



SHENYIN WANGUO (H.K.) LIMITED
申銀萬國(香港)有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 218)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

RESULTS

The Directors of Shenyin Wanguo (H.K.) Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2007 together with comparative figures for the previous financial year as follows:

CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	2007 HK\$	2006 <i>HK\$</i> (Restated)
REVENUE	4	644,603,740	229,778,162
Commission expenses		(167,971,003)	(48,484,678)
Employee benefits expenses		(127,351,720)	(92,010,431)
Depreciation expenses		(5,195,375)	(4,370,568)
Interest expenses for financial services operations		(9,786,301)	(282,541)
Fair value gains on available-for-sale investments		29,747,489	48,314,483
Fair value gain/(loss) on an unlisted financial instrument at fair value through profit or loss		(29,800,555)	33,291,492
Write-back of impairment of accounts receivable		-	1,700,000
Other gains		2,177,292	892,075
Other expenses, net		(101,075,332)	(48,080,245)
Share of profits of associates		22,473,494	15,373,215
PROFIT BEFORE TAX	5	257,821,729	136,120,964
Tax	6	(32,802,473)	(6,232,000)
PROFIT FOR THE YEAR		<u>225,019,256</u>	<u>129,888,964</u>
Attributable to:			
Equity holders of the Company		225,324,940	129,888,964
Minority interests		(305,684)	-
		<u>225,019,256</u>	<u>129,888,964</u>
DIVIDENDS			
Interim dividend		15,922,774	10,615,183
Proposed final dividend		15,922,774	10,615,183
Proposed special dividend		31,845,548	10,615,183
		<u>63,691,096</u>	<u>31,845,549</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		<u>42.45 cents</u>	<u>24.47 cents</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	2007 <i>HK\$</i>	2006 <i>HK\$</i>
NON-CURRENT ASSETS			
Property, plant and equipment		7,779,939	10,392,535
Prepaid land lease payments		1,440,075	1,481,025
Stock and Futures Exchange trading rights		4,211,831	4,211,831
Other assets		12,719,191	9,166,148
Interests in associates		123,293,074	101,505,176
Goodwill		57,632,404	57,632,404
Financial instruments	8	<u>121,066,896</u>	<u>161,456,719</u>
Total non-current assets		<u>328,143,410</u>	<u>345,845,838</u>
CURRENT ASSETS			
Investments at fair value through profit or loss		111,265,031	59,652,809
Accounts receivable	9	892,826,316	876,790,453
Loans and advances		722,898,351	338,731,082
Prepayments, deposits and other receivables		5,895,512	9,341,496
Tax recoverable		6,524,151	-
Bank balances held on behalf of customers		1,959,132,439	877,894,325
Cash and cash equivalents		<u>74,384,377</u>	<u>74,640,291</u>
Total current assets		<u>3,772,926,177</u>	<u>2,237,050,456</u>
CURRENT LIABILITIES			
Accounts payable	10	2,725,099,844	1,706,674,184
Other payables and accruals		141,301,902	58,488,706
Interest-bearing bank borrowings		155,044,513	-
Tax payable		<u>28,362,260</u>	<u>5,368,333</u>
Total current liabilities		<u>3,049,808,519</u>	<u>1,770,531,223</u>
NET CURRENT ASSETS		<u>723,117,658</u>	<u>466,519,233</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,051,261,068	812,365,071
NON-CURRENT LIABILITIES			
Deferred tax liabilities		9,200,000	-
Other payables		<u>15,697,000</u>	<u>14,900,000</u>
Total non-current liabilities		<u>24,897,000</u>	<u>14,900,000</u>
Net assets		<u>1,026,364,068</u>	<u>797,465,071</u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		265,379,563	265,379,563
Reserves		711,521,867	510,855,142
Proposed dividends		<u>47,768,322</u>	<u>21,230,366</u>
		1,024,669,752	797,465,071
Minority interests		<u>1,694,316</u>	-
Total equity		<u>1,026,364,068</u>	<u>797,465,071</u>

NOTES:

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong. The registered office of the Company is situated at 28th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong.

During the year, the Group was involved in securities trading and investment holding, securities broking and dealing, securities financing and direct loans, and investment advisory services. In addition, the associates of the Group were involved in highway operations during the year.

