

RESULTS

Turnover of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2006 (the "Year") fell slightly by 14% to HK\$2.9 million, down from HK\$3.4 million in the year 2005. The fall in turnover was due to decrease in rental income as a result of drop in occupancy rate caused by the building extension work at Gemstar Tower during the year. Gross profit for the Year amounted to HK\$1.7 million compared to HK\$2 million of last year, representing a 17% drop.

Fair value changes on investment properties for the Year amounted to HK\$14.9 million, representing more than three-fold increase over HK\$4.6 million recorded in 2005.

Included in current year results are net allowance for impairment loss on amounts due from associates and former associates of HK\$12.6 million (2005: write-backs of allowance of HK\$9.7 million).

Share of the results of associates for the Year recorded at HK\$84.9 million, down by HK\$16.1 million from HK\$101 million in 2005. This result reflected relatively slow down of the increase in the fair value gain on investment properties held by the associates. The Group shared from associates an increase in fair value on investment properties, net of deferred tax impact, of HK\$80.4 million (2005: HK\$92.5 million). No properties disposal was recorded by associates during the year while the Group shared gain on disposal of investment properties of HK\$6.3 million from an associate in 2005.

Profit attributable to equity holders of the Company for the Year was HK\$94.3 million (2005: HK\$121.5 million). Earnings per share for the Year recorded at HK27.85 cents (2005: HK36.40 cents).

NET ASSET VALUE

As at 31st December, 2006, net asset value attributable to equity holders of the Company amounted to HK\$761.5 million, representing an increase of HK\$94.4 million or 14% compared to HK\$667.1 million in preceding year. The increase was due to profit retained for the Year. Net asset value per share to equity holders of the Company was HK\$2.25 (2005: HK\$1.97).

業績

本公司及其附屬公司（「本集團」）截至二零零六年十二月三十一日止年度（「本年度」）之營業額較二零零五年度之3,400,000港元輕微下跌14%至2,900,000港元。營業額跌幅原因為駿昇中心於本年度進行擴建工程導致出租率下跌，致使租金收入減少。本年度之毛利達1,700,000港元，較去年2,000,000港元下跌17%。

本年度投資物業之公平值變動達14,900,000港元，較二零零五年錄得之4,600,000港元增加超過三倍。

本年度業績亦包括聯營公司及前聯營公司欠款準備之減值虧損撥回淨額12,600,000港元（二零零五年：撥回準備9,700,000港元）。

本年度應佔聯營公司業績為84,900,000港元，較二零零五年之101,000,000港元下跌16,100,000港元，反映聯營公司所持有投資物業之公平值收益增幅放緩。本集團所佔聯營公司持有投資物業之公平值增加為80,400,000港元（已扣除遞延稅項之影響），（二零零五年：92,500,000港元）。於本年度，聯營公司並無錄得物業出售，而本集團則於二零零五年錄得佔聯營公司出售投資物業之收益6,300,000港元。

本公司股本持有人於本年度之應佔溢利為94,300,000港元（二零零五年：121,500,000港元）。本年度每股盈利為27.85港仙（二零零五年：36.40港仙）。

資產淨值

於二零零六年十二月三十一日，本公司股本持有人應佔資產淨值為761,500,000港元，較前一年之667,100,000港元上升94,400,000港元或14%。增幅為本年度保留溢利所致。本公司股本持有人應佔每股資產淨值為2.25港元（二零零五年：1.97港元）。

DEBT AND GEARING

The Group continued to maintain a strong capital and cash position for the Year. As at 31st December, 2006, cash and bank balances amounted to HK\$187.9 million (31st December, 2005: HK\$195.1 million). The moderate decrease was mainly due to payment of development expenditure for building extension work carried out at Gemstar Tower. The Group did not have any bank borrowings for both years. The majority of the Group's income for the Year was denominated in Hong Kong dollars and no hedging for non-Hong Kong dollars assets or investment has been made during the Year.

PLEDGE OF ASSETS

As at 31st December, 2006, no assets were pledged by the Group to secure any banking facility and the Group did not have any obligation under banking facility documentation.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31st December, 2006.

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income for the Year amounted to HK\$12.8 million, representing an increase of HK\$3.4 million compared to HK\$9.4 million in 2005. The increase in interest income was attributable to higher average deposit rate during the Year. The Group recorded imputed interest expenses on interest-free loans from the minority shareholders of subsidiaries of HK\$0.1 million (2005: HK\$2.1 million).

債務及資本與負債比率

本集團於本年度繼續維持充裕之資本及現金狀況。於二零零六年十二月三十一日，現金及銀行結存為187,900,000港元（二零零五年十二月三十一日：195,100,000港元）。溫和跌幅主要是就駿昇中心進行擴建工程而支付之發展開支所致。本集團於兩年度並無任何銀行借貸。本集團於本年度之大部分收入以港元計值及未就非港元資產或投資進行對沖。

資產抵押

於二零零六年十二月三十一日，本集團並無將任何資產抵押以取得銀行信貸，而本集團概無任何根據銀行信貸文件須履行之責任。

或然負債

於二零零六年十二月三十一日，本集團並無任何重大或然負債。

財務及利息收入／支出

本年度之利息收入為12,800,000港元，較二零零五年之9,400,000港元增加3,400,000港元。利息收入之升幅乃因本年度之平均存款利率有所增加。本集團錄得附屬公司少數股東免息貸款之名義利息開支100,000港元（二零零五年：2,100,000港元）。

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 31st December, 2006, the Group employed a total of 12 staff. Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The directors of the Company continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted by the Group for the Year.

PROPERTY VALUATION

A property valuation has been carried out by Norton Appraisals Limited, independent qualified professional surveyors, in respect of the Group's investment properties held as at 31st December, 2006 and that valuation was used in preparing this year's financial statements. The Group's investment properties were valued at HK\$63.4 million, the net increase in fair value of approximately HK\$14.9 million was credited to the income statement for the Year. The Group also shared an increase in fair value on investment properties of the associates of HK\$80.4 million (net of deferred tax impact of HK\$16.6 million). Development properties and non-investment properties were stated at cost less impairment, if any, in the financial statements.

酬金政策及購股權計劃

於二零零六年十二月三十一日，本集團共僱用十二名職員。僱員按其表現、經驗及現行市場慣例給予酬金。酬金（包括薪金及年終酌情花紅）乃根據市況及個人表現釐定。本公司董事將繼續檢討僱員之貢獻及向他們提供所需之獎勵及彈性，使其更投入工作及有更佳表現。本年度本集團並未採納任何購股權計劃。

物業估值

獨立合資格專業測計師行普敦國際評估有限公司已就本集團於二零零六年十二月三十一日持有之投資物業進行物業估值。有關估值乃用以編製本年度之財務報表。本集團投資物業之估值為63,400,000港元，公平值之淨增長約為14,900,000港元，並已列入本年度之收益表中。本集團亦分佔聯營公司投資物業80,400,000港元之公平值增長（扣除16,600,000港元之遞延稅項影響）。發展物業和非投資物業以成本扣除減值（如有）列於財務報表中。