

2. Segmental information (Continued)
(a) Business segments (Continued)

| | General import and export trading HK\$ '000 | Securities dealing and broking HK\$ '000 | Financing HK\$ '000 | Trading of listed securities HK\$ '000 | Property redevelopment and investment HK\$ '000 | Strategic investments HK\$ '000 | Corporate HK\$ '000 | Others HK\$ '000 | Eliminations HK\$ '000 | Consolidated HK\$ '000 |
|----------------------------|---|--|------------------------|---|---|---------------------------------------|------------------------|---------------------|---------------------------|---------------------------|
| 2005 | | | | | | | | | | |
| Segment revenue: | | | | | | | | | | |
| External sales | 42,118 | 4,158 | 1,592 | - | - | - | - | - | - | 47,868 |
| Other revenue | 503 | 1,766 | 231 | - | - | 20 | 295 | 1 | - | 2,816 |
| Inter-segment sales | - | 126 | - | - | 600 | - | 7,053 | - | (7,779) | - |
| Total revenue | 42,621 | 6,050 | 1,823 | - | 600 | 20 | 7,348 | 1 | (7,779) | 50,684 |
| Segment results | 1,512 | 1,108 | 1,286 | - | (21) | (3,191) | 101 | (2,431) | (125) | (1,761) |
| Unallocated income | | | | | | | | | | 125 |
| Finance costs | | | | | | | | | | (3,294) |
| Loss before taxation | | | | | | | | | | (4,930) |
| Taxation | | | | | | | | | | (200) |
| Loss for the period | | | | | | | | | | (5,130) |

(b) Geographical segments

The following table presents revenue of the Group's geographical segments for the six months ended 30 September 2006 and 2005 respectively:

| | Six months ended 30 September | |
|---------------|----------------------------------|----------------------------------|
| | 2006 (Unaudited) HK\$ '000 | 2005 (Unaudited) HK\$ '000 |
| Hong Kong | 32,292 | 28,798 |
| Europe | 3,799 | 19,070 |
| North America | 2,792 | - |
| Total | 38,883 | 47,868 |

3. Loss before taxation

Loss before taxation is arrived at after charging:

| | Six months ended | |
|--------------|-------------------------|--------------------|
| | 30 September | |
| | 2006 | 2005 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Depreciation | 256 | 385 |
| Staff costs | <u>5,035</u> | <u>6,869</u> |

4. Taxation

Hong Kong Profits Tax has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the current period.

| | Six months ended | |
|---|-------------------------|--------------------|
| | 30 September | |
| | 2006 | 2005 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Hong Kong | | |
| Provision of Profits Tax for current period | <u>-</u> | <u>(200)</u> |

5. Dividend

The Board do not recommend the payment of any interim dividend for the six months ended 30 September 2006 (2005: nil).

6. Loss per share

The calculation of loss per share is based on the loss attributable to equity holders of HK\$7,081,000 (2005: HK\$2,987,000) for the six months ended 30 September 2006 on 1,871,188,679 (2005: 1,871,188,679) ordinary shares in issue during the period.

Diluted loss per share for the periods ended 30 September 2006 and 2005 have not been disclosed, as the options outstanding during both periods had an anti-dilutive effect on the basic loss per share for these periods.

7. Loans receivable

| | As at 30 September 2006 (Unaudited) HK\$'000 | As at 31 March 2006 (Audited) HK\$'000 |
|--|--|--|
| Securities dealing and broking business: | | |
| – Secured margin loans | 31,057 | 37,986 |
| Less: Impairment | <u>(11,000)</u> | <u>(11,000)</u> |
| | <u>20,057</u> | <u>26,986</u> |
| Financing business: | | |
| – Secured loans | 6,793 | 16,623 |
| – Unsecured loans | <u>41,709</u> | <u>43,056</u> |
| | 48,502 | 59,679 |
| Less: Impairment | <u>(45,153)</u> | <u>(45,369)</u> |
| | <u>3,349</u> | <u>14,310</u> |
| Total | <u><u>23,406</u></u> | <u><u>41,296</u></u> |