The Company is a subsidiary of Shenyin Wanguo Holdings (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability. In the opinion of the directors, the ultimate holding company of the Company is Shenyin & Wanguo Securities Co., Ltd., which was established in the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance, and are in compliance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(a) Change in the presentation of revenue

In prior years, revenue included the commission and brokerage income less commission expenses and the sale proceeds from securities trading, while the related costs of securities trading were presented as "cost of trading securities sold".

In the current year, the Group has revised the presentation of revenue in order to provide more relevant information in respect of the Group's operations and to conform with market practices. The gross commission and brokerage income is presented without netting off against commission expenses, and the sale proceeds from securities trading are offset against the cost of securities trading and are presented as net fair value gains on securities and futures contracts trading in the consolidated income statement within revenue. In addition, the commission expenses are now also presented as a separate item on the consolidated income statement.

These changes in presentation of revenue have been accounted for retrospectively with comparative figures restated. These changes do not have any impact on the results of the Group in respect of the current and prior years.

(b) New and revised HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the above new and revised standards and interpretations has had no material effect on the Group's accounting policies and on these financial statements.

3. SEGMENT INFORMATION

The Group's revenue and results by business segments are as follows:

	Securities trading and investment holding		Securities broking and dealing		Securities financing and direct loans		Investment advisory services		Eliminations		Consolidated	
	2007 HK\$	2006 HK\$	2007 HK\$	2006 HK\$	2007 HK\$	2006 HK\$	2007 HK\$	2006 HK\$	2007 HK\$	2006 HK\$	2007 HK\$	2006 HK\$
	(Restated)		(Restated)								(Restated)	
Segment revenue:												
External customers	32,242,190	2,120,534	426,957,154	134,296,703	117,013,839	48,527,909	68,390,557	44,833,016	-	-	644,603,740	229,778,162
Inter-segment	-	-	-	-	215,890	-	6,120,000	4,550,000	(6,335,890)	(4,550,000)	-	-
Total	<u>32,242,190</u>	<u>2,120,534</u>	<u>426,957,154</u>	<u>134,296,703</u>	<u>117,229,729</u>	<u>48,527,909</u>	<u>74,510,557</u>	<u>49,383,016</u>	<u>(6,335,890)</u>	<u>(4,550,000)</u>	<u>644,603,740</u>	<u>229,778,162</u>
Segment results	<u>26,153,647</u>	<u>48,737,329</u>	<u>90,537,492</u>	<u>7,703,976</u>	<u>87,938,918</u>	<u>36,355,579</u>	<u>54,446,419</u>	<u>34,025,124</u>	-	-	<u>259,076,476</u>	126,822,008
Unallocated expenses											(23,728,241)	(6,074,259)
Share of profits of associates	22,473,494	15,373,215	-	-	-	-	-	-	-	-	<u>22,473,494</u>	<u>15,373,215</u>
Profit before tax											257,821,729	136,120,964
Tax											<u>(32,802,473)</u>	<u>(6,232,000)</u>
Profit for the year											<u>225,019,256</u>	<u>129,888,964</u>

The Group's revenue by geographical segments is as follows:

	2007 HK\$	2006 HK\$ (Restated)
The PRC:		
Hong Kong	624,963,807	225,841,761
Mainland China	19,318,100	3,810,158
Others	321,833	126,243
	<u>644,603,740</u>	<u>229,778,162</u>

4. REVENUE

Revenue, which is also the Group's turnover, represents commission and brokerage income, interest income, net fair value gains/(losses) on securities and futures contracts trading, income from rendering of services and dividend income during the year. An analysis of revenue is as follows:

