遵守上市規則附錄14項下企業管治常規守則（「守則」）所載守則條文，惟下列者除外：

守則條文第A2.1條規定主席與行政總裁之職位應獨立，且不應由同一名人士擔任。

本公司並無獨立行政總裁職位，有關職務現由主席負責。鑑於本公司之業務規模，及本集團業務日常營運均分派予高級行政人員及部門主管負責，董事會相信，由一人同時擔任主席與行政總裁之角色為本公司提供強勢而一致之領導，有助有效及有效率地規劃及實施商業決策及策略。就本集團持續有效經營及發展而言，貫徹目前常規對本集團至為有利。

本公司將持續檢討本集團企業管治架構之成效，並考慮是否有必要作出變動（包括區分主席及行政總裁之職務）。

CORPORATE GOVERNANCE (Continued)

Code Provision A4.1 stipulates that non-executive directors should be appointed for special terms, subject to re-election. Save for Mr. Wong Hoi Kuen, Edmund, none of the independent non-executive directors of the Company is appointed for a specified term but their term of office are the period up to their retirement by rotation in accordance with the Company's bye-laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

Code Provision A4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

At the annual general meeting of the Company held on 31st August, 2006, a special resolution has been passed to amend the Company's bye-laws so that all directors appointed to fill a casual vacancy should be subject to election by the shareholders of the Company at the first general meeting after their appointment.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Specific enquiry has been made of all the directors and the directors have confirmed that they have complied the Model Code throughout the six months ended 30th September, 2006.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters in relation to the preparation of the unaudited condensed financial statements for the six months ended 30th September, 2006.

By the Order of the Board

Ma Kwok Hung, Warren
Director

Hong Kong, 8th December, 2006

企業管治 (續)

守則條文第A4.1條規定非執行董事須按指定任期委任，並須膺選連任。除黃海權先生外，本公司概無獨立非執行董事按指定任期委任，惟彼等之任期將直至彼等按照本公司之公司細則輪值告退為止。因此，本公司認為其已採取足夠措施，以確保本公司之企業管治常規不寬鬆於守則所訂定者。

守則條文第A4.2條規定所有獲委任填補臨時空缺之董事須於委任後首屆股東大會上由股東推選。

於本公司於二零零六年八月三十一日舉行之股東週年大會上，一項特別決議案獲通過以修訂本公司之公司細則，致使所有獲委任填補臨時空缺之董事須於委任後首屆股東大會上由股東推選。

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易之操守守則。在向全體董事作出具體查詢後，全體董事確認彼等於截至二零零六年九月三十日止六個月一直全面遵守標準守則所載之規定。

審核委員會

審核委員會已與管理層審閱本集團所採納會計原則及慣例，並討論內部監控及有關編製截至二零零六年九月三十日止六個月之未經審核簡明財務報表之財務申報事宜。

承董事會命

董事
馬國雄

香港，二零零六年十二月八日