

Management Discussion and Analysis

管理層討論及分析

The board of directors (the "Board") are pleased to present the annual results of REXCAPITAL Financial Holdings Limited (the "Company") and its subsidiaries (together, the "Group") for the financial year ended 31 December 2006.

BUSINESS REVIEW AND PROSPECTS

Year 2006 has been a year of tremendous development for our Group in that we have successfully expanded our business activities from financial and brokerage into the expanding lottery market in China.

In mid 2006, the Group successfully acquired a 45.81% interest in Shenzhen Sinodata Technology Co Ltd ("Sinodata"). Sinodata is engaged in the development and production of proprietary lottery machines, related operations software system and networks for the welfare lottery industry in China. In late 2006, the Group also completed the acquisitions of a 70% stake in Beijing Guard Libang Technology Co Ltd ("Guard Libang") and a 58% stake in Shenzhen Kingsail Software Tech Co Ltd ("Kingsail"). Guard Libang is one of the leaders in the instant lottery industry in China. Kingsail is one of the approved vendors for the development and production of sports lottery machine by China Sports Lottery Administration Center.

御泰金融控股有限公司(「本公司」)之董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱「本集團」)於截至二零零六年十二月三十一日止財政年度之全年業績。

業務回顧及展望

二零零六年是集團發展迅猛的一年，業務成功地從金融及經紀業務拓展至中國發展中的彩票市場。

二零零六年中期，集團成功收購深圳市思樂數據技術有限公司(「思樂數據」)的45.81%權益。思樂數據主要從事開發及生產中國福利彩票專利彩票機、相關運作軟件系統及網絡。於二零零六年底，集團亦完成收購北京戈德利邦科技有限公司(「戈德利邦」)70%權益，以及深圳市金帆軟件技術有限公司(「金帆軟件」)58%權益。戈德利邦是中國大型的即開票系統供應商之一；而金帆軟件是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之公司。

With these acquisitions and the subsequent further expansion into new provinces, the Group now has one of the largest franchise in the lottery market in China and has operations covering multiple provinces and municipalities in China which have an addressable populations of over 900 million. It is our belief that lottery products are part of the consumer products for the mid and low income groups in China. In light of the continuing growth in GDP of China and the accompanying increase in disposable income of the Chinese people and the filtering through of the “wealth effect” from the coastal regions of China into the inland provinces, we are of the view that the lottery market in China will enjoy a period of continued sustainable growth going forward and given our Group’s franchise in China, we also believe that our Group will be able to benefit from this continuing growth trend.

透過不斷收購以及擴展新省份的合約，集團現已在中國彩票市場中擁有相當規模，其業務遍佈中國多個省市，覆蓋逾9億人口。我們相信彩票產品是中國中低收入人士的消費產品的一部分。隨著中國國內生產總值持續增長，加上個人收入增加，「財富效應」亦由中國沿海地區趨向至內陸省份，中國彩票市場將會繼續增長，這有助擴大本集團在中國的優勢。我們相信，集團將繼續受惠於這個持續增長的勢頭。

GEOGRAPHICAL COVERAGE OF OUR LOTTERY BUSINESS

彩票業務覆蓋省市



Management Discussion and Analysis (continued)

管理層討論及分析 (續)

Welfare Lottery

The Group has a substantial participation in the Welfare Lottery Computer Ticket Games (“Welfare CTG”) business through its subsidiary Sinodata. Our Group’s Welfare CTG business involves the provision of operating system, hardware, maintenance and development for Welfare CTG games for the China Welfare Lottery. In 2006, the sales of Welfare CTG games achieved a new record high of approximately RMB44 billion, which accounted for approximately 90% of the total sales of the China Welfare Lottery. Given the already substantial and more established base for the Welfare CTG business, we believe that the Welfare CTG market will enjoy a period of stable, sustainable and continuing growth for the coming years which is likely to track the growth in disposable income for China.

Our Welfare CTG business covered 13 provinces in China in 2006 (which has since been further increased as more provinces have been added after the end of the financial year out of which approximately 50% of the provinces covered is on a revenue sharing basis). Currently, it has deployed over 40,000 lottery machines in China. Our Group is the largest provider for the Welfare CTG business in China in 2006 commanding approximately 50% market share.