	2007 HK\$	2006 HK\$ (Restated)
Financial services:		
Commission and brokerage income	426,734,081	134,199,131
Interest income from securities financing and direct loans	94,624,463	37,822,836
Net fair value gains on securities and futures contracts trading	32,090,127	1,159,047
Income from rendering of services	68,390,557	44,833,016
	<u>621,839,228</u>	<u>218,014,030</u>
Others:		
Bank interest income	22,389,376	10,705,073
Dividend income from:		
Listed equity available-for-sale investments	126,746	657,433
Listed equity investments at fair value through profit or loss	25,317	304,054
Others	223,073	97,572
	<u>22,764,512</u>	<u>11,764,132</u>
	<u>644,603,740</u>	<u>229,778,162</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2007 HK\$	2006 HK\$
Interest expenses for financial services operations on bank loans and overdrafts	9,786,301	282,541
Net realised gains on trading of listed equity investments and futures contracts	(25,250,671)	(8,407,374)
	<u>(25,250,671)</u>	<u>(8,407,374)</u>

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2007 <i>HK\$</i>	2006 <i>HK\$</i>
Current – Hong Kong		
Charge for the year	32,802,722	5,013,000
Underprovision in prior years	896	1,219,000
Overprovision in prior years	<u>(1,145)</u>	<u>-</u>
Total tax charge for the year	<u>32,802,473</u>	<u>6,232,000</u>

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share amount is based on profit for the year attributable to ordinary equity holders of the Company of HK\$225,324,940 (2006: HK\$129,888,964) and the 530,759,126 (2006: 530,759,126) ordinary shares in issue during the year.

(b) Diluted earnings per share

No diluted earnings per share has been presented for the current and prior years because there was no dilutive potential ordinary share in existence during the years ended 31 December 2007 and 2006.

8. FINANCIAL INSTRUMENTS

	2007 <i>HK\$</i>	2006 <i>HK\$</i>
Available-for-sale investments, at fair value:		
Listed equity investments in Hong Kong	9,555,100	8,179,600
Host component of an unlisted hybrid financial instrument	156,171,715	168,136,484
Unlisted club debentures	<u>2,470,000</u>	<u>2,470,000</u>
	168,196,815	178,786,084
Embedded derivative component of an unlisted hybrid financial instrument, at fair value	<u>(47,129,919)</u>	<u>(17,329,365)</u>
	<u>121,066,896</u>	<u>161,456,719</u>

During the year, the gross gain of the Group's available-for-sale investments recognised directly in equity amounted to HK\$70,903,031 (2006: HK\$38,423,430) and HK\$29,747,489 (2006: HK\$48,314,483) was released from equity upon disposal and recognised in the income statement for the year.

During the year, the fair value loss on the Group's embedded derivative component of an unlisted hybrid financial instrument recognised in the income statement amounted to HK\$29,800,555 (2006: fair value gain of HK\$33,291,492).

9. ACCOUNTS RECEIVABLE

	2007 <i>HK\$</i>	2006 <i>HK\$</i>
Accounts receivable	914,747,135	898,897,402
Less: Impairment	<u>(21,920,819)</u>	<u>(22,106,949)</u>
	<u>892,826,316</u>	<u>876,790,453</u>

Save for credit period allowed by the Group, the accounts receivable shall be due on the settlement day of the respective securities and futures contracts transactions. In view of the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Overdue accounts receivable from cash clients of HK\$149,461,495 (2006: HK\$80,076,010) bear interest at interest rates with reference to the prime rate.

An aged analysis of accounts receivable is as follows:

Within 1 month	827,574,507	864,207,755
1 to 2 months	33,690,052	7,590,242
2 to 3 months	22,446,446	314,180
Over 3 months	<u>31,036,130</u>	<u>26,785,225</u>
	<u>914,747,135</u>	<u>898,897,402</u>

Included in the accounts receivable balance as at 31 December 2007 is a broker receivable amount due from the ultimate holding company of HK\$13,948,404 (2006: HK\$8,304,972) which arose from securities dealing transactions. This balance is unsecured, interest-free and repayable on the settlement day of the relevant transactions.

10. ACCOUNTS PAYABLE

An aged analysis of accounts payable is as follows:

	2007 <i>HK\$</i>	2006 <i>HK\$</i>
Within 1 month	<u>2,725,099,844</u>	<u>1,706,674,184</u>

Included in the accounts payable balance as at 31 December 2007 is a broker payable amount due to the ultimate holding company of the Company of HK\$18,233,258 (2006: HK\$11,468,709) which arose from securities dealing transactions. This balance is unsecured, interest-free and payable on the settlement day of the relevant transactions.