An aged analysis of the Group's loans receivable excluding margin loans is as follows. In the opinion of the Directors, an aged analysis is not meaningful in view of the nature of the business of securities margin financing, which is more concerned about the market value, marketability and liquidity of the collaterals.

| | | |
|---------------------|---------------------|----------------------|
| Financing business: | | |
| Within 6 months | 2,529 | 4,689 |
| 7 to 12 months | 1,280 | 5,550 |
| Over 1 year | <u>44,693</u> | <u>49,440</u> |
| | 48,502 | 59,679 |
| Less: Impairment | <u>(45,153)</u> | <u>(45,369)</u> |
| | <u><u>3,349</u></u> | <u><u>14,310</u></u> |

8. Accounts receivable

| | As at 30 September 2006 (Unaudited) HK\$'000 | As at 31 March 2006 (Audited) HK\$'000 |
|--------------------------------|--|--|
| Balance in relation to: | | |
| Securities dealing and broking | 4,988 | 6,715 |
| General trading and others | <u>1,188</u> | <u>1,876</u> |
| | <u><u>6,176</u></u> | <u><u>8,591</u></u> |

An aged analysis of the accounts receivable is as follows:

| | | |
|------------------|---------------------|---------------------|
| Within 6 months | 5,445 | 8,314 |
| 7 to 12 months | 436 | 224 |
| Over 1 year | <u>935</u> | <u>617</u> |
| | 6,816 | 9,155 |
| Less: Impairment | <u>(640)</u> | <u>(564)</u> |
| | <u><u>6,176</u></u> | <u><u>8,591</u></u> |

9. Investment in a joint venture held-for-sale

| | As at 30 September 2006 (Unaudited) HK\$'000 | As at 31 March 2006 (Audited) HK\$'000 |
|--|--|--|
| Unlisted investment, at cost | 551,837 | 551,837 |
| Less: Accumulated amortization Impairment | (268,331) (131,672) | (268,331) (131,672) |
| | <u>151,834</u> | <u>151,834</u> |
| Amount due to the joint venture | (17,758) | (13,125) |
| Dividend receivable | 19,153 | 19,153 |
| | <u>153,229</u> | <u>157,862</u> |
| Classified as: | | |
| Non-current assets: | | |
| Dividend receivable | - | 19,153 |
| Current assets: | | |
| Investment in a joint venture held-for-sale | 151,834 | 151,834 |
| Dividend receivable | 19,153 | - |
| Current liabilities: | | |
| Amount due to the joint venture, included in other payables | (17,758) | (13,125) |
| | <u>153,229</u> | <u>157,862</u> |

10. Accounts payable, other payables and accruals

| | As at 30 September 2006 (Unaudited) HK\$'000 | As at 31 March 2006 (Audited) HK\$'000 |
|--|---|---|
| Balance in relation to: | | |
| Securities dealing and broking | 10,715 | 13,001 |
| General trading and others | <u>28,657</u> | <u>23,719</u> |
| | <u><u>39,372</u></u> | <u><u>36,720</u></u> |
| <p>An aged analysis of the accounts payable is as follows:</p> | | |
| Within 6 months | 8,880 | 7,910 |
| 7 to 12 months | 1,091 | 1,161 |
| Over 1 year | <u>1,909</u> | <u>2,567</u> |
| | 11,880 | 11,638 |
| Other payables and accruals | <u>27,492</u> | <u>25,082</u> |
| | <u><u>39,372</u></u> | <u><u>36,720</u></u> |

