

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Financial Review

The Group recorded a turnover of approximately HK\$60,685,000 for the year ended March 31, 2002, representing a decrease of approximately 10.3% as compared to the year ended March 31, 2001. The decrease in turnover was mainly due to decreases in treasury investment, retailing of fashion apparel and properties investment businesses despite increases in the credit card business and financial and securities investments. The loss attributable to shareholders for the year ended March 31, 2002 was approximately HK\$39,708,000 as compared to with approximately HK\$99,829,000 in 2001. The improvement in operating results was mainly attributable to the effect of the following factors:

- income posted from operations of the Group's credit card business amounting to HK\$8,404,000 for the year;
- gains amounting to HK\$30,964,000 from the deemed disposal of interest in China Gas, through the placement of share of China Gas, resulting in the dilution of the Group's holdings in China Gas from 56.6% to 52.9%;
- unrealised gain on other investments of HK\$6,590,000; and
- the Group's further tightening its internal cost controls and management in an effort to raise profit attributable to shareholders.

On the other hand, the Group recorded impairment losses in respect of goodwill of HK\$28,898,000 arising from acquisition of a principal associate and a deficit of HK\$6,177,000 on revaluation and impairment loss recognised in respect of the Group's property portfolio during the year.

For the year ended March 31, 2002, the credit card business contributed approximately 82% of the total turnover of the Group. Notwithstanding fierce competition and the well-publicised bad debts problems of the credit card industry in Hong Kong, the credit card business recorded an operating profit of approximately HK\$8,404,000 as compared to a loss of HK\$1,091,000 in 2001.

The terrorist attack on September 11, 2001 and its subsequent fallout have created uncertainties in the property market. Gross rental income from investment properties and properties held for development for the year amounted to approximately HK\$1,351,000 which represents a decrease of about 29.8% when compared with last year's income of approximately HK\$1,925,000. Because the economic environment continues to cause weakness in the property market, development of the Group's sites will be deferred.

財務回顧

本集團於截至二零零二年三月三十一日止年度錄得之營業額約達60,685,000港元，較截至二零零一年三月三十一日止年度下跌約10.3%。儘管信用卡業務及金融及證券投資業務好轉，但營業額仍然下跌，主要因政府債券投資、時裝及物業投資業務之營業額下跌所致。截至二零零二年三月三十一日止年度，股東應佔虧損約為39,708,000港元，於二零零一年則約為99,829,000港元。經營業績改善主要因下列因素所帶來之影響所致：

- 本集團經營之信用卡業務為本年度帶來收入8,404,000港元；
- 透過配售中國燃氣之股份，而被視作出售中國燃氣之權益所得收益達30,964,000港元，亦導致本集團於中國燃氣之持股比率從56.6%攤薄至52.9%；
- 其他投資之未變現收益為6,590,000港元；及
- 本集團進一步加緊內部成本控制及管理，以提高股東應佔溢利。

另一方面，本集團於年內就收購一間主要聯營公司產生之商譽28,898,000港元錄得減值，而本集團就其物業組合確認重估虧蝕6,177,000港元及減值。

於截至二零零二年三月三十一日止年度，信用卡業務佔本集團總營業額約82%。儘管香港信用卡行業競爭劇烈及出現眾所周知的壞賬問題，但信用卡業務仍然錄得經營溢利約8,404,000港元，二零零一年則錄得虧損1,091,000港元。

二零零一年九月十一日之恐怖襲擊及其後所帶來之影響為物業市場帶來不明朗因素。於年內，來自投資物業及持作發展物業之租金收入總額約為1,351,000港元，較去年約為1,925,000港元的收入下降約29.8%。由於經濟環境持續令物業市場疲弱，本集團將延遲發展其地盤。

MANAGEMENT DISCUSSION AND ANALYSIS

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The aggregate turnover of the financial and securities investment and treasury divisions of the Group for the year ended March 31, 2002 amounted to HK\$9,585,000, representing a decrease of 51.9% as compared to HK\$19,918,000 in 2001. Although the securities market conditions were volatile during the period, the financial and securities investment and treasury divisions recorded an operating profit of HK\$4,901,000 as compared to a loss of HK\$43,672,000 in 2001.

