

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The interim result for the six months ended 30th September, 2006 recorded a profit before tax of HK\$29,596,000 (2005: HK\$64,505,000). Profit attributable to equity holders of the Company amounted to HK\$24,301,000 (2005: HK\$61,324,000). Earnings per share were HK1.9 cents (2005: HK5 cents). However it is important to note that the HK\$61,324,000 of 2005 included a gain on acquisition of subsidiaries of HK\$24,678,000 and a gain on disposal of a subsidiary of HK\$18,100,000. The profit after excluded the above mentioned items improved significantly from HK\$18,546,000 of 2005 to HK\$24,459,000 of 2006 which representing an increase of over 31%. The significant improvement in profit from ordinary course of business mainly resulted from the expansion in the financial services sector. Turnover for the six months ended 30th September, 2006 increased by 167% to HK\$87,486,000 which principally caused by two major factors. The first was an increase in existing business turnover from HK\$32,812,000 to HK\$43,702,000, a 33% increase. The other factor was the commencement of precious metal trading, which contributed HK\$43,784,000 to the Group's turnover.

管理層討論及分析

業務回顧

回顧截至二零零六年九月三十日過去六個月，本集團錄得稅前溢利約29,596,000港元（二零零五年：64,505,000港元），本公司權益持有人應佔溢利為24,301,000港元（二零零五年：61,324,000港元）。每股基本溢利1.9港仙（二零零五年：5港仙）。特別指出是二零零五年度61,324,000港元包括收購附屬公司所產生綜合公平淨值之多出部分24,678,000港元及出售附屬公司所產生之溢利18,100,000港元。扣除上述項目後溢利顯著改善，由二零零五年18,546,000港元增加至二零零六年24,459,000港元上升超過31%。溢利顯著改善主要由於集團成功擴展金融服務之業務。截至二零零六年九月三十日過去六個月，營業額上升167%至87,486,000港元，主要基於兩大因素，首先原有業務營業額由32,812,000港元上升33%至43,702,000港元。其次開展貴金屬買賣業務因而對集團營業額貢獻43,784,000港元。

BUSINESS REVIEW (Continued)

Financing

Turnover within the money lending business and margin financing activities improved significantly. Turnover within this segment increased by approximately 27% which mainly due to increase in interest rates and the continuing business expansion activities. Profit attributable to the Group increased around 17% to HK\$21,731,000 when compared with last year's corresponding period.

Securities and Commodities Brokerage

As the turnover of Main Board increased significantly for the first three quarters of 2006, this segment result had reflected the market condition correspondingly. During the six months period, our business in this segment recorded a turnover of HK\$10,638,000, an increase of 40% when compared with HK\$7,587,000 of 2005. Profit attributable to the Group improved significantly to HK\$3,800,000 from HK\$2,581,000 of 2005, representing a 47% increase.

Corporate Finance

Our corporate finance division turned around from a loss of HK\$118,000 last year corresponding period to an attributable profit of HK\$1,890,000. This division will continue to focus on different types of financial advisory, placing and IPO projects.

業務回顧 (續)

借貸

借貸融資及證券孖展業務之營業額顯著增加。本部分之營業額增約27%主要由於利率上升及業務擴展。對比上年度同期貢獻溢利增加約17%至21,731,000港元。

證券及期貨經紀

由於主板交易額於二零零六年首三季上升，本部分業績相對反映市場狀況。截至二零零六年九月三十日過去六個月營業額錄得10,638,000港元對比上年度同期7,587,000港元上升40%。貢獻溢利增加約47%至3,800,000港元對比二零零五年2,581,000港元。

企業融資

由虧損118,000港元轉為盈餘1,890,000港元，本部分業務將繼續集中不同類型企業融資顧問、配股及上市業務。

BUSINESS REVIEW (Continued)**Assets Management**

The Group maintained as the investment manager of two companies listed on the Main Board of the Stock Exchange under Chapter 21 (Investment Companies) of the Listing Rules. Profit for the six months ended increased by 57% to HK\$1,425,000. The asset value for these two companies increased over 13% when compared with last year corresponding period. The cherry-picking approach adopted by the Group proved to be successful. The total value of assets under our management exceeds HK\$190 million during the period. There had been a reduction of assets under management which were previously compensated on a performance base mode, of HK\$280 million. This is in line with the Group's defined policy on focusing on managing asset at a fee on asset value basis going forward.

