

CHAIRMAN'S STATEMENT

主席報告



I am pleased to present to Shareholders the financial result of Simsen International Corporation Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 30 April 2006.

FINANCIAL HIGHLIGHTS

The Group had successfully turnaround in business by its endeavours in improving and expanding the market shares of the local retail clients and effective cost control. For the year ended 30 April 2006, the Group recorded a profit of HK\$156,144,000 while the loss was recorded at HK\$5,159,000 for the year ended 30 April 2005. Turnover from continuing operations for the year under review was HK\$173,120,000 as compared to HK\$23,413,000 for the year ended 30 April 2005, representing an increase of 639%.

Securities

The securities segment represents broking and dealing of securities and provision of margin financing.

The Group's improving performance in the businesses of its securities, futures and options broking and dealing, provision of margin financing was due to the fact of the input of additional and collateral resources into the Group such as upgrading electronic trading system, IPO financing and diversification of product range, provision of investment seminars, keeping investors with forefront of the Group's strategies and development plans. Revenue generated from securities segment was HK\$146,866,000 as compared with HK\$16,259,000 for the year 2005, representing an increase of 611%.

本人欣然向列位股東提呈天行國際(控股)有限公司(「本公司」)及其附屬公司(統稱為「本集團」)截至二零零六年四月三十日止年度之財務業績。

財務摘要

本集團之業務得以轉虧為盈，有賴其致力改善及增加本地零售客戶的市場佔有率，並且有效控制成本。截至二零零六年四月三十日止年度，本集團錄得溢利156,144,000港元，而截至二零零五年四月三十日止年度則錄得虧損5,159,000港元。持續經營業務之營業額於回顧年度為173,120,000港元，較截至二零零五年四月三十日止年度之23,413,000港元上升639%。

證券

證券業務指證券經紀及買賣及提供孖展融資。

本集團之證券、期貨及期權經紀及買賣，提供孖展融資業務表現持續改善，原因為本集團增加資源，如更新電子交易系統、首次公開發售融資及多元化產品範圍、舉辦投資研討會、以及使投資者知悉本集團之策略及發展計劃。證券業務產生之收益為146,866,000港元，較二零零五年之16,259,000港元上升611%。

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Moreover, revenue generated from proprietary trading amounted to about HK\$92,077,000. The result was mainly contributed by an appreciation of market value of listed equity investment held by the Group for the year ended 30 April 2006. On 30 September 2005, the Group completed disposal of its entire interest in an associate to a company whose shares are listed on the TSX Venture Exchange (the "Purchaser"). Upon completion, the Group received Canadian Dollars ("CAD") 2,720,000 in cash, CAD2,667,000 in the form of a one-year promissory note and CAD3,810,000 of a convertible note issued by the Purchaser with a conversion price of CAD0.40 per share that were fully converted the note into 9,525,000 shares of the Purchaser. The Group recorded a gain of HK\$26,328,000 for the disposal and a gain of HK\$117,051,000 for the appreciation of market value of the 9,525,000 shares of the Purchaser held by the Group during the year under review.

Bullion

The bullion segment represents broking and dealing of bullion contracts and foreign currency contracts, which recorded a revenue of about HK\$24,351,000 as compared with HK\$6,898,000 for the year 2005, representing an increase of 253%. During the year under review, earning growth from bullion segment has been promising. While operational costs have been declining, total revenue including commission and trading profit experiences satisfactory growth. Undoubtedly, strong demand from Asian jewellers, rising commodity prices and depreciation risk of the Dollar have been able to free bullion from its "secular bear market" once and for all. In face of such a volatile bullion market, hot money and speculative interests has begun to play the market in droves, the bullion segment has been able to yield favourably from such a sudden surge of trading demand.