Furthermore, the Group’s initiative in Welfare CTG games development has also achieved significant breakthrough in that our High Frequency 2D game will be officially rolled out in the third quarter of 2007 after our successful completion of the testing and review by various regulatory authorities in China. Our income from the provision of games is on a revenue sharing basis.

The Group is also actively involved in the Instant Lottery business for Welfare Lottery (Scratch Cards) in China (“SC business”) through our subsidiary Guard Libang. In the SC business, the Group provides games, system software and hardware, verifications and anti-counterfeiting technologies as well as logistical tracking systems to the Instant Ticket Games for Welfare Lottery based on the approved proprietary and patented technology of Guard Libang. Guard Libang is the sole system provider to the SC business in China Welfare Lottery. Our SC business covers 14 provinces and we plan to further expand our coverage in SC business by expanding into more provinces in China. Our Group’s revenue from the SC business is based on a revenue sharing model.

福利彩票

集團透過其附屬公司－思樂數據參與福利彩票之電腦彩票（「福利電腦彩票」）業務，主要為中國福利彩票提供彩票運作系統、彩票機、維護及開發福利電腦彩票玩法。於二零零六年，電腦彩票的銷售刷新紀錄，錄得約人民幣440億元，佔中國福利彩票收益約90%。在已確立的電腦彩票業務基礎上，我們相信未來數年隨著國民收入增加，福利電腦彩票市場將步入一個穩定、持久的增長時期。

於二零零六年，我們的福利電腦彩票業務已覆蓋中國13個省份（於財政年度完結後更多省份相繼加入，其中約有50%的省份收入是以若干百分比作為分成），目前，集團在中國提供超過40,000台彩票機，約佔50%市場份額，成為中國最大型福利電腦彩票系統供應商。

此外，集團在開發福利電腦彩票遊戲領域，亦取得重大突破，當中國監管機構完成測試和審查後，我們的高頻2D遊戲將於二零零七年第三季正式推出，集團於提供遊戲的收入是以若干百分比作為分成。

集團亦透過附屬公司戈德利邦積極參與中國福利彩票之即開型彩票（俗稱「刮刮樂」）業務（「即開票業務」）。憑藉戈德利邦所批准之獨有專利技術，集團為福利彩票之即開票業務提供玩法設計、系統軟件及硬件、驗證及防偽技術，以及物流追蹤系統。戈德利邦是中國福利彩票中即開票業務的唯一系統供應商，而集團的即開票業務已分佈中國14個省份，我們並計劃加入更多中國省份，以圖擴大集團即開票業務之覆蓋範圍。集團於即開票業務的收入是以若干百分比作為分成。

Instant Ticket Games have seen its fair share of ups and downs in the past and has, in our view, rejuvenated after the re-launch of the SC business in 2005 with improved anti-counterfeiting measures and more efficient system and distribution support. With the implementation of the 2D bar code verification system and the logistical tracking system, the SC business has gradually regained confidence and popularities with the general public in China which led to a speedy recovery in its sales. In 2005, SC games generated approximately RMB100 million in ticket sales and the figure has already exceeded RMB500 million in 2006. We are very much encouraged by the growth of the SC business in 2006 (i.e. a growth of approximately 500% in a year). We are committed to further developing the SC business in China in 2007 and beyond and we believe that substantial growth opportunities still lie ahead in the coming years.

Sports Lottery

Through our subsidiary Kingsail, our Group is one of the 7 licensed providers to the China Sports Lottery Computer Ticket Games ("Sports CTG"). At the end of 2006, our Group has already won contracts to supply Sports CTG to 2 provinces in China and since then a further province has been added to the list in 2007. Looking into 2007, more provinces will be inviting tender for their Sports CTG systems and our Group will continue its efforts to increase our participations in the Sports CTG market. Since the acquisition of Kingsail was only completed in late December 2006, the results of Kingsail have not been included in the results of the Group for the year ended 31 December 2006.

The results of the lottery business was encouraging. The post-acquisition turnover of the lottery business was approximately HK\$115,043,000, representing 66% of the total turnover. Profit arising from this segment amounted to approximately HK\$39,676,000.

Money Lending

Interest income from money lending decreased slightly by 16% to HK\$10,943,000 (2005: HK\$13,071,000). The Group will continue to adopt strict credit monitoring measures on loan lending.

