

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

RESULTS

For the year ended 31 March 2006, the Group's turnover amounted to HK\$166,345,000 (2005: HK\$180,892,000) and net loss attributable to equity holders of the Company was HK\$15,994,000 (2005 restated: HK\$12,047,000).

CAPITAL REORGANISATION

On 13 April 2005, the Company proposed to effect a capital reorganisation scheme, which involved (i) a reduction of the nominal value of each issued share from HK\$0.01 each to HK\$0.0005 each by the cancellation of HK\$0.0095 per share; (ii) the cancellation of the entire amount standing to the credit of the share premium account of the Company; (iii) the credit arising from (i) and (ii) were transferred to the contributed surplus account of the Company where they had been utilized to eliminate the accumulated losses of the Company as at 30 September 2004; and (iv) a consolidation of every 20 issued shares of HK\$0.0005 each into one consolidated share of HK\$0.01 each. The capital reorganisation scheme was approved by the Company's shareholders on 23 May 2005 at a special general meeting.

CHARGE ON GROUP'S ASSETS

Certain investment properties and prepaid land lease payments of the Group in Mainland China with an aggregate carrying value of approximately HK\$25,565,000 as at 31 March 2006 (31 March 2005: HK\$43,200,000) were pledged to secure bank borrowings advanced to the Group.

CONTINGENT LIABILITIES

In the opinion of the directors, there was no significant contingent liabilities noted as at 31 March 2006.

PENDING LITIGATIONS

As at 31 March 2006, there was no pending litigations (31 March 2005: HK\$392,000).

業績

截至二零零六年三月三十一日止年度，本集團之營業額為166,345,000港元(二零零五年：180,892,000港元)，而本公司權益持有人應佔虧損淨額則為15,994,000港元(二零零五年重列：12,047,000港元)。

股本重組

於二零零五年四月十三日，本公司建議進行股本重組計劃，當中包括(i)藉註銷每股股份之面值0.0095港元，將已發行股份之每股面值從0.01港元削減為每股0.0005港元；(ii)註銷本公司股份溢價賬之進賬額全數；(iii)第(i)及第(ii)項所產生進賬額轉撥入本公司之實繳盈餘賬，彼等可用作抵銷本公司於二零零四年九月三十日之累積虧損；及(iv)將每20股每股面值0.0005港元之已發行股份合併為一股每股面值0.01港元之合併股份。股本重組計劃已於二零零五年五月二十三日舉行之股東特別大會上獲本公司股東批准。

本集團資產之抵押

於二零零六年三月三十一日，本集團抵押賬面總值25,565,000港元(二零零五年三月三十一日：43,200,000港元)於中國內地之若干投資物業及預付土地租賃款項，以取得本集團獲授之銀行借款。

或然負債

董事認為，本集團於二零零六年三月三十一日並無重大或然負債。

仍未了結之訴訟

於二零零六年三月三十一日，本集團並無任何仍未了結之訴訟(二零零五年三月三十一日：392,000港元)。

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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2006, the Group had neither unutilized banking facilities nor any hedging financial statements. The Group's net current liabilities were HK\$17,364,000. Since there was a negative equity attributable to equity holders of the Company of HK\$2,124,000 at the balance sheet, calculation of gearing ratio is not applicable.

As at 31 March 2006, the Group's total indebtedness (representing the total interest-bearing loans and convertible note from banks, financial institutions and loan providers) was approximately HK\$44,558,000 (31 March 2005 restated: HK\$65,480,000) will be repayable within one to three years. All borrowings of the Group are at fixed interest rate and mainly denominated either in Hong Kong dollars or Renminbi.

On 30 March 2006, pursuant to the subscription agreement entered on 15 February 2006 between the Group and Vision Century Group Limited ("Vision Century"), the controlling shareholder of the Company, a 1% per annum convertible note in principal amount of HK\$37,000,000 was issued to Vision Century as settlement of debts owed by the Group to Vision Century. The 1% convertible note is repayable in three years or convertible into the Company's ordinary share of HK\$0.01 at an initial conversion price of HK\$0.205 each (subject to adjustment).

In order to strengthen the capital base of the Group and to improve the Group's financial position, the directors have been considering various alternatives to strengthen the capital base of the Company through various fund-raising exercises.

FOREIGN CURRENCY EXPOSURE

All borrowings of the Group are denominated either in Hong Kong dollars or Renminbi or Singapore dollars or Malaysia Ringgit. The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As at 31 March 2006, the Group employed a total of 16 employees, among which, 7 staff were based in Hong Kong and 9 were in Singapore. Apart from competitive remuneration package offered to the employees, discretionary bonuses and share options are granted to eligible staff based on individual performance.

流動資金及財務資源

於二零零六年三月三十一日，本集團並無任何未動用之銀行融資或任何對沖金融文據。本集團之流動負債淨額為17,364,000港元。由於在結算日出現本公司權益持有人應佔權益負資本2,124,000港元，因此並不適宜計算資本負債比率。

於二零零六年三月三十一日，本集團之總負債（即銀行、金融機構及貸款供應商之計息貸款及可換股票據總額）約44,558,000港元（二零零五年三月三十一日重列：65,480,000港元）須於一至三年內償還。本集團全部借款均以固定利率計息及主要以港元或人民幣計值。

於二零零六年三月三十日，根據本集團與本公司之控股股東Vision Century Group Limited（「Vision Century」）於二零零六年二月十五日訂立之認購協議，本公司向Vision Century發行本金額37,000,000港元之每年一厘利息之可換股票據，以清償本集團結欠Vision Century之債項。該一厘可換股票據須於三年內償付或按初步換股價每股0.205港元（可予調整）兌換為每股面值0.01港元之本公司普通股。

為增強本集團之資金基礎及改善本集團之財務狀況，董事正考慮不同方案，以透過各類集資活動增強本集團之資金基礎。

外匯風險

本集團全部借款乃以港元、人民幣、新加坡元或馬來西亞幣計值。本集團現時並無採納外匯對沖政策。然而，管理層密切監控外匯風險，並會於有需要時考慮就重大外匯風險進行對沖。

人力資源

於二零零六年三月三十一日，本集團僱員合共為16人，其中7人駐於香港，其餘9人駐於新加坡。本集團除為僱員提供優厚薪酬組合外，亦按照個別表現授予合資格員工酌情花紅及購股權。