Included in the accounts payable balance as at 31 December 2007 is segregated client money held on behalf of an intermediate holding company of the Company of HK\$16,758,619 (2006: HK\$23,439,627) which also arose from securities dealing transactions. This balance is unsecured, bears interest at the bank deposit savings rate (2006: bank deposit savings rate) per annum and is payable on request.

Except for the accounts payable to clients of HK\$1,920,608,077 (2006: HK\$861,067,320), which bear interest at the bank deposit savings rate (2006: bank deposit savings rate) per annum and is payable on demand, the remaining accounts payable are non-interest-bearing and payable on the settlement day of the relevant transactions.

11. COMPARATIVE AMOUNTS

As further explained in note 2, due to the change in the presentation of revenue and the adoption of new and revised HKFRSs during the current year, certain comparative amounts have been reclassified and restated to conform with the current year's presentation.

DIVIDENDS

The Directors have resolved to recommend the payment of a final dividend of HK3 cents and a special dividend of HK6 cents per ordinary share in respect of 2007, to shareholders whose names appear on the register of members of the Company on 16 May 2008. The proposed dividends will be paid on or about 23 May 2008 subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 May 2008 to Friday, 16 May 2008, both days inclusive, during which period no transfers of shares of the Company will be registered. In order to qualify for the proposed final dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tricor Tengis Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Friday, 9 May 2008.

MANAGEMENT DISCUSSION & ANALYSIS OF PERFORMANCE

Review of market in 2007

In 2007, the Hong Kong stock market was dominant by China conception and the Hang Seng Index initiated from 20000 points and increasingly walked high and spurred by the news release of deregulation of China QDII policy and "through train" scheme policy. It successively hit historic high and approached 32000 on 30th October and set a new record in history of Hang Seng Index while Hang Seng China Enterprises Index set a record level of over 20000 points at early November. Benefited from benign market sentiment, 2007 witnessed an active stock market and average daily turnover value amounted to HK\$87.8 billion, representing an increase of 161% over the previous year.

2007 witnessed the sustained rapid growth of Chinese Mainland economy. Its GDP rose by 11.4%, another double-digit growth in five consecutive years and became the fourth largest in the world in terms of economic aggregates. Benefited from the good expectation of investors at home and abroad for the future prospect of China economy, A share market in Chinese Mainland continued to maintain strong upward trend on the basis of significant hikes in the previous year. Although A share market weakened at year end as a result of US sub-prime disturbances, the Shanghai Stock Index remained to be increased by 160% in 2007.

In 2007, the Group continued to build on its business philosophy of having Chinese Mainland as the hinterland and by firmly seizing the strategic opportunity of rapid development of the PRC economy and capital market and timely capturing the market chances brought in by the deregulation of China QDII policy and announcement of "through train" scheme, the Group stepped up expanding business scale and once again posted the best business performance in the history of the Group. Various businesses such as broking, investment banks, fund management and securities investment all performed well. The market share of Hong Kong stock market was further improved and coverage of institutional customers and fund management business have continued to expand to the regional markets such as Japan, Taiwan and Korea. Taking advantage of the active stock market, the Group's margin loan volume had a rather substantial increase as compared with the previous year.

In spite of fierce competition in the industry, the Group achieved the goals of continued growth in corporate profits and maximized shareholders' value by making full use of thorough understanding of the PRC market as well as implementing continued improvements in corporate management and strict cost control.

In view of the increasingly close relationship of the Hong Kong economy with Chinese Mainland economy and further deregulation of QDII policy of the PRC, in the past year, while exploring the institutional customers and local retails market, the Group intensified its efforts in developing customers of Chinese Mainland market, and the business progress was satisfactory. The Group will also further strengthen the cooperation with its parent company in various business fields. The Group also had made substantial progress under its continued dedication in recommending the PRC enterprises to become listed in Hong Kong and providing listed state-owned enterprises with various consultancy services.

During the previous year, the Group has continued to reinforce its corporate governance structure and has strictly enforced the regulations laid down in the Company's Articles of Association and the authorization system to reinforce internal control and legal compliance, which enhanced our efficiency in decision-making and our capability in risk control abilities, and thereby laying a solid foundation for the structure establishment and long-term development of the Group.

