

## INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30 September 2005 (2004: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### *Operation Review*

For the six months ended 30 September 2005, the Group recorded a turnover of HK\$33,251,086 which was more than last year's HK\$4,834,464. The profit attributable to shareholders was HK\$2,564,979 when compared to last year's loss of HK\$10,891,718.

For the period under review, the profit was mainly attributable to dividend income of HK\$2,204,574 from holding of listed securities and the gain from realization of financial assets of HK\$1,355,190. The Group also made a new investment in a company in the business of trading of Chinese herbs where management of the Group anticipated a positive capital appreciation in view of the increasing public awareness over the application of Chinese herbs in medical and healthcare in Hong Kong.

#### *Prospects*

Given the present continuous economic recovery in Hong Kong and the commitment of the Hong Kong Special Administrative Government in boosting the economic environment in Hong Kong, there is a general improvement in the overall economy.

## 中期股息

董事會議決不會宣派就有關截至二零零五年九月三十日止六個月之任何中期股息（二零零四年：無）。

## 管理層討論及分析

### 業務回顧

#### *營運回顧*

截至2005年9月30日止六個月，本集團營業額為33,251,086港元，較去年營業額4,834,464港元錄得強勁增長。股東應佔溢利為港幣2,564,979港元，較去年虧損10,891,718港元，大幅度改善。

於期內盈利主要來自持有上市公司投資之股息收入，為2,204,574港元，及出售財務資產之盈利達1,355,190港元。本集團新近投資一所中藥貿易公司，隨著香港公眾加強對中藥應用及健康的認知，管理層認為有關業務前景樂觀。

#### *展望*

香港經濟持續向好，香港特別行政區政府致力發展經濟，整體經濟獲得改善。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW (CONTINUED)

#### *Prospects (Continued)*

The Closer Economic Partnership Arrangements (CEPA) with China together with the Individual Travel Scheme implemented by the Central Chinese Government will continue to bring positive economic impact on Hong Kong. With the continuous infrastructural development in Hong Kong and the Mainland, major projects such as the Hong Kong-Zhuhai-Macao Bridge and Guangzhou-Shenzhen-Hong Kong Express Rail Link will build a stronger geographical link between Hong Kong, China and Macau. The Group has diversified its investment in Macau properties which the management believes to be an investment with growth potential and capital appreciation for medium to long-term strategic investment purpose.

The interest rates of the Federal Reserve at the US have increased continuously over the past few months from 2.75% in April 2005 to 4.25% in December 2005. As Hong Kong's interest rates follow the ones in the US under the exchange rate peg system, the interest rate in Hong Kong is expected to grow. In the present increasing interest rate environment, there is a potential adverse impact over the property and investment market.

## 管理層討論及分析(續)

### 業務回顧(續)

#### *展望(續)*

與中國中央政府自二零零四年起推行更緊密經貿關係安排，及自由行將繼續對香港產生正面的影響。香港及中國大陸持續發展基建項目，港珠澳大橋及廣深港高速鐵路令中港澳三地盡得地利，關係更為緊密。本集團投資澳門物業，管理層相信中長線而言可獲穩定租金收入及令資產、資本增值。

美國聯邦儲備局在過去數月多次調高利率，由2005年4月的2.75%調高至2005年12月的4.25%。香港因推行聯繫利率，利率將跟隨美國而浮動，預期香港利率將持續增加。於現時利率增長的環境，將可能對地產及投資市場產生負面影響。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW (CONTINUED)

#### *Prospects (Continued)*

Looking ahead, the Group will continue to closely monitor both its listed and unlisted investments. Under the present dynamic economic environment in Hong Kong, the management of the Group will continue to manage its investment portfolio and to look into any new profitable investment opportunities to maximize the return of our shareholders.

### FINANCIAL REVIEW

#### *Liquidity and Financial Resources*

As at 30 September 2005, the Group had bank balances and cash of HK\$223,098 (31 March 2005: HK\$3,813,037) and had no other borrowing. The Directors believe that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

#### *Capital Structure*

There was no change to the Group's capital structure for the six months ended 30 September 2005.

#### *Share Options*

The Group does not adopt any share option scheme.

#### *Capital commitment and contingent liabilities*

As at 30 September 2005, the Group had no material capital commitment and contingent liabilities.

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### *展望 (續)*

展望未來，本集團將繼續密切監控上市及非上市投資。現今香港經濟環境朝氣蓬勃，本集團之管理層將繼續加強管理投資組合及把握新投資機會，以增加股東之回報。

### 財務回顧

#### *流動資金及財政資源*

於二零零五年九月三十日，本集團銀行結餘及現金共223,098港元（二零零五年三月三十一日：3,813,037港元），並無其他借貸。董事會相信本集團具足夠財政資源履行承諾及營運資金要求。

#### *資本結構*

本集團之資本結構截至二零零五年九月三十日止六個月內，並無任何變動。

#### *購股權*

本集團並無採納任何購股權計劃。

#### *資本承擔及或然負債*

於二零零五年九月三十日，本集團並無重大資本承擔及或然負債。

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 30 September 2005, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Listing Rules were as follows:

**董事及行政總裁於本公司或任何聯營公司之股份、相關股份及債券之權益及淡倉**

於二零零五年九月三十日，本公司董事於本公司及其相聯法團（定義見證券及期貨條例第XV部（「證券及期貨條例」））之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例之該等條文本公司董事及最高行政人員被視為或被當作擁有之權益及淡倉），或須列入而已列入按證券及期貨條例第352條存置之登記冊內，或根據上市規則之上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

Name of director 董事姓名	Number of shares 股份數目				Total 總額	Percentage of issued share capital 已發行股本 百分比
	Person interests 個人權益	Family interests 家屬權益	Corporate interests 法團權益	Other interests 其他權益		
Ordinary Shares of HK\$0.01 each in the Company 本公司每股面值0.01港元之普通股						
Cheng Wai Lun, Andrew (Note) 鄭偉倫 (附註)	-	-	340,000,000	-	340,000,000	32.08%

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)**

*Note:* Mr. Cheng Wai Lun, Andrew is one of the discretionary objects of a trust which assets include interests in the entire issued share capital of Fung Fai Growth Limited. Fung Fai Growth Limited holds 340,000,000 shares of the Company.

Save as disclosed above, at no time during the six months ended 30 September 2005 was the Company, its subsidiaries or its associate a party to any arrangement to enable the directors or chief executives of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

Save as disclosed above, none of the directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

**董事及行政總裁於本公司或任何聯營公司之股份、相關股份及債券之權益及淡倉 (續)**

*附註:* 該等股份由Fung Fai Growth Limited持有，Fung Fai Growth Limited由一信託全資實益擁有，而鄭偉倫先生為其中一位酌情受益人。Fung Fai Growth Limited持有本公司340,000,000股股份。

除上文披露者外，於截至二零零五年九月三十日止六個月內之任何時間，本公司、其附屬公司或其聯營公司概無訂立任何安排，令本公司之董事或主要行政人員或其配偶或其未滿十八歲之子女可藉購入本公司或其他相聯法團之股份或債券而獲益。

除上文披露者外，本公司各董事或主要行政人員並無於本公司或其相聯法團（定義見證券及期貨條例第XV部份）之股份、相關股份或債券擁有權益或淡倉，而須登記於根據證券及期貨條例第352條規定須存置之登記冊內，或根據上市規則所載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任何權益及淡倉。