

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2005, the Group's net tangible assets was HK\$941,889,000 and net tangible assets per share was HK\$1.28. Excluding goodwill and negative goodwill, the Group's net assets amounted to HK\$764,071,000 and net assets per share was HK\$1.03.

The Group's free cash and bank balances was HK\$62,747,000. Netting off cash deposits pledged for borrowing, the group's net bank borrowing was HK\$373,807,000. Net bank borrowing less free cash and bank balances was HK\$311,060,000, representing 33% of net tangible assets of the Group. The Group's borrowing are principally on a floating rate basis.

MATERIAL ACQUISITION AND DISPOSAL

On 25 November 2004, the Group entered into two conditional acquisition agreements with an independent third party for the acquisition of the entire equity interests of Foshan Municipal Huaqiao Mansion and Foshan United Corporation of China Travel Service in Mainland China at a total consideration of RMB61,500,000 (See circular to Shareholders on 13 December 2004). These transactions have been completed on 31 December 2004.

Apart from these, the Group had no other material acquisition and disposal for the year ended 31 March 2005.

CONTINGENT LIABILITIES AND FUTURE COMMITMENT

The Group has major contingent liabilities relating to guarantee given to bank for mortgage loan facilities granted to purchasers of properties of approximately HK\$89,083,000.

現金流量及財政資源

在二零零五年三月三十一日，集團的有形資產淨值為941,889,000港元，每股有形資產淨值為1.28港元。扣除商譽及負商譽，集團的資產淨值為764,071,000港元，每股資產淨值為1.03港元。

集團的流動現金為62,747,000港元。扣除作為貸款抵押的定期存款，集團的銀行貸款淨額為373,807,000港元。銀行貸款淨額減去流動現金及銀行存款後的淨借貸餘額為311,060,000港元，相當於集團有形資產淨值的33%。集團借貸主要以浮息為基礎。

重大收購及出售事項

於二零零四年十一月二十五日，本集團與一獨立第三方訂立兩項有條件收購協議，以收購在中國佛山市華僑大廈及佛山市中旅聯合總公司之全部權益，總代價為人民幣61,500,000元（參看二零零四年十二月十三日致股東通函）。此交易已於二零零四年十二月三十一日完成。

除此以外，本集團截至二零零五年三月三十一日止年度內並無其他重大收購及出售事項。

或然負債及已承諾之主要投資

集團的主要或然負債為向銀行提供的擔保共約89,083,000港元，為購買集團物業的置業者銀行按揭貸款提供還款保證。

CHARGES ON THE GROUP ASSETS

As at the balance sheet date, certain of the Group's fixed assets, investment properties, time deposits, other financial assets, properties held for sale and inventories with a total carrying value of approximately HK\$718,226,000 (2004: HK\$722,424,000) were pledged to secure general banking, trade finance and other facilities granted to the Group. In addition, rental income generated in respect of certain investment properties of the Group were assigned to bankers to secure loan facilities granted to the Group.

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS AND TREASURY POLICY

Major transactions of the Group are denominated in Hong Kong dollar, Renminbi, South African Rand, Canadian dollar and United States dollar. The Group has no significant currency exposure except South African Rand and Canadian dollar. Exchange rate of the other major currencies are stable throughout the year.

資產抵押

於結算日，本集團共有總賬面值約718,226,000港元（二零零四年：722,424,000港元）之若干固定資產、投資物業、定期存款、其他財務資產、出售物業及存貨作抵押，以取得一般銀行、貿易融資及其他信貸。本集團亦以部份投資物業之租金收益作抵押，以取得銀行之信貸。

外匯風險

集團的主要經營貨幣為港元、人民幣、南非蘭特、加拿大元及美元。除南非蘭特及加拿大元外，集團並沒有重要的外匯風險。港元、人民幣及美元的匯率於年內相對穩定。