此外，自營買賣產生之收益約為92,077,000港元。該業績主要來自本集團截至二零零六年四月三十日止年度所持有之上市股票投資之市值增加。於二零零五年九月三十日，本集團完成出售一間聯營公司之全部權益予一間公司（「買方」，其股份於多倫多證券創業交易所上市）。於完成時，本集團收到現金2,720,000加拿大元（「加元」）、金額為2,667,000加元之一年期承付票據及買方發行之3,810,000加元之可換股票據（已悉數兌換為買方9,525,000股股份，換股價為每股0.40加元）。本集團錄得出售收益26,328,000港元及本集團於回顧年度持有買方9,525,000股股份之市值增值之收益117,051,000港元。

黃金

黃金業務指黃金合約及外幣合約經紀及買賣。此業務錄得收入約24,351,000港元，較二零零五年之6,898,000港元上升253%。於回顧年度，黃金合約買賣業務之盈利增長可觀。經營成本降低，而總收入（包括佣金及買賣盈利）錄得理想增長。亞洲珠寶商需求強勁、商品價格上漲及美元貶值風險無疑將刺激黃金徹底擺脫「長期熊市」。鑑於黃金市場大幅波動，熱錢及投機利益開始陸續湧入市場，黃金業務得以從買賣需求突然急升中受益甚豐。

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Corporate and Others

Revenue generated from corporate and other segments was HK\$1,903,000 as compared with HK\$256,000 for the year 2005 resulted from rental income generated from investment properties, provision of management and consultancy services, provision of other financing services, together with corporate income and expenses items.

PROSPECTS

The Group's core businesses have benefited and will continue to benefit greatly from the revivals of the Hong Kong economy. Our Group is able to rely on our unique qualities, resources, perseverance, diligence and passion of excellence - to rise above any difficulties. Strong cash flow from various business segments also strengthened the capital base of the Group.

Although the local securities firms are encountering unfair competition from banking sector involving in the business of securities trading and discriminatory measures imposed by regulatory bodies, our Group determines to put our head over the water. With our 30-year market-tested experience, the Group has always tailored alternative financial products to meet the needs of the market and its clientele. If the Group had not strengthened its bullion segment two years ago, it would not have had sufficient resources to digest the abrupt upsurge of the market demand. This exemplifies the utmost importance of monitoring market needs and always planning in advance. The Group is confident that by streamlining its corporate structures of securities, bullion, futures and perhaps leveraged foreign currency trading under its associated companies, each focusing on its area of strength, the Group's financial services will emerge as an efficient profit centre together with essential cost controls.

企業及其他

與二零零五年之256,000港元相比，來自企業及其他業務的收益為1,903,000港元，主要來自投資物業之租金收入、提供管理及顧問服務、提供其他融資服務及公司收支項目。

前景

本集團之核心業務因香港經濟復甦而受惠，並將因此而繼續大為受惠。本集團憑藉本身的獨特質素、資源、堅毅、勤勉及致力追求盡善盡美的態度，得以排除萬難。加上各業務分部之強勁現金流量亦有助本集團鞏固其資本基礎。

儘管銀行業界從事證券買賣業務及監管機構施行歧視性措施，令本地證券公司面對不公平競爭，然而本集團仍決心勇往向前。本集團基於三十年之市場實踐經驗，按市場及客戶需求推出更多另類金融產品。倘本集團未於兩年前開始鞏固其黃金業務，將不會有足夠資源消化急劇上升之市場需求。這可證明監察市場需求及預先規劃至關重要。本集團相信，透過精簡旗下聯營公司之證券、黃金、期貨甚或槓桿外幣買賣業務之公司架構，專注從事各自之專長業務，本集團之金融服務將在必須之成本控制下成為更具效益、利潤更高之核心業務。

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Moreover, the Group has proved its goodwill by exploring and producing natural resources since the Group has yielded successfully from the disposal of its entire interests in an associate to GobiMin. The Group redirects its investment and allocates its resources to negotiate with potential investment partners who are positively looking for its collaboration and related ventures.

APPRECIATION

I wish to express my sincere appreciation to all the staff of the Group for their continuing dedication and the enduring support.

Haywood Cheung
Chairman

Hong Kong, 25 August 2006

此外，自從本集團成功出售一間聯營公司之全部權益予GobiMin以來，本集團透過勘探及生產自然資源之活動樹立良好聲譽。本集團重新改變其投資並將其資源分配用於與多家積極尋求與本集團合作之潛在投資夥伴及相關企業之洽商。

鳴謝

本人謹此對本集團全體員工之努力不懈及鼎力支持致以衷心感謝。

主席
張德熙

香港，二零零六年八月二十五日