過往，即開票業務市場經歷興衰，然而，防偽措施經過改良，有效的制度及分銷支援引入下，即開票業務於二零零五年重新投入市場；再加入二維條碼防偽技術及物流追蹤系統，這逐漸恢復中國普羅大眾對即開票業務的信心及增加其普及程度，而其銷售亦迅速回復至以往水平。於二零零五年，即開票業務銷售總額約人民幣1億元，而銷售額在二零零六年已升超過人民幣5億元。即開票業務於二零零六年的增幅，實在令我們感到十分鼓舞（一年增長躍升約500%），我們於二零零七年將致力進一步開發中國即開票業務，我們相信往後仍會有持續的增長機會。

體育彩票

透過附屬公司金帆軟件，集團是7家獲得認可資格向中國體育彩票提供電腦彩票遊戲（「福利體育彩票」）設備的公司之一。於二零零六年底，集團成功取得為兩個中國省份提供福利體育彩票的合約，隨後，更於二零零七年加入多一個省份。展望二零零七年將會有更多省份就福利體育彩票系統進行招標，集團會繼續努力，進一步參與福利體育彩票市場。由於收購金帆軟件之事項於二零零六年十二月底方始完成，因此本集團截至二零零六年十二月三十一日止年度之業績並未包括金帆軟件之業績。

年內彩票業務之業績令人鼓舞。彩票業務於收購事項完成後之營業額約為115,043,000港元，佔本集團總營業額66%。年內此分部之溢利約為39,676,000港元。

貸款業務

貸款業務之利息收入微跌16%至10,943,000港元（二零零五年：13,071,000港元）。集團於審批貸款方面將繼續採取審慎的信貸監管措施。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Investment Trading and Holding

In view of huge activities in the capital market and buoyant IPO activities during the year, turnover increased to HK\$29,790,000 and the segment profit was HK\$21,097,000 which included the unrealized profit on securities amounted to HK\$15,412,000. The Group is optimistic to see income generated from this business segment.

Financial Services

Notwithstanding a surge of securities trading volume on the Stock Exchange that the average daily turnover increased from HK\$18.3 billion in 2005 to HK\$33.9 billion in 2006, the performance of the Group's broking business and asset management business was affected by increase in interest rate and operating costs as well as keen competition in the industry, including securities trading services offered by retail banks. Turnover of the Group's financial services decreased by 35% to HK\$18,107,000, representing 10% of the total turnover.

Looking Ahead

According to the Ministry of Finance People's Republic of China, the annual sales of lotteries amounted to RMB81.9 billion in 2006. The sales of Welfare Lottery was RMB49 billion in 2006, representing an increase of 20% from 2005, on the other hand, the sales of Sports Lottery increased by RMB2.1 billion to RMB32.3 billion in 2006. According to the Development Research Center of State Council PR China, total lottery revenues in China are forecast to reach RMB100 billion in 2007. We are optimistic about the prospect of the lottery market in China in the coming year. Together with the determination of the Chinese government to clamp down on illegal gambling, the Group believes that there will be a huge growth potential in the lottery market in China. We will continue to identify appropriate investment opportunities to enhance the Group's revenue base and profitability.

Subsequent to the year end in March 2007, the Group entered into two agreements to further acquire an aggregate of 18.94% interest in Sinodata for a total consideration of HK\$235,250,000. Upon completion of the acquisitions, its shareholding in Sinodata will increase to approximately 65%. Details of the transactions are set out in the Company's announcement dated 22 March 2007.

投資買賣及控股業務

於回顧年度，資本市場上有多項大型活動及活躍的首次公開招股活動，營業額增至29,790,000港元，分部溢利為21,097,000港元，其中包括證券之未變現溢利15,412,000港元，集團對於此項業務分部的收入前景感到樂觀。

金融服務

縱然聯交所的證券成交量激增，平均每日成交金額由二零零五年的183億港元增至二零零六年的339億港元，集團之經紀業務及資產管理業務之表現同時受加息及經營成本上漲之壓力影響，與及面對包括因零售銀行相繼推出證券買賣服務產生之業內激烈競爭。集團之金融服務營業額下降35%至18,107,000港元，佔集團總營業額10%。