11. Bank borrowings

| | As at 30 September 2006 (Unaudited) HK\$'000 | As at 31 March 2006 (Audited) HK\$'000 |
|---|--|--|
| Bank borrowings comprise: | | |
| Bank loans, secured | 106,575 | 106,393 |
| Bank overdrafts, secured | 4,702 | 7,006 |
| | <u>111,277</u> | <u>113,399</u> |
| Less: Portion classified as current liabilities (<i>Note</i>) | (94,601) | (95,775) |
| | <u>16,676</u> | <u>17,624</u> |
| Bank loans and overdrafts are payable: | | |
| Within one year (<i>Note</i>) | 94,601 | 95,775 |
| In the second year | 1,896 | 1,896 |
| In the third to fifth years, inclusive | 5,688 | 5,688 |
| Beyond five years | 9,092 | 10,040 |
| | <u>111,277</u> | <u>113,399</u> |

The Group's bank loans and overdrafts are secured by:

- (i) clients' collaterals;
- (ii) the Group's investment property and property held for redevelopment situated in Hong Kong;
- (iii) the Group's time deposit; and
- (iv) the Group's investment in a joint venture.

Note: As at 30 September 2006, included in the current portion of the bank borrowings was the bank loan HK\$86.9 million relating to and secured by the Group's investment in a joint venture in the PRC (the "JV"). The loan will expire on 27 December 2006. In October 2006, the bank demanded for early repayment of the loan. The Group is now under negotiation with the bank. In November 2006, the Group repaid RMB16.0 million and intends to apply part of the transfer price of approximately RMB157.3 million to be received from the JV partner (the "JV Partner") for the full repayment of the balance of the loan. (For more information regarding to the JV, please refer to the section headed "Investments" below and the Company's announcement dated 28 November 2006 and future announcement.) As such, the Company does not consider it having any material impact on the Group.

12. Share capital

| | As at 30 September 2006 (Unaudited) HK\$'000 | As at 31 March 2006 (Audited) HK\$'000 |
|--|--|--|
| <i>Authorised:</i> | | |
| 200,000,000,000 ordinary shares of HK\$0.01 each | <u>2,000,000</u> | <u>2,000,000</u> |
| <i>Issued and fully paid:</i> | | |
| 1,871,188,679 ordinary shares of HK\$0.01 each | <u>18,712</u> | <u>18,712</u> |

13. Contingent liabilities

As at 30 September 2006, the Company had contingent liabilities in respect of corporate guarantees given to banks in connection with the banking facilities granted to certain subsidiaries, of which HK\$19.7 million (31 March 2006: HK\$19.5 million) had been utilized at 30 September 2006. The Company understands that they are the subsidiaries to sign the loan agreements and they have the primary obligation for repayment of such bank loans. In addition, included in the contingent liabilities were the mortgage loans, HK\$18.6 secured by those subsidiaries' properties with the total market value of HK\$61.6 million. As such, the Company considers its exposure is minimal.

14. Litigation

In December 2004, the Company received a writ of summons from C.A. Pacific Finance Limited (in liquidation) claiming a sum of HK\$1,197,349.50 (the "Claimed Amount") due by Eastex Investment Far East Limited (formerly known as Styland Investment Far East Limited), a former subsidiary of the Company that was disposed in December 1997 (the "CAP Case"). After having sought legal advices, the Company filed a defence to deny the claim. After that and up to the date of this report, there is no further progress of the CAP Case. In view of the foregoing and that the Claimed Amount is relatively small compared to the net asset value of the Company, the Directors do not consider the CAP Case having a material financial impact on the Company.

15. Post balance sheet event

Reference is made to note 39(2) to the financial statements for the year ended 31 March 2006, the Company is pleased to report that the lawsuit against Sheng Da Investment Holding (Hong Kong) Limited, a non-wholly owned subsidiary of the Company, was dismissed in October 2006 and the Group has recovered RMB17,000,000 of the retained money. The Group will receive the balance RMB2,270,000 of the retained money in December 2006. (For details of the lawsuit, please refer to the Company's announcement dated 28 November 2006 and future announcements.)

16. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.