



Added

High

Value

Dedicated to adding value for customers, employees, shareholders and the community through the delivery of quality financial services.

Corporate Highlights

The year 2006 marked two significant milestones in the Group's history – the 10th Anniversary of Listing on the Stock Exchange and the 33rd Anniversary of Establishment. Through taking a proactive approach in pursuing diversified business development opportunities, the Group saw dramatic growth in both its business scope and market reach.

Market and Business Development

Apart from brokerage services, the Group has expanded its investment banking, asset management and wealth management businesses. This strategic implementation is in alignment with the Group's mission to become a leading one-stop provider of investment services.

Investment Banking

Taifook specialises in the provision of investment banking and financial advisory services to private organisations and listed companies in Hong Kong and China. During 2006, Taifook completed 3 IPO sponsorship assignments, 23 IPO underwriting assignments, 10 securities placements, 5 rights issues

underwriting and over 40 corporate advisory assignments. As a prominent market participant recognised by the Stock Exchange, Taifook Capital Limited was one of the 2006's top 5 most active sponsors in terms of number of deals. More importantly, the IPO issues launched by the Group, ranging from industrial to retail sectors, were well-received by investors.



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Celebrating the 10th Anniversary of Listing on the Stock Exchange and the 33rd Anniversary of Establishment.

Corporate Highlights

The Group enjoys the advantage of well-established networks and therefore can access first-hand information in the Mainland. In order to fulfil the rising capital-raising needs of Chinese enterprises, expansion of the Group's Equity Capital Market activities will continue in 2007, where proactive measures are taken to acquire additional, notable deals.

Brokerage

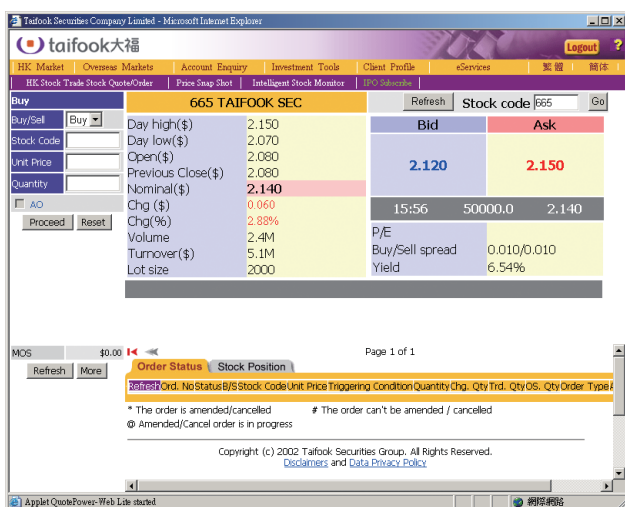
Taifook provides innovative and flexible securities trading and investment services to over 85,000 individuals and hundreds of institutional clients in Hong Kong and China. Service offerings include securities and derivatives, futures and options, forex and bullion, IPO and placing, online trading, margin financing, wealth management, nominee and custodian services as well as research.

In the face of ever-changing markets and evolving customer needs, the Group introduced online simulators for equities, futures and forex trading on its revamped website by end-2006. The simulators for bullion will be launched in 2007, along with Taifook Power Overseas Futures. These state-of-the-art facilities enable customers to make informed investment decisions within various dynamic markets.

In April 2006, the Group opened its Shatin Branch in New Territories East. All branches, which are equipped with advanced trading facilities and manned by professional investment consultants and service staff, aim to create a welcoming and relaxing environment for customers to manage their investments. The Group's territory-wide presence will continue to be expanded throughout 2007 in order to maintain its leadership position.



The Group's branch network in Hong Kong and Macau.



Innovation acts as the analyst for Taifook's tremendous success in creating value for customers.

Taifook is the pioneer when it comes to new product launches. Several hundred financial products across different markets and brands are supported by the Group's platform. Globalisation, combined with an increasingly sophisticated and fast-moving business environment, has resulted in clients' increasing awareness of, and interest in, products from other markets; therefore, one aspect of the Group's strategy has been to team with securities firms in Taiwan, Japan and Korea in order to add additional overseas products in a move to offer a one-stop-shop service.

Corporate Highlights

Asset Management

The Group provides comprehensive fund management and investment advisory services to individual and institutional clients in Hong Kong, China and the Asia-Pacific region. The Group has set up investment funds for overseas clients from Japan and other countries. Given the robust nature of China's GDP growth as evidenced in the past few years, the demand for China's related assets is huge. In order to capture such liquidity, the Group has established a number of private and authorized funds, and offers tailor-made private funds to cater for different investors' appetites.



The Group expands fund management and investment advisory services.