REVIEW OF OPERATIONS

For the year ended 31 December 2007, the Group recorded a net profit attributable to shareholders of approximately HK\$225.32 million, representing an increase of 73% over 2006. The turnover increased by 180% to approximately HK\$644.6 million (2006 restated: HK\$229.78 million). The basic earnings per share increased by 73% to HK42.45 cents as compared to HK24.47 cents for last year.

Securities Broking

The Group focused its securities broking business on the stocks and futures market in Hong Kong as well as the B-share market in Chinese Mainland. In 2007, the markets of Chinese Mainland and Hong Kong were fairly active ending with a strong growth in turnover, indexes of which hit new high. As a result, the brokerage income of Hong Kong stocks also saw a great leap. The Hang Seng Index surged by 39.3% from 19964 at the beginning of the year to 27812 at the end, while the Hang Seng China Enterprises Index skyrocketed from 10340 to 16124 with the growth rate of 55.9%. The average daily turnover of the Hong Kong Stock Exchange also increased from HK\$33.6 billion to HK\$87.8 billion. At the same time, one of our sales team, which joined the Group in 2005, has increased profit contribution. Furthermore, we have achieved remarkable success in expanding our client base of local and overseas institutional investors during the year as a result of our vigorous marketing efforts. The active participation of retail investors in stocks market was also a driving force of the increase of our market share in the Hong Kong Stock Exchange in 2007. In addition, a booming IPO market earned us considerable placing and underwriting commission.

The futures and options brokerage commission also enjoyed a huge surge for the same reason.

The brokerage business for the year recorded an income of HK\$426.7 million, increased by 218% as compared to HK\$134.2 million last year.

Securities Financing

The flourishing of securities brokerage business brought in rising demand for margin financing from clients in both primary and secondary market. As a result, turnover of and profit from financing activities increased significantly as compared with those of 2006. Thanks to our prudent credit policy, no provision for bad debt was required during the period.

The Group recorded an interest income of HK\$117 million in 2007, representing an increase of 141%, as compared to HK\$48.5 million last year.

The Group will continue to exercise caution in the granting of securities financing to clients, closely monitor its credit policy and perform regular reviews and assessment on the gearing level, investment portfolio and credit record of individual borrowers.

Corporate Finance

Our corporate finance activities are carried out by Shenyin Wanguo Capital (H.K.) Limited (“SW Capital”), a wholly owned subsidiary of the Company. In 2007, SW Capital actively participated in underwriting a number of new issues, including China Properties Group Limited, Samling Global Limited, CITIC 1616 Holdings Limited, Ka Shui International Holdings Limited, Fosun International Limited, Tiangong International Co. Limited, Global Sweeteners Holdings Limited, China Starch Holdings Limited, Dah Chong Hong Holdings Limited and Pacific Online Limited. In addition, SW Capital acted as the compliance adviser to Fosun International Limited and Shanghai Tonva Petrochemical Co., Ltd. during the year. With regard to corporate advisory work, SW Capital was appointed as independent financial adviser to China Eastern Airlines Corporation Limited, Xiamen International Port Co., Ltd and Skyfame Realty (Holdings) Limited in relation to their respective connected transactions.

Securities Research

Our securities trading and broking businesses are supported by a securities research team. With the support of our parent company, which is one of the leading securities companies in China, our securities research team is a specialist in the securities market in China and produces regular reports on the securities market in China covering the macroeconomics, market strategy as well as comments on individual China-related enterprises listed on the Hong Kong, Shanghai and Shenzhen stock exchanges. Our research team also produces detailed company analyses, which are circulated to our clients. In 2007, a total of 19 investment analysts from our parent company joined our exchange programs. They familiarized themselves with the local economy and stock market during their visits in Hong Kong. We believe that the exchange programs are beneficial to the collaboration between our parent company and us on the research and investment banking fronts.

Asset Management

2007 turned out to be another phenomenal year for the China equity markets in terms of both performance as well as volatility. Our dedicated A share funds and China concept funds continued to record satisfactory investment returns and we have achieved high double digit growth in asset under management. Number of funds under our management and advice has also expanded with new institutional funds from Korea and Greater China Region.