展望未來

根據中華人民共和國財政部資料顯示，二零零六年的彩票銷售總額為人民幣819億元，福利彩票的銷售額為人民幣490億元，較二零零五年增加20%；另一方面，體育彩票於二零零六年的銷售額亦由人民幣21億元增加至人民幣323億元。根據中國國務院發展研究中心的資料顯示，預測二零零七年的中國彩票銷售總額將達至人民幣1,000億元。集團對中國彩票市場來年之前景非常樂觀；再加上中國政府決心打擊非法賭博，集團認為中國彩票市場實在有著龐大的發展空間。集團將繼續物色適合的投資機會，以加強集團的收入基礎及盈利能力。

年結日後，於二零零七年三月，集團簽訂兩項協議，以進一步增持思樂數據共18.94%權益，收購總代價為235,250,000港元，若收購完成後，其股權將增加至約65%。上述交易詳情載於本公司於二零零七年三月二十二日刊發之公佈。

In April 2007, the Group further extended its market reach to more provinces in the lottery market in China. Sinodata was awarded the contract to provide lottery system software and machines for Xizang (Tibet Autonomous Region) Welfare Lottery Issuance Centre for its Welfare CTG games, while Kingsail secured contract with Sports Lottery Issuance Centre in Liaoning to supply Sports CTG terminals.

During the year, the Group has been proactively identifying suitable investment opportunities in order to enhance the Group's income base and profitability. The Group will continue to focus on lottery-related businesses in China and put in more resources to offer more comprehensive and quality services to the lottery market with a view to enriching its business portfolio and bringing long-term stable returns to our shareholders.

FINANCIAL REVIEW

Result

For the year ended 31 December 2006, the Group recorded a turnover of HK\$173,883,000 (2005: HK\$41,938,000), representing an increase of 315% over the last year. The increase was mainly attributable to the Group's lottery business in China which achieved a turnover of HK\$115,043,000 (represented a partial year impact on turnover after the completion of the respective acquisition in July 2006) and also partly due to the growth in investment trading and holdings activities. Turnover from the trading of listed securities increased to HK\$29,137,000 for the year ended 31 December 2006 (2005: HK\$617,000).

Profit attributable to shareholders for the year was HK\$11,170,000 (2005: loss of HK\$50,700,000). The earnings per share was 0.26 cents (2005: loss per share of 1.69 cents). Fully diluted earnings per share was 0.25 cents (2005: Nil).

Liquidity, Financial Resources and Funding

At 31 December 2006, the Group's total equity amounted to HK\$930,044,000 as compared to HK\$114,572,000 at the end of the previous year. The net increase in equity was mainly attributed to the completion of the capital raising exercises by the Company during the year. The proceeds from the capital raising exercises were mainly used to finance the acquisition of the lottery business in China and to strengthen the working capital base of the Group.

於二零零七年四月，集團在中國福利彩票之市場份額進一步擴大至多個省市。思樂數據獲得為西藏自治區福利彩票發行中心之福利電腦彩票提供彩票銷售管理系統應用軟件及彩票投注機。與此同時，金帆軟件亦與遼寧省體育彩票發行中心簽訂合約，提供體育彩票銷售終端機。

集團於年內一直積極物色合適之投資機會，藉以壯大集團的收入基礎和盈利能力。集團將繼續集中中國彩票相關業務，並投放更多資源，從而為彩票市場提供更完備及優質之服務，以圖強化集團業務之組合及為股東帶來長遠的穩定回報。

財務回顧 業績

於截至二零零六年十二月三十一日止年度，本集團錄得173,883,000港元（二零零五年：41,938,000港元）之營業額，較去年上升315%，主因是本集團之中國彩票業務營業額達115,043,000港元（反映於二零零六年七月完成收購事項後對營業額產生之部分年度影響），而部分原因則為投資買賣及控股業務之增長。上市證券買賣之營業額於截至二零零六年十二月三十一日止年度增加至29,137,000港元（二零零五年：617,000港元）。

年內股東應佔溢利為11,170,000港元（二零零五年：虧損50,700,000港元）。每股盈利為0.26仙（二零零五年：每股虧損1.69仙），每股全面攤薄盈利為0.25仙（二零零五年：無）。

流動資金、財務資源及融資

於二零零六年十二月三十一日，本集團之股東權益總額為930,044,000港元，去年年底則為114,572,000港元。權益錄得增加淨額，主要是由於本公司年內完成集資活動所致。集資活動所得款項主要用作收購中國彩票業務之資金，以及強化本集團之營運資金基礎。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

At 31 December 2006, the Group had cash reserves of approximately HK\$164,867,000 (2005: HK\$27,181,000), which include approximately HK\$17,633,000 (2005: HK\$22,161,000) of clients' funds that were kept in designated segregated bank accounts.