In January 2007, the Group announced the acquisition of Kingsway Fund Management Limited which is a registered manager of the Mandatory Provident Fund, managing some of the best-performing Hong Kong equity funds in Hong Kong.

Wealth Management

In early 2006, the Group announced the acquisition of 60% of issued shares in both Lexton Limited and Lexton Pacific Consultants Limited, thereby becoming the controlling shareholder, and expanding its financial planning and portfolio advisory services. The new entities, Taifook Lexton Wealth Management Limited and Taifook Lexton Consultants Limited, will leverage on the combined strengths and resources of both Taifook and Lexton in terms of management expertise, product offerings, branding and client base. These businesses will become a significant contributor of revenue to the Group.



Wealth management business will become a significant contributor of revenue to the Group in future.

Mainland Market

Development of New Markets

The Mainland market is a key focus of the Group's business strategy. Through the initiation of and active participation in seminars, forums and exhibitions in 2006 in Beijing, Shanghai, Guangzhou, Shenzhen, Zhuhai, Chengdu, Changsha, Kunming, Xiamen, Jiangmen, Hangzhou and Foshan, the Group has begun the process of building presence and brand recognition.

Cognisant of the excellent business opportunities that abound in Western China, the Group opened a liaison office in Chengdu in July 2006.



The Group's liaison office network in China.

Corporate Highlights

Leveraging on the progressive financial market reforms supported by the Chinese government, such as the implementation of QFII and the gradual rollout of QDII, the Group is well positioned to benefit from the enormous opportunities in China.

Research

Taifook Research Limited is the Group's wholly-owned subsidiary dedicated to the provision of independent equity research services. Apart from periodical market reports, it also produces idea-driven company and sector reports. The Group regularly provides unbiased investment ideas to the public through the media and by organising public seminars in Hong Kong and the Mainland. Investors can access original research reports by visiting the Group's website, or by subscription to other external information service providers.

The research team is principally based in Hong Kong, supplemented by supporting staff stationed in Shanghai. The Group's research capability is well recognised, as financial data and investment opinions are provided to selected international financial publications that specialise in promoting investment opportunities in the Greater China stock markets. The Group will be moving forward to establish a leading position in the provision of independent equity research services for Chinese enterprises that are listed overseas.

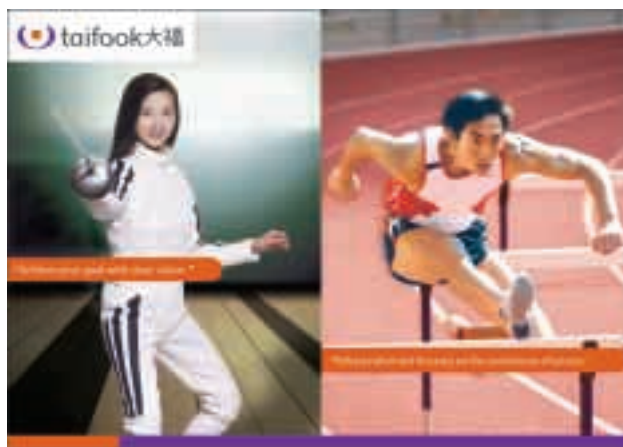


The Group provides investors with professional and comprehensive investment research reports on regular basis.

Corporate Development

Appointment of Image Ambassadors

Last September, the Group appointed two new ambassadors – Ms. Connie Ho, former Hong Kong Women's Epee Top-Ranking Fencer, and her husband Mr. Galen Lam, Course Director and Lecturer, International Association of Athletics Federations. The couple, both of whom are professional sportspeople, possess the essential qualities of diligence, prudence and vitality that truly reflect Taifook's corporate values.



The Group's new image ambassadors possess essential qualities of diligence, prudence and vitality that truly reflect Taifook's corporate values.

Implementation of Balanced Scorecard

The Group continued its Balanced Scorecard programme to enhance transparency and corporate governance. The four dimensions of a full Scorecard – financial; customer; internal business processes; and learning and growth – provide quantifiable key performance indicators across financial and non-financial perspectives, and align the Group's vision and mission more fully with customers' needs to achieve the requisite balance between strategy and operations. All departments are developing their own key performance indicators (KPI) and monitoring their performance against corporate strategies.

Corporate Highlights

Human Capital Management

Staff Learning and Development

The Group has always regarded human resources as being its most valuable asset, and believes sound human capital management enhances staff productivity and loyalty, which will ultimately translate into business growth and customer satisfaction. To this end, the Group consistently provides staff with ample training opportunities in the fields of management development, customer service, product knowledge, industry trends and language proficiency, via various workshops and seminars.

To strengthen the cooperation and teamwork among departments, throughout 2006 the Group organized many inter- and intra-department team building and business workshops, in which staff were provided the opportunity to exchange their views and best practices.