2008 will be a challenging year for the China economy and equity markets given uncertain global economic environment on one hand, and the domestic excess liquidity as well as inflation problems on the other. However, we remain cautiously optimistic on both primary and secondary markets for China equities, particularly towards the second half of 2008 when economic outlook become less unclear.

Our marketing coverage in Asia will continue to be strengthened in terms of breadth and depth. In addition, we are also putting more focus in terms of business development back in China in order to take advantage of new opportunities emerging from the deregulation of the QDII policy.

Capital Structure

During the year, there was no change to the share capital of the Company. As at 31 December 2007, the total number of the issued ordinary shares was 530,759,126 shares and total equity attributable to shareholders was HK\$1,025 million.

Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2007, the Group had a cash holding of HK\$74 million and short-term marketable securities of HK\$111 million. As at 31 December 2007, the Group’s total unutilised banking facilities amounted to HK\$437 million, of which HK\$223 million could be drawn down without the need of notice nor completion of condition precedent.

As at 31 December 2007, the Group had outstanding bank borrowings amounting to HK\$155 million. The liquidity ratio (current assets to current liabilities) and gearing ratio (borrowings to net asset value) were 1.24 and 0.15 respectively.

The Group has sufficient financial resources for its day to day operations as well as spare capacity to take advantage of any investment opportunities when they arise.

Significant Investment Held, Material Acquisition and Disposal

During the year, the Group continued to derive a stable earnings stream from its 26.19% interest in The New China Hong Kong Highway Limited (“NCHK”), which in turn held a 60% interest in Sichuan Chengmian Expressway Co., Ltd. (“SCECL”). In accordance with the terms of the joint venture agreement, from 22 December 2003 to 21 December 2008, NCHK is entitled to 60% of the net profit generated by SCECL which are derived from the financial statements of SCECL. The interests in associates had a carrying value of HK\$123 million as at 31 December 2007.

Early in the year, the Group held 1,988,604,181 non-voting convertible redeemable preference shares (“Preference Shares”) in Century City International Holdings Limited (“Century City”). The Preference Shares can be converted into fully paid ordinary shares in Century City on the basis of one Preference Share for one ordinary share. During the year, pursuant to the relative terms of the Preference Shares, 662,868,060 Preference Shares were converted into the same number of fully paid ordinary shares in Century City (“Equity Shares”). The Equity Shares were recorded under the investments at fair value through profit or loss. As at the balance sheet date, the Group held 1,325,736,121 Preference Shares which were recorded at a fair value of HK\$109 million. The Preference Shares can be converted into fully paid ordinary shares in Century City during the period from 15 December 2008 to 15 December 2009 by batches, whereas Century City has the right to redeem any or all Preference Shares at HK\$0.15 per Preference Share.

During the year, the Group did not have any material acquisition or disposal.

Charges on the Group’s Asset

The Group’s interests in associates have been pledged to a bank as security for a stand-by short-term loan facility. As at 31 December 2007, the Group did not utilise this stand-by loan facility.

Risk Management

The Group has properly put in place credit management policies which cover the examination of the approval of clients’ trading and credit limits, regular reviews of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

The management closely monitors the market condition so that precautionary measures will be taken to eliminate any risk that the Group may encounter. As at 31 December 2007, all advances to customers were margin financing and amounted to HK\$736 million (2006: HK\$352 million) of which 10% (2006: 9%) was attributable to corporate borrowers with the remaining attributable to individual borrowers. There were no direct loans as at 31 December 2007 (2006: Nil).

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The Group’s exposure to fluctuations in exchange rates arises from its dealings in overseas share markets. Such dealings are entered into on behalf of clients of the Group and accounted for a small portion of the Group’s revenue. A material portion of such overseas transactions is denominated in United States dollars. The pegged exchange rate between USD and HKD kept the Group’s exchange risk exposure to a minimum and thus, no hedging was required. Exchange gains and/or losses are dealt with in the income statement. The Group closely monitors its foreign currency positions and takes necessary measures if the situations so justify.

Contingent Liabilities

There were no material contingent liabilities as at 31 December 2007.

Future Plans for Material Investments or Capital Assets

Except the future plans as disclosed in the paragraph of “Future plan and Prospects”, the Group had no other future plans for material investments or capital assets as at 31 December 2007.

