



## Directors' Commentaries

### 管理層討論

#### FINANCIAL REVIEW

##### Turnover

For the twelve months ended 31 December 2006, VXL Capital Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") achieved a turnover of HK\$19.0 million, mainly comprising corporate advisory fees and rental income from an investment property.

Turnover increased by over 150% compared with that of the twelve months ended 31 December 2005 of HK\$7.5 million. There is a significant increase in corporate advisory fees as a result of the growth of the business of VXL Financial Services Limited ("VXLFS") in 2006. In addition, the rental income generated from an investment property also increased because of its full-year operations in 2006. During the twelve months period under review, the Group began to benefit from the foundation laid in previous years, including securing a valuable property and establishing a new high calibre management team.

During the twelve months period, the group has recognized a fair value gain from financial assets at fair value through profit or loss of HK\$3.4 million (twelve months ended 31 December 2005: loss of HK\$0.1 million), mainly arising from the revaluation of trading securities as at 31 December 2006. In addition, the Group also generated an interest income of HK\$3.0 million (twelve months ended 31 December 2005: HK\$4.3 million) due to efficient cash management and higher interest rates.

##### Operating Expenses

The operating costs of HK\$62.9 million for the twelve months ended 31 December 2006 has increased by 79% compared with that of the twelve months ended 31 December 2005 of HK\$35.1 million. The expenses were mainly attributed to staff

#### 財務回顧

##### 營業額

截至二零零六年十二月三十一日止十二個月，卓越金融有限公司（「本公司」）及其附屬公司（統稱「集團」）之營業額為19,000,000港元，主要包括企業顧問費及投資物業租金收入。

集團的營業額較截至二零零五年十二月三十一日止十二個月之7,500,000港元增加超過150%。由於二零零六年卓越企業融資有限公司（「卓越企業融資」）之業務有所增長，企業顧問費大幅增加。此外，由於投資物業於二零零六年全年投入營運，令其所產生之租金收入亦有增加。於十二個月回顧期內，集團開始受惠於過往年度紮根之成果，包括購得一項優質物業及組成能幹之新管理團隊。

於十二個月期間內，集團已確認按公平值透過損益列賬之財務資產之公平值盈利3,400,000港元（截至二零零五年十二月三十一日止十二個月：虧損100,000港元），主要因買賣證券於二零零六年十二月三十一日之重估所致。此外，由於有效之現金管理及利率調升，集團亦錄得利息收入3,000,000港元（截至二零零五年十二月三十一日止十二個月：4,300,000港元）。

##### 經營開支

截至二零零六年十二月三十一日止十二個月，集團之經營成本為62,900,000港元，較截至二零零五年十二月三十一日止十二個月之35,100,000港元增加



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costs for the management team, office rental payments and depreciation of the office premises, as well as legal and professional costs and consultancy fees incurred in the Group's pursuit of potential projects. The increase in the business activities of VXLFS and longer duration of operations of the investment property has led to higher operating expenses, along with the rise in turnover.

### Liquidity, Financial Resources and Capital Structure

The Group maintained a bank and cash balance of HK\$35.9 million as of 31 December 2006. Cash reserves have been placed with major banks in Hong Kong and the People's Republic of China ("PRC") in the form of Hong Kong dollar and Renminbi deposits.

As of 31 December 2006, the Group had bank loans totalling HK\$85.4 million, of which HK\$6.9 million was due within one year; HK\$42.0 million was due after one year and within 5 years; and HK\$36.5 million was due after five years. The Group also had a loan from the holding company of HK\$129.0 million which is interest bearing and due within one year. In addition, as of 31 December 2006, the Group had total obligations under finance leases of HK\$0.5 million, which would mature within three years.

As of 31 December 2006, the Group had a gearing ratio of 94% (as at 31 December 2005: Nil), which was measured on the basis of the Group's total interest bearing debt net of cash reserves over the shareholders' funds. The additional loan obtained in 2006 was mainly used to place the initial deposit for the acquisition of the north and south commercial podiums of Changshou Commercial Plaza ("Changshou Properties").

79%。開支主要來自管理團隊之員工成本、辦公室租金及辦公室物業折舊，以及集團研究多個潛在項目所涉及之專業、法律成本及顧問費。由於卓越企業融資之業務活動有所增加，以及投資物業之營運期較長，致使營業額有所上升，同時亦令集團經營開支增加。

### 流動現金、財務資源及資本架構

集團截至二零零六年十二月三十一日之銀行及現金結餘為35,900,000港元。現金儲備以港元及人民幣存款之方式分別存放於香港及中華人民共和國（「中國」）之多家大型銀行。

截至二零零六年十二月三十一日，集團之銀行貸款合共85,400,000港元，其中6,900,000港元於一年內到期，42,000,000港元於一年至五年間到期，以及36,500,000港元於五年後到期。集團亦欠控股公司借款129,000,000港元。此款項於一年內到期並需計息。此外，截至二零零六年十二月三十一日，集團之融資租賃承擔合共500,000港元，於三年內到期。

截至二零零六年十二月三十一日，集團之資本負債比率為94%（於二零零五年十二月三十一日：無），乃按集團之附息債務總額減去現金儲備再除股東資金計算。二零零六年所獲之額外貸款主要用以支付收購上海長壽商業廣場（「長壽物業」）南北座之首期按金。



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#### BUSINESS REVIEW AND PROSPECTS

The Group's diversified business portfolio started to generate recurring income during the twelve months period under review, and is expected to continue to contribute to the Group's consistent growth. The Group has been expanding its financial services business and establishing its property asset portfolio in the PRC. Having laid foundation on recurring income streams, the Group will proactively move on to Concept Development projects in line with its long-term mission.