During the year, the Group reduced exposure to the non-profitable operations in the retailing of fashion apparel and accessories due to the economic downturn and redeployed resources to high-yield sectors. As a result, the Group's retailing of fashion apparel and accessories reported an operating loss of HK\$963,000, while sales dropped by approximately 98% to HK\$76,000.

Liquidity and capital resources

The Group monitors its liquidity position as part of its ongoing assets and liabilities management. The balance between liquidity and profitability is carefully considered.

During the period under review, through a placing exercise announced and completed in August 2001, China Gas placed out 30,000,000 new ordinary shares at HK\$0.60 per share to an independent subscriber raising net proceeds of approximately HK\$17,500,000.

In November 2001, China Gas entered into an agreement with Greater China Holdings Limited ("Greater China") whereby China Gas agreed to subscribe for 600,000,000 new ordinary shares of Greater China in consideration for the issue, by China Gas to Greater China, of 100,000,000 new ordinary shares of China Gas.

As at March 31, 2002, the Group's current ratio was 2.92 (3.31.2001: 2.19) and the gearing of the Group was 26.8% (3.31.2001: 2.1%). Bank balance and cash amounted to approximately HK\$71.6 million (3.31.2001: HK\$24.4 million). The significant increase in gearing ratio was mainly due to acquisition of subsidiaries during the year. The improvement in the liquidity was mainly due to the net proceeds received from the placement and share exchange of China Gas's ordinary shares and bank balance and cash of HK\$41.1 million contributed by the subsidiaries acquired during the year.

管理層討論與分析 – 續

本集團金融及證券投資及政府債券部於截至二零零二年三月三十一日止年度之營業總額為9,585,000港元，較二零零一年之19,918,000港元下跌51.9%。儘管證券市場於期內表現波動，但金融及證券投資及政府債券部仍錄得經營溢利4,901,000港元，二零零一年則錄得虧損43,672,000港元。

於年內，由於經濟衰退及資源重新調配往高收益行業，本集團收縮其於時裝及配飾零售方面無法獲利之營運。因此，本集團之時裝及配飾零售業務錄得經營虧損963,000港元，而銷售則下跌約98%至76,000港元。

流動資金及資金來源

本集團監察其流動資金狀況，作為其持續管理資產及負債之一部份。本集團審慎考慮流動資金與盈利能力之間是否平衡。

於回顧期內，透過一項於二零零一年八月公佈及完成之配售事項，中國燃氣以每股股份0.60港元向一名獨立認購人配售30,000,000股新普通股，籌集所得款項淨額約17,500,000港元。

於二零零一年十一月，中國燃氣與大中華實業控股有限公司（「大中華」）訂立一項協議。根據該協議，中國燃氣同意向大中華發行100,000,000股新普通股，作為認購大中華之新普通股600,000,000股之代價。

於二零零二年三月三十一日，本集團之流動比率為2.92（二零零一年三月三十一日：2.19）。本集團之資本與負債比率為26.8%（二零零一年三月三十一日：2.1%）。銀行結存及現金約達71,600,000港元（二零零一年三月三十一日：24,400,000港元）。資本與負債比率顯著上升，主要因年內收購附屬公司所致。流動資金改善，則主要因配售所得款項淨額及與大中華交換普通股以及於年內收購附屬公司帶來之銀行結存及現金41,100,000港元所致。

MANAGEMENT DISCUSSION AND ANALYSIS

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Material Acquisitions and disposal and future plans for material investments

In January 2002, the Group completed the acquisition of its investments in Global Med Technologies, Inc. (“Global Med”), Global Growth Management Inc. (“Global Growth”) and eBanker USA.com, Inc. (“eBanker”) with an aggregate consideration which was satisfied by reducing the amount of convertible debentures issued by eVision International, Inc., a principle associate of the Group. As at March 31, 2002, the Group held an interest of approximately 40.3% interest in eBanker and an aggregate interest of approximately 58.4% in Global Med (comprising direct interest of 12.5% and an additional interest of 45.9% through eBanker).

During the year, the Group has deemed disposal of interests in China Gas through the placement of shares of China Gas, resulting in the dilution of the Group’s holding from 56.6% to 52.9%. Details of future investment plan and prospects for new business of the Group are disclosed in the Chairman’s Statement.