The gearing ratio as at 31 December 2006 was 14.89% (2005: 179%). The gearing ratio was derived by dividing the aggregate of bank borrowings by the amount of shareholders' equity. The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 341% (2005: 142%).

The Group had outstanding bank borrowings as at 31 December 2006 of HK\$138,444,000 (2005: HK\$205,579,000). The bank borrowings were denominated in Hong Kong dollars and Renminbi and interest bearing at prevailing commercial lending rates. The Group's bank deposit of HK\$123,304,000 and listed investments belonging to clients were pledged to secure these bank borrowings which were used to finance the Group's operations. We expect that all these borrowings will be repaid by internal generated funds. Subsequently after the year end, the secured loan of HK\$122,509,000 has been repaid.

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.

Pledge of Assets

At 31 December 2006, the Group's bank deposit of HK\$123,304,000 and listed investments belonging to clients and the Group with total market value of approximately HK\$21,871,000 and HK\$nil respectively (2005: HK\$89,042,000 and HK\$13,348,000 respectively) were pledged to banks to secure the bank borrowings granted to the Group. Subsequently after the year end, the charge on the pledged deposit has been released as a result of repayment of certain bank borrowings after year end.

於二零零六年十二月三十一日，本集團有現金儲備約164,867,000港元(二零零五年：27,181,000港元)，包括存放於指定銀行獨立賬戶之客戶資金約17,633,000港元(二零零五年：22,161,000港元)。

於二零零六年十二月三十一日之負債比率為14.89%(二零零五年：179%)。負債比率為將銀行貸款總額除以股東資金總額。本集團以流動資產除以流動負債計算之流動資金比率為341%(二零零五年：142%)。

本集團於二零零六年十二月三十一日有未償還之銀行貸款138,444,000港元(二零零五年：205,579,000港元)。銀行貸款以港元及人民幣為單位，並以現行商業貸款利率計息。本集團之銀行存款123,304,000港元及屬於客戶之上市投資，已用作抵押用於撥付本集團營運所需之該等銀行貸款。預期上述所有貸款將以內部資金償還。於結算日後，本集團已償還有抵押貸款122,509,000港元。

連同本集團可動用之財務資源(包括內部資金及可動用銀行信貸)，本集團具備足夠營運資金應付現時需要。

資產抵押

於二零零六年十二月三十一日，本集團之銀行存款123,304,000港元以及屬於客戶及本集團所有總市值分別約21,871,000港元及零港元(二零零五年：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，作為本集團獲授銀行貸款之擔保。由於若干銀行貸款已於結算日後償還，故此，有抵押存款之押記已於結算日後撥回。

Share Capital

During the year, the Company issued 1,200,000,000 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. 730,000,000 new shares of HK\$0.01 each were issued at a price of HK\$0.35 per share pursuant to a subscription agreement dated 1 August 2006 as amended by a supplemental agreement dated 2 August 2006.

Pursuant to the share purchase agreement dated 15 March 2006, 500,000,000 new shares of HK\$0.01 each were issued by the Company in July 2006 at a price of HK\$0.15 per share to satisfy part of the consideration for the acquisition of the entire issued share capital of Multi Glory Limited. Details of the acquisition are set out in the Company's circular dated 12 June 2006.

Pursuant to the share purchase agreement dated 25 July 2006, 240,000,000 new shares of HK\$0.01 each were issued by the Company in November 2006 at a price of HK\$0.37 per share to satisfy part of the consideration for the acquisition of the entire issued share capital of Happy Sun Technologies Ltd. Details of the acquisition are set out in the Company's circular dated 18 August 2006.

247,000,000 new shares of HK\$0.01 each were issued and allotted during the year upon exercise of share options granted by the Company.

Save as the above, there was no change in the Company's capital structure during the year ended 31 December 2006.