#### PROPERTY INVESTMENT

##### 112 APARTMENTS: Serviced apartment tower in Hong Kong

Owing to the increase in demand for serviced apartments in prime locations, the rental income and occupancy rate of 112 Apartments recorded a significant improvement and contributed stable rental revenue to the Group for the twelve months period ended 31 December 2006. As of 31 December 2006, 112 Apartments registered an occupancy rate of 81%, representing a significant increase over the 64% in December 2005. In light of the positive market response, the rental rate of 112 Apartments was increased by 9% to 17% in Quarter 4 of 2006. The value of 112 Apartments was further recognized by prospective investors after the completion of an electrical and mechanical renovation programme in July 2006. Several potential investors have expressed their interest in purchasing the entire property.

#### 業務回顧及展望

集團多元化之業務組合於十二個月回顧期間內開始產生經常性收入，預計將繼續為集團之持續增長作出貢獻。集團一直在拓展其金融服務業務，並在中國組建物業資產組合。在為經常性收入來源奠定基礎後，集團將積極發展主題概念發展項目，以配合其長遠目標。

#### 房地產投資

##### 壹一寓：香港服務式公寓大樓

由於市場對黃金地段內服務式公寓大樓之需求上升，截至二零零六年十二月三十一日止十二個月期間，壹一寓之租金收入及入住率錄得大幅增長，並為集團帶來穩定之租金收益。於二零零六年十二月三十一日，壹一寓之入住率為81%，較二零零五年十二月之入住率64%大幅上升。鑑於市場反應正面，壹一寓於二零零六年第四季度之租金已調高9%至17%。在二零零六年七月完成一項機電翻新計劃之後，壹一寓之價值進一步獲潛在投資者之認同。多名潛在投資者已表示有意購買整個物業。



### CHANGSHOU PROPERTIES: Retail spaces in Shanghai

The acquisition of Changshou Properties was completed in Quarter 1 of 2007. A renovation plan to enhance the retail spaces has been mapped out. A professional task force comprising interior designers, project managers, surveyors, architects and marketers has been engaged in monitoring the progress of the renovation, which is scheduled for completion by Quarter 4 of 2007. The properties are expected to start contributing revenue to the Group in 2008.

### 長壽物業：上海零售商舖

長壽物業之收購於二零零七年第一季度完成。集團已制訂一項提升零售商舖之翻新計劃，並已委聘一個成員包括室內設計師、項目經理、測量師、建築師及營銷人員之專業工作團隊，以監察翻新工程之進展情況，翻新工程擬定於二零零七年第四季度完成。預期該等物業將於二零零八年開始為集團帶來收益。



### HONG KONG CRUISE CITY: Concept Development project in Hong Kong

In October 2006, the government announced its decision to develop a Cruise Terminal in Kai Tak. Subsequent to the submission of an Expression of Interest to the government in December 2005, the Group formed a task force to conduct a technical and commercial viability study with regard to the cruise terminal development. The Group and its cruise partners are dedicated to promoting the concepts of Cruise Economy and Cruise City, and believe that the development of a cruise terminal along with enhancement facilities will bring substantial social benefits and boost to the economy of Hong Kong.

### 香港郵輪城：香港主題概念發展項目

二零零六年十月，政府公佈其決定在啟德發展郵輪碼頭。於二零零五年十二月向政府提交意向書後，集團成立了一個工作小組，對郵輪碼頭發展項目進行技術及商業可行性研究。集團及其郵輪合作夥伴致力於宣傳郵輪經濟及郵輪城之概念，並相信發展郵輪碼頭及有關配套設施將會刺激香港經濟發展，並帶來巨大社會利益。



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#### FINANCIAL SERVICES

##### VXL FINANCIAL SERVICES LIMITED

For the twelve months ended 31 December 2006, VXLFS recorded a revenue of HK\$7.4 million, a substantial increase of 49% over the HK\$4.9 million for the twelve months ended 31 December 2005.

Due to the robust economic growth of the PRC and strong performance of the Hong Kong stock market on both main board and GEM board in 2006, VXLFS has been increasingly engaged in financial advisory projects in relation to notifiable transactions and fund raising exercises of publicly listed companies.

It is anticipated that the high demand for financial advisory services for takeover and merger as well as restructuring related activities will increase significantly in the coming year. VXLFS will allocate sufficient resources to strengthen its market position in this segment.

##### VXL INTERNATIONAL LEASING CO. LTD.

VXL International Leasing Co. Ltd., ("VXLIL") an indirectly wholly-owned subsidiary of the Company was incorporated in the PRC on 24 February 2006. It is principally engaged in the operational and financial leasing of various types of machinery and equipment in the PRC.