Foreign Exchange Exposure

Substantially all the revenues, expenses, assets and liabilities are denominated in Hong Kong dollars and United States dollars. The Group’s cash deposit and bank balances are mainly in either Hong Kong Dollars or United States Dollars. During the same period, the Group neither engaged in any derivative activities nor committed to any financial instruments to hedge its balance sheet exposures.

Human Resources

Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. At the balance sheet date, there were 70 employees employed by the Group. The Company operates a share option scheme under which the Directors may, at their discretion, invite employees of the Company or its subsidiaries, including Directors, to take up options to subscribe for shares in the Company. The subscription price and the exercisable period are determined in accordance with prescribed formula and terms.

Pledge of Assets

At the balance sheet date, the Group had pledged bank balances of HK\$4,216,000 as a security for banking facilities granted to a subsidiary and as security for the credit card business transactions with MasterCard International Inc. The mortgage loans of HK\$10,476,000 were secured on the investment properties of the Group with an aggregate carrying value of HK\$17,257,000.

管理層討論與分析 – 續

重大收購及出售以及日後進行重大投資之計劃

於二零零二年一月，本集團完成購入其於 Global Med Technologies, Inc. (「Global Med」)、Global Growth Management Inc. (「Global Growth」) 及 eBanker USA.com, Inc. (「eBanker」) 之投資，代價以減少本集團一間主要聯營公司 eVision International, Inc. 所發行之可換股債券數目償付總代價。於二零零二年三月三十一日，本集團持有 eBanker 約 40.3% 之權益以及 Global Med 合共約 58.4% 權益 (其中包括直接權益 12.5% 及另外透過 eBanker 持有之權益 45.9%)。

於年內，本集團透過配售中國燃氣之股份，被視作已出售中國燃氣之權益，導致本集團之持股比率從 56.6% 攤薄至 52.9%。有關本集團日後投資計劃及新業務前景之詳情載於主席報告。

外匯風險

本集團絕大部份的收益、開支、資產及負債均以港元及美元結算。本集團之現金存款及銀行結存亦主要為港元或美元。同期，本集團並無參與任何衍生工具活動或以任何金融工具為其資產負債表之賬目進行對沖。

人力資源

酬金組合一般參考市場條款及個人資歷制定。薪金及工資一般根據表現評估及其他相關因素按年檢討。於結算日，本集團聘用共 70 名員工。本公司實施一項購股權計劃，根據該計劃，董事可酌情邀請本公司或其附屬公司之僱員，包括董事接納購股權，以認購本公司股份。認購價及可予行使期限均根據指定之計算方式及條款釐定。

資產抵押

於結算日，本集團之抵押銀行結存為 4,216,000 港元，作為一間附屬公司獲授銀行融資之抵押以及與 MasterCard International Inc. 進行信用卡業務交易之抵押。本集團亦以其賬面總值達 17,257,000 港元之投資物業作為按揭貸款 10,476,000 港元。

MANAGEMENT DISCUSSION AND ANALYSIS

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Contingent Liabilities

The Group had given a HK\$3,884,000 guarantee to a financial institution in respect of banking facilities granted to subsidiaries and a guarantee of approximately HK\$5,137,000 to a US associate for the dividend payment on convertible B-1 preferred stock.

Actions were brought by Pricerite Stores Limited and Pricerite Group Limited (together referred to as “Pricerite”) respectively, against a subsidiary of the Company, in respect of the alleged breach of agreement, for damages which are not quantified. In the opinion of the directors, it is not practicable at this stage to determine with certainty the outcome of the litigation.

Two former staff of a subsidiary of the Company issued writs against the subsidiary claiming, for wrongful dismissal, approximately HK\$1,862,000. The directors are advised by the legal counsel of the Company that it is unlikely that the former staff will succeed in their claims.

管理層討論與分析 – 續

或然負債

本集團就附屬公司所獲之銀行融資向一間金融機構提供3,884,000港元之擔保，並就可轉換B-1優先股之股息付款向一間美國聯營公司提供約5,137,000港元之擔保。

Pricerite Stores Limited及實惠集團有限公司（統稱「實惠」）分別指稱本公司一間附屬公司違約而向該公司提出訴訟，並追討尚未確定之賠償額。董事認為，在現階段無法肯定地確定訴訟結果。

本公司一家附屬公司之兩名前任職員向該附屬公司發出令狀，就不當解僱申索約1,862,000港元。本公司律師向董事提供意見，認為前任職員將不大可能在申索中獲勝訴。