股本

年內，本公司根據於二零零六年三月二十三日訂立的認購協議，按每股作價0.2港元發行1,200,000,000股每股面值0.01港元的新股，有關詳情載於本公司於二零零六年六月十二日刊發之通函內。根據於二零零六年八月一日訂立的認購協議（經於二零零六年八月二日訂立之補充協議修訂），本公司按每股作價0.35港元發行730,000,000股每股面值0.01港元的新股。

根據於二零零六年三月十五日訂立的購股協議，本公司於二零零六年七月按每股作價0.15港元發行500,000,000股每股面值0.01港元的新股，以支付收購Multi Glory Limited全部已發行股本之部分代價。有關收購事項之詳情載於本公司於二零零六年六月十二日刊發之通函內。

根據於二零零六年七月二十五日訂立的購股協議，本公司於二零零六年十一月按每股作價0.37港元發行240,000,000股每股面值0.01港元的新股，以支付收購Happy Sun Technologies Ltd全部已發行股本之部分代價。有關收購事項之詳情載於本公司於二零零六年八月十八日刊發之通函內。

本公司於年內因本公司授出的購股權獲行使而發行及配發247,000,000股每股面值0.01港元的新股。

除上文所述者外，於截至二零零六年十二月三十一日止年度內，本公司的股本結構並無改變。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Exchange Rate Risk

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar or Renminbi. The Group did not enter into any foreign exchange forward contracts to hedge against exchange rates fluctuations. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

Material Acquisitions and Disposals of Subsidiaries

On 15 March 2006, the Group entered into a share purchase agreement with Magic Dynasty Limited under which the Group agreed to acquire the entire issued share capital of Multi Glory Limited, a company which was 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 in July 2006.

On 25 July 2006, the Group entered into a share purchase agreement with Gain Silver International Limited under which the Group 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 circular dated 18 August 2006. The transaction has been completed in November 2006.

匯率風險

本集團之所有資產、負債及交易以港元或人民幣計算。在一般業務過程中，外匯風險極微，故本集團並無訂立任何外匯遠期合約對沖外匯波動。管理層將密切監察外匯波動，並於有需要時採取適當行動。

重大收購及出售附屬公司

於二零零六年三月十五日，本集團與 Magic Dynasty Limited 訂立購股協議，據此，本集團同意收購間接持有思樂註冊資本 45.436% 權益之 Multi Glory Limited 之全部已發行股本。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，而 75,000,000 港元則以按每股 0.15 港元之價格發行 500,000,000 股代價股份支付。有關收購事項之詳情載於本公司於二零零六年六月十二日刊發之通函內。該項交易已於二零零六年七月完成。

於二零零六年七月二十五日，本集團與 Gain Silver International Limited 訂立購股協議，據此，本集團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 之全部股本。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。有關收購事項之詳情載於本公司於二零零六年八月十八日刊發之通函內。該項交易已於二零零六年十一月完成。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

On 8 August 2006, the Group 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 been completed in December 2006.

Apart from the above, the Group had no material acquisition and disposal of subsidiaries during the year ended 31 December 2006.

Human Resources

As at 31 December 2006, the Group had 406 employees.

The Group remunerated its employee 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 individual's performance.

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

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere thanks to all our shareholders and business partners for their continuous support, and to our management and staff for their dedication to the Group throughout the year.

For and on behalf of the Board

Chan How Chung, Victor

Executive Director

Hong Kong, 27 April 2007

於二零零六年八月八日，本集團與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。交易完成後，Pentium Win Limited將間接擁有金帆軟件註冊資本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之公佈內。該項交易已於二零零六年十二月完成。

除上文所述者外，截至二零零六年十二月三十一日止年度，本集團並沒有重大收購及出售附屬公司。

人力資源

於二零零六年十二月三十一日，本集團共有406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。除基本酬金外，本集團亦會按本集團業績表現及個別員工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的轉變及挑戰。

致謝

本人謹藉此機會代表董事會，對各股東及業務夥伴在過去一年給予本集團不斷的支持和信任致以衷心謝意。同時，特此致謝管理層及各員工對公司業務的熱誠投入及忠誠。

代表董事會

執行董事

陳孝聰

香港，二零零七年四月二十七日