

DISCUSSION AND ANALYSIS OF ANNUAL RESULTS

週年業績評論及分析

Benefiting from the stock market boom and thriving economic growth in the Mainland China, the Hong Kong economy has shown its exuberance with strengthened consumer spending and job market. For the year ended 31st December, 2006, the Group recorded a profit attributable to equity holders of the Company of HK\$11.3 million (2005: HK\$1.2 million) with revenue of HK\$61.5 million (2005: HK\$73.6 million).

RESULTS FOR THE YEAR

Principal businesses of the Group remained as mortgage finance and treasury investments.

The mortgage finance market still remained keenly competitive and interest margin continued to stay low reflecting the low level of the property transactions. The revenue contributed by mortgage finance increased to HK\$1.4 million (2005: HK\$0.2 million) and profit contributed by mortgage finance also increased to HK\$1.4 million (2005: HK\$0.3 million).

The revenue contributed by the treasury investments dropped to HK\$60.1 million (2005: HK\$73.4 million) as a result of decrease in securities trading activities. However, profit contributed by treasury investments increased to HK\$14.3 million (2005: HK\$5.5 million).

TOTAL ASSETS

At 31st December, 2006, total assets increased slightly to HK\$232.8 million (2005: HK\$221.4 million). All assets were denominated in Hong Kong dollars and henceforth there was no exposure to exchange rate risk.

The Group maintained a very strong liquidity position throughout the year. At the balance sheet date, the Group had listed investments amounting to HK\$26.1 million (2005: HK\$41.5 million) and cash and bank balances amounting to HK\$192.1 million (2005: HK\$170.9 million).

受惠於中國大陸股市暢旺及經濟蓬勃增長，香港隨著強勁之消費支出和就業市場改善，經濟呈現一片繁榮。截至二零零六年十二月三十一日止年度，本集團錄得本公司股東應佔溢利11.3百萬港元（二零零五年：1.2百萬港元），其中收益為61.5百萬港元（二零零五年：73.6百萬港元）。

本年度業績

本集團之主要業務仍為按揭融資及財務投資。

按揭融資市場仍然競爭激烈，而息差持續偏低，反映物業交易處於低水平。按揭融資之收益上升至1.4百萬港元（二零零五年：0.2百萬港元），而按揭融資之溢利亦上升至1.4百萬港元（二零零五年：0.3百萬港元）。

由於證券交易活動減少，財務投資之收益下跌至60.1百萬港元（二零零五年：73.4百萬港元）。然而，財務投資之溢利上升至14.3百萬港元（二零零五年：5.5百萬港元）。

資產總值

於二零零六年十二月三十一日，資產總值輕微上升至232.8百萬港元（二零零五年：221.4百萬港元）。所有資產均以港元定值，因此並無外匯風險。

本集團於本年度一直維持十分穩健之流動資金狀況。於結算日，本集團之上市投資為26.1百萬港元（二零零五年：41.5百萬港元），而現金及銀行結餘為192.1百萬港元（二零零五年：170.9百萬港元）。

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CAPITAL STRUCTURE

Currently, the Group is debt-free. There were no charges on the Group's assets and the Group had no material capital commitment or contingent liabilities outstanding at the end of the year (2005: Nil).

The net asset value of the Group at 31st December, 2006 increased by 5.1% to HK\$231.9 million (2005: HK\$220.6 million) with the net asset value per share at HK\$1.03 (2005: HK\$0.98).

STAFF AND REMUNERATION

The Group had 10 (2005: 10) employees at 31st December, 2006 and total staff costs incurred during the year amounted to HK\$1.3 million (2005: HK\$1.4 million). The Group offers competitive remuneration packages to its employees. Currently, there is no share option scheme for employees.

OUTLOOK

Taking advantages of its proximity to the Mainland China, the Hong Kong economy grows in tandem with the Mainland counterparts. However, the volatility of global financial market, the future course of interest rate movements and the implementation of further dampening austerity measures in the Mainland China will definitely have significant effects on the sustainable growth of Hong Kong economy for the year 2007. The management always stays alert of the challenges and opportunities ahead and will try their best efforts to deliver satisfactory results for the shareholders in the year 2007.

資本結構

目前，本集團概無負債。於本年度結算時，本集團之資產並無用作抵押物，而本集團亦無重大資本承擔或未償還之或然負債（二零零五年：無）。

於二零零六年十二月三十一日，本集團之資產淨值增加5.1%至231.9百萬港元（二零零五年：220.6百萬港元），每股資產淨值為1.03港元（二零零五年：0.98港元）。

員工及薪酬

於二零零六年十二月三十一日，本集團共有10名（二零零五年：10名）僱員，而本年度之員工成本總額為1.3百萬港元（二零零五年：1.4百萬港元）。本集團為其僱員提供具競爭力之薪酬方案。現時本集團並無實施任何僱員購股權計劃。

展望

得益於與中國大陸相鄰之地理優勢，香港經濟與大陸經濟同步發展。然而，全球金融市場波動、未來利率變動趨勢及中國大陸實施進一步壓抑經濟之緊縮措施必將對二零零七年香港經濟之可持續增長產生重大影響。管理層始終對未來之挑戰與機遇保持警覺，並將於二零零七年竭盡所能為股東實現滿意之業績。