The Group also encourages and supports staff in their pursuit of continuous learning through the provision of training sponsorship, study allowance, study leave, examination reimbursement and examination leave. These measures are geared towards upgrading staff's professional standards and assisting them in their career development.



The Group fostering a continuous learning culture.



An outdoor training session of the Group's "Management Development Program."

Professional Standards

25 training sessions were organised and coordinated to fulfil the Continuous Professional Training (CPT) requirements for SFC licensed persons; and Continuing Professional Development (CPD) requirements for Technical Representatives and MPF Intermediaries. At management level, 3 modules of a Management Development Program were organised for selected managers and directors.

In 2006, the Group has achieved more than 95% of the targeted 40 hours' training per head per annum.

As a result of the Group's effort in upholding the high standard of its accounting and finance professionals, the Association of Chartered Certified Accountants (ACCA) awarded the Group ACCA Approved Employer status.

Corporate Social Responsibility

Over the course of the 34 years since the Group was established, corporate social responsibility (CSR) has become embedded in Taifook's culture. The Group has committed considerable resources toward professional development, nurturing talent, and raising service standards in the financial services industry to international levels.

Corporate Highlights

Board members and senior management actively participate in various working committees of local regulatory bodies and are frequently invited by various public organisations, professional bodies, trade associations, financial institutions and the media to give speeches in seminars and forums across Hong Kong and the Mainland. A diverse range of topics has been covered, including listing issues and corporate financing, corporate governance, global investment knowledge and wealth management.



Taifook staff organising and participating in a host of community service.

During 2006, the volunteer team “Taifook Caring Ambassadors” and fellow colleagues of the Group organised and participated in a variety of community service activities that benefited many charitable organisations, including: fund-raising events organised by the Community Chest’s Corporate Challenge, Dress Special Day and Skip Lunch Day; Blood Donation Day co-organized by the Group and Hong Kong Red Cross; Helping Hand’s Cookie Campaign, Oxfam Hong Kong’s Oxfam Rice Selling; Rotary Club of Hong Kong City North Community Services Fund Limited’s Rotary Flag Day; Yan Oi Tong’s Fund-Raising Month; The Salvation Army Hong Kong & Macau Command’s HK & Macau O! Day; and U-Hearts’ Youth Exchange Programme in Gansu.

Through their involvement in community service, Taifook staff demonstrated their care for those in need, and in the process enhanced their communication and bonding.

In a bid to promote the awareness of corporate governance and the exchange of best practices, the Group sponsored ACCA Hong Kong’s “Annual Conference”, Best Practice Management Group’s “Best Practice Award – Enterprise Governance” and the Hong Kong Institute of Directors’ “Directors of the Year Awards”.

On the educational front, the Group sponsored the “Students Awards Plan” organised by the Vocational Training Council for secondary school students demonstrating outstanding performance in financial subjects; and sponsored an MBA Programme scholarship at PolyU’s Graduate School of Business. In addition, the Group participated in the Young Entrepreneurs Development Council’s School-Company Partnership, providing coaching workshops to students.

Regular social activities are organized for staff and their families. Two company-wide staff communication meetings were held last year to foster direct dialogue between management and staff on various issues of concern.

In recognition of its active participation in and support of social and community service, the Group has been publicly acknowledged as a “Caring Company” by The Hong Kong Council of Social Services for three consecutive years; while the respected local business magazine *Prime Magazine* presented the “Diamond Award” to the Group in its “1st Prime Award for Corporate Social Responsibility” in August 2006.



Receiving the “Prime Diamond Award for CSR” by Prime Magazine.

Corporate Highlights

Awards and Achievements



Receiving the "Best Equity House in Hong Kong" award from FinanceAsia.

Taifook has won numerous accolades over the past 34 years. In 2006, the Group was named "Best Brokerage Company" by the finance magazine *Capital* for five consecutive years, in its "Outstanding Enterprise Awards"; awarded "Best Equity House in Hong Kong" by the international finance magazine *FinanceAsia* for the fourth year; and honoured "2nd Prime Award for Brand Excellence in Securities Investment Services" by *Prime Magazine*.

Taifook is renowned for its outstanding achievements in information technology application and enterprise governance. The Group was awarded the influential Asian publication *MIS Asia's* "Best IT Governance Award" in its "MIS IT Excellence Awards", in recognition of its notable achievements in promoting corporate governance through the application of IT. The Group also received ISO 27001:2005 Certification for its outstanding information security management. In addition, the Group was bestowed *Network World Asia's* "All Stars Awards" for its excellence in development of the Multi-markets Trading and Settlement System (MTSS), a single platform supporting the company's various trading products and markets.

Best Equity House



Quality Assurance / IT Governance



Corporate Governance



Corporate Social Responsibility