Property Investment

For the interim period ended 30th September, 2006, the rental income amounted to HK\$1,754,000, a 7% increase when compared with last year's corresponding period. Though a loss of HK\$83,000 being recorded, this was due to the property tax payable for HK\$486,000.

業務回顧 (續)**資產管理**

本集團為兩家根據上市規則第21章(投資公司)於聯交所主板上市之公司之投資經理。過去六個月,溢利為1,425,000港元,上升57%。上述兩家公司之資產值對比去年同期上升13%,證明集團實施之擇良策略成功。本集團於期內所管理之資產總值超過190,000,000港元。雖然本集團所管理之資產值減少280,000,000港元,但此舉符合集團既定集中管理就資產值徵收費用之政策。

物業投資

截至二零零六年九月三十日過去六個月營業額錄得1,754,000港元租金收入對比去年同期增加約7%。但由於物業稅支出486,000港元為此錄得虧損83,000港元。

BUSINESS REVIEW (Continued)

Precious Metal Trading

In April 2006, the Group has commenced precious metal business through a 75% owned subsidiary. This subsidiary provides one stop precious metal service including physical trading, industrial product trading and financing by collaborating with major players in the market such as Johnson Matthey, The Standard Bank, Wing Hang Bank, Bank of China and Mitsui Bussan etc. It is not usual for a business to contribute profit during the inception stage, however, this company had a successful start. This segment recorded a turnover and profit of HK\$43,784,000 and HK\$765,000 respectively.

During the period, the Group entered into gold contracts in order to hedge against firmly committed commercial transactions. The contracts were arranged with commercial banks and other institutions.

業務回顧 (續)

貴金屬買賣

二零零六年四月集團擁有75%權益之附屬公司開展貴金屬買賣業務。該公司與主要市場參與者如 Johnson Matthey、標準銀行、永亨銀行、中銀香港及 Mitsui Bussan 提供一站式貴金屬服務包括實金、工業產品買賣及借貸。對一個新萌芽的業務而言，在此階段能對集團貢獻溢利實屬罕見，由此可見該公司有一成功的開始。本部分營業額及溢利分別錄得 43,784,000 港元及 765,000 港元。

於本期內集團訂立黃金合約以期對已確實承擔之商業交易作出對沖。該等合約透過商業銀行及其他機構作出安排。

BUSINESS REVIEW (Continued)**Prospect**

During the year 2005, the Group had acquired Chino Plaza (the "Plaza") in Macau Peninsula which contributed a gross rental income approximately HK\$1,754,000 for the six months period. The Management has re-organised the tenants portfolio and is successfully introducing a well-known supermarket and American fast food chain store to locate in the Plaza in year 2006. The new tenants will enhance the Plaza's image and customers flow which in turn enhance our bargaining powers on rental negotiation. It is expected that the gross rental income will be increased satisfactory after the tenants' portfolio re-organisation is completed.

In the meanwhile, our other investments on properties development in Macau are progressing satisfactory. The continuing rapid growth of Macau economy has stimulated the increasing demand and price of both residential flats and commercial shops. The management believes the projects will bring a good profit to the Group in future years.

The listed securities turnover has reached a record high in Hong Kong due to the IPO of several famous Chinese banks and corporations during the year. The turnover and contribution from brokerage and margin financing are expected to grow steadily as the market is forecasted to be active in the coming months.

業務回顧 (續)**展望**

於二零零五年集團于澳門半島購入信和廣場(「廣場」)。截至二零零六年九月三十日過去六個月帶來租金收入1,754,000港元。管理層現正重組租戶組合更成功引入一所著名超級市場及美式快餐連鎖店。新租戶將提高廣場形象及顧客流量從而提升我方議租能力。預計重組租戶組合完成後，租金收入將合理地上升。

同時其他澳門物業發展投資進度滿意，澳門經濟持續高速增長刺激住宅及商業樓宇需求及價格上升，管理層相信有關項目將來會帶來可觀盈利。

由於多間內地大型銀行及企業來港上市，證券交投創下新高。預期未來數月市場仍然活躍。預期證券及孖展營業額及盈利將平穩增長。