Employees and Training

As at 31 December 2007, the total number of full-time employees was 173 (2006: 133). The total staff costs for the year (excluding directors’ fees) amounted to approximately HK\$124.6 million.

The Group is committed to professional training for its employees. In compliance with the relevant requirement of the Securities and Futures Commission, the Group had organized a Continuous Professional Training seminar in September 2007 for all licensed staff members.

FUTURE PLAN & PROSPECTS

The recently held “China Central Economic Work Conference” points out that the priority of economic works in Chinese Mainland in 2008 is to “prevent economy growing from too fast to overheating and prevent structured hikes in price from turning into substantial inflation.” And its monetary policy will be shifted from “prudent”, an approach it has followed for the last ten years, to “tight”. Since last fourth quarter of the previous year, Consumer Price Index of Chinese Mainland have shot up too fast. It can be predicted that in the coming year, more macro-control policies will be implemented in Chinese Mainland. From the prospective of international environment, financial crisis as a result of U.S. sub-prime crisis posts an increasingly intensified trend. According to the statistics, provision for the bad account made by various major banks in Europe and U.S.A. have totally exceeded US\$100 billion. Affected by this, in the past several months, there was significant fluctuation in the securities market of Hong Kong. As such, in the coming year, great uncertainty will exist in the business climate of the market.

In the coming year, the Group, as a Hong Kong-listed security brokerage firm with a Chinese Mainland background, will pay close attention to the evolvement of U.S. sub-prime crisis and walking trend of macro-economics of Chinese Mainland and adopt active and prudent business strategies. We are committed to expanding our institutional customer base and local retail businesses and consolidating our businesses in the Chinese Mainland. We will also pay close attention to trading risk control and continue to expand overseas institutional customers and assets management businesses and further improve our businesses such as the listing of the PRC enterprises in Hong Kong and financing and financial consultancy services, and at the same time, we also strive to explore direct investment business. The Group will continue to employ the operation philosophy of “legal, compliance and discipline”, strengthen our risk management, improve corporate governance and promote a corporate culture of progressive and active development. By capitalizing on our unique advantages, the Group will be able to sustain a healthy and steady growth in business.

Finally, I would like to take this opportunity to thank the Board of Directors and the Group’s staff for their dedication, loyalty and contribution, as well as the Group’s shareholders and customers for their trust and support over the past year.

PURCHASE, REDEMPTION AND SALE OF LISTED SHARES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed shares during the year under review.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at 9:00 a.m. on Friday, 16 May 2008 at The Dragon Room, The Hong Kong Bankers Club at 43rd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong. For details of the Annual General Meeting, please refer to the Notice of Annual General Meeting, which will be published and issued to the shareholders in due course.

CODE ON CORPORATE GOVERNANCE PRACTICES

To better the Company's transparency and accountability to the shareholders, the Company is, so far as practicable, committed to maintaining high standard of corporate governance. Save for the deviation from the Code Provision A.4.1 which is explained as below, the Company has met all the code provisions stipulated in Appendix 14, Code on Corporate Governance Practices (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 December 2007.

Code A.4.1 specifies that non-executive directors should be appointed for a specific term, subject to re-election. Even though non-executive directors are not appointed for specific terms, each director must be subject to retirement by rotation at least once every three years. The Company is of the opinion that it conforms with the spirit of the Code.

REVIEW BY AUDIT COMMITTEE

The final results for the year ended 31 December 2007 of the Group have been reviewed by the audit committee.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.sywg.com.hk>). The 2007 annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

On behalf of the Board
Feng Guorong
Chairman

Hong Kong, 14 March 2008

As at the date hereof, the Board of the Company comprises 10 directors, of which Mr. Feng Guorong, Mr. Lu Wenqing, Mr. Lee Man Chun Tony, Mr. Guo Chun and Mr. Ying Niankang are the executive directors of the Company, Mr. Chang Pen Tsao and Mr. Huang Gang are the non-executive directors of the Company, Mr. Ng Wing Hang Patrick, Mr. Kwok Lam Kwong Larry and Mr. Zhuo Fumin are the independent non-executive directors of the Company.