To facilitate the smooth operation of VXLIL, VXL Investments Holdings Limited, a wholly-owned subsidiary of the Company, disposed of its 55% interest to VXL Capital Partners Corporation Limited, the major shareholder of the Company. The disposal was completed on 15 November 2006. Considering the Hong Kong Listing Rules disclosure requirements on the leasing transactions entered by VXLIL, the disposal aims at simplifying operation of VXLIL and utilizing resources to be deployed on business development and helps enhance the growth of VXLIL in the long run.

#### 金融服務

##### 卓越企業融資有限公司

截至二零零六年十二月三十一日止十二個月，卓越企業融資錄得收益7,400,000港元，較截至二零零五年十二月三十一日止十二個月之4,900,000港元大幅增長49%。

由於二零零六年中國經濟增長迅速，香港股市主板及創業板均表現強勁，卓越企業融資逐步增加從事有關須予公佈的交易及上市公司集資活動之金融諮詢項目。

預期來年對有關收購、合併及重組活動之金融諮詢服務之殷切需求將大幅增長。卓越企業融資將分配充足資源，鞏固其在該領域之市場地位。

##### 卓越國際租賃有限公司

卓越國際租賃有限公司（「卓越國際租賃」）於二零零六年二月二十四日在中國註冊成立，為本公司一間間接全資附屬公司。該公司主要在中國從事各種機器及設備之營運及融資租賃業務。

為促進卓越國際租賃之業務順利進行，本公司之全資附屬公司卓越投資控股有限公司將其55%之權益售予本公司之主要股東VXL Capital Partners Corporation Limited。是項出售已於二零零六年十一月十五日完成。鑑於香港上市規則對卓越國際租賃所進行之租賃交易之披露要求，是項出售旨在精簡卓越國際租賃之業務及資源運用，以發展業務及鞏固卓越國際租賃之長遠發展。



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Since February 2007, VXLIL was active in the leasing market and contributed revenue to the Group. By taking advantage of the recent relaxation of the rules on the involvement of foreign companies in the leasing sector in the PRC, the leasing business is expected to become a stable source of income for the Group's financial leasing arm.

### RESOURCES INVESTMENT

The Group continues to seek investment opportunities in natural resources in line with the long-term strategy of the Group. As the resources investment business is still in an infant stage, the Group will remain prudent in its investment in the short-term and will periodically review its business development plan.

### Change of Financial Year End

As announced by the Company on 26 and 29 January 2007, the financial year end of the Company was changed from 31 December to 31 March in order to be aligned with that of the financial year of HKSAR Government. The current financial year will now be a 15-month period from 1 January 2006 to 31 March 2007. The publication of the announcement of the Company's final results and the distribution of its annual report including its audited financial statements for the 15-month period from 1 January 2006 to 31 March 2007 will be made on or before 31 July 2007.

### Top-Up Placement and Subscription of Shares

Pursuant to the Placing and Subscription Agreement entered into by the Company on 13 November 2006, 4,400,000 existing issued ordinary shares were placed to seven independent investors at a placement price of HK\$8.00 per ordinary share and 4,400,000 new ordinary shares were subscribed by VXL Capital Partners Corporation Limited, the controlling shareholder of the Company, at a subscription price of HK\$8.00 per ordinary share. The Placement and Subscription were completed on 16 and 24 November 2006 respectively. Net proceeds from the Subscription (after commission and expenses) were approximately HK\$34.7 million as announced by the Company in November 2006.

自二零零七年二月以來，卓越國際租賃一直活躍於租務市場，並為集團帶來收益。得益於中國最近放寬外資公司參與租務市場之限制，租賃業務可望成為集團融資租賃部門之穩定收入來源。

### 資源投資

集團一直物色投資天然資源之機會以配合集團之長期策略。然而由於資源投資業務仍處於初創階段，集團短期內將繼續審慎投資，並將定期檢討其業務發展計劃。

### 更改財政年度結算日

如本公司於二零零七年一月二十六日及二十九日刊發之公告所述，本公司之財政年度結算日由十二月三十一日改為三月三十一日，以與香港政府之財政年度保持一致。現時之財政年度將涵蓋由二零零六年一月一日起至二零零七年三月三十一日止十五個月期間。本公司將於二零零七年七月三十一日或之前發表由二零零六年一月一日起至二零零七年三月三十一日止十五個月期間之末期業績公告及派發包其經審核財務報表之年報。

### 以先舊後新方式配售及認購股份

根據本公司於二零零六年十一月十三日訂立之配售及認購協議，本公司之控股股東 VXL Capital Partners Corporation Limited 按每股普通股股份 8.00 港元之配售價向七名獨立投資者配售 4,400,000 股現有已發行普通股股份，並按每股普通股股份 8.00 港元之認購價格認購 4,400,000 股新普通股股份。配售事項及認購事項分別於二零零六年十一月十六日及二十四日完成。如本公司於二零零六年十一月所刊發之公告所述，認購事項所得款項淨額約為 34,700,000 港元（已扣除佣金及開支）。