

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

The Group's total borrowing was increased from HK\$46,422,000 in 2002 to HK\$67,285,000 at 31 December 2003, showing an increase of HK\$20,863,000. The gearing ratio (calculated at the ratio of net borrowings to shareholders' funds) was 43.6% (2002: 45.5%).

To finance the project development, the Group considers that support can be derived from its rental income. In the meantime, the Group will strengthen its effort to collect the outstanding receivables, in particular the receivables arising from the sales activities. Appropriate actions will also be considered to recover the amount due. For the outstanding receivables arising from the disposal of a property development project, the board is still in the process of negotiation with the purchaser for the settlement of the outstanding balance by instalments. In the event of the failure to reach an agreement with the purchaser, the Group will take appropriate actions with a view to recovering the amount due.

The Group does not anticipate any material foreign exchange exposure since its cash or cash equivalent held, borrowings, revenue and expenses are denominated either in Hong Kong dollars or Renminbi or United States dollars.

DISPOSAL OF SUBSIDIARIES

As at 23 December 2003, the Group disposed of ten wholly owned subsidiaries to independent third parties at a consideration of HK\$10,000,000 in aggregate so as to divest some projects with doubtful prospect, retain the high quality core assets and streamline its management structure.

STAFF AND REMUNERATION POLICIES

The Group had approximately 80 employees in Hong Kong and the PRC for the year. They are remunerated according to the job nature, market conditions, individual performance and qualifications. Other staff benefits include share option scheme and year end bonus.

流動資金及財務資源

本集團於二零零三年十二月三十一日借貸總額約為67,285,000港元，比二零零二年46,422,000港元上升20,863,000港元。於二零零三年十二月三十一日的資產負債比率(即貸款淨額與股東資金之比率)為43.6%(二零零二年：45.5%)。

本集團正考慮除以正常的租金收入外，同時抓緊追收應收款項，特別對已出售樓宇的應收款，抓緊追收。並將採取適當行動追收。對已出售的項目，由於買家未能按期支付餘款，董事會正與買方商討分期付款項，如在短期內雙方未能達成協議，本集團將會採取適當的行動解決。

由於本集團的現金及現金等價物、借貸、收入及開支皆以港元或人民幣或美元計算，故本集團並不預見任何重大外匯風險。

出售附屬公司

於二零零三年十二月二十三日，集團向獨立第三者出售10間全資附屬公司，總代價為10,000,000港元，以削減了部份前景不夠明朗的項目，保留了核心的優質資產，簡化了公司管理架構。

僱員及酬金政策

本年度本集團共僱用約80名員工於香港及中國工作。僱員之薪酬按照其工作性質、市場指標、個人表現及資歷而釐定。其他員工福利包括購股權計劃及年終花紅。