

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

RESULTS

For the year ended 31 March 2006, the Group recorded turnover of HK\$238,491,000 (2005: HK\$262,063,000). The Group's consolidated profit attributable to equity holders of the parent amounted to HK\$202,338,000 (2005: restated HK\$132,623,000). Earnings per share were HK21.07 cents (2005: HK15.81 cents, as restated).

The adoption of the new and revised HKFRSs has resulted in an increase in the Group's profit of approximately HK\$83,659,000 for the year ended 31 March 2006 and a decrease in the Group's profit of approximately HK\$15,708,000 for the year ended 31 March 2005. The effects of these changes are detailed in note 2.4 to the financial statement.

The higher earnings in the year was largely due to the satisfactory contribution from cruise ship charter services and share of profit from the Cruise Ships together with steady return from investment in retail and office properties in Hong Kong.

DIVIDEND

The Board recommends the payment of a final dividend of HK2.0 cents per share payable to equity holders whose names appear on the register of members of the Company on 28 August 2006. The final dividend will be paid on 8 September 2006. Together with the interim dividend of HK1.5 cents per share paid on 8 February 2006, it makes a total dividend of HK3.5 cents per share for the year.

業績

截至二零零六年三月三十一日止年度，本集團之營業額達238,491,000港元（二零零五年：262,063,000港元）。本集團之母公司權益持有人應佔綜合溢利為202,338,000港元（二零零五年：重列132,623,000港元）。每股盈利為21.07港仙（二零零五年：15.81港仙（重列））。

採納新增及經修訂香港財務報告準則導致本集團截至二零零六年三月三十一日止年度之溢利增加約83,659,000港元，以及本集團截至二零零五年三月三十一日止年度之溢利減少約15,708,000港元。該等變動之影響詳述於財務報表附註2.4。

本年度之盈利增加，主要是由於郵輪租賃服務之貢獻及應佔郵輪溢利理想，以及於香港零售及辦公室物業之穩定投資回報所致。

股息

董事會建議向於二零零六年八月二十八日名列本公司股東名冊之權益持有人派付每股2.0港仙之末期股息。末期股息將於二零零六年九月八日派付。連同於二零零六年二月八日派付之中期股息每股1.5港仙，年內之股息總額為每股3.5港仙。

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CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 22 August 2006 to Monday, 28 August 2006, both days inclusive, during which period no transfer of Company's shares will be registered. In order to qualify for the proposed final dividend, all share certificates with duly completed transfer forms must be lodged with the Company's branch registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 21 August 2006.

OPERATIONS

Cruise Ship Charter Services

The Group's cruise ship charter services were the principal contributor for the year under review and accounted for 85.8% of the Group's turnover. For the year ended 31 March 2006, this business segment recorded turnover of HK\$204,718,000 and operating profit of HK\$81,387,000 to the Group, as compared with turnover of HK\$223,137,000 and operating profit of HK\$47,656,000 last year. There were a decrease of 8.3% in turnover and an increase of 70.8% in operating profit. The decrease in turnover was mainly due to the termination of time sub-charter and management arrangement for the Cruise Ships in December 2005.

During the year under review, the Group chartered the Cruise Ships from two companies ("the Cruise Ship Owners"), which are wholly owned by New Century Maritime Limited ("NCML") and then sub-chartered the Cruise Ships to Evervalue Profits Limited ("Evervalue"), an independent third party for providing cruise services in Asia Pacific Region. In return for the fixed sub-charter charges received from Evervalue, the Group was responsible for paying the fixed charter charges to the Cruise Ship Owners and providing or procuring provision of services including crewing, technical management, fuel supply, insurance arrangement, management services and accounting in respect of the operation of the Cruise Ships (Details of which have been disclosed in the Company's circular on 14 March 2005).

暫停辦理股東登記手續

本公司將由二零零六年八月二十二日(星期二)至二零零六年八月二十八日(星期一)(包括首尾兩天)暫停辦理股東登記手續。於此期間,本公司將不會辦理任何股份過戶登記手續。為符合收取建議末期股息之資格,所有股票連同已填妥之過戶文件最遲須於二零零六年八月二十一日(星期一)下午四時正前送達本公司於香港之股份過戶登記分處登捷時有限公司,地址為香港灣仔皇后大道東28號金鐘滙中心26樓,辦理股東登記手續。

經營業務

郵輪租賃服務

本集團之郵輪租賃服務為回顧年度之主要收入來源,佔本集團營業額之85.8%。截至二零零六年三月三十一日止年度,此項業務分類為本集團錄得營業額204,718,000港元及經營溢利81,387,000港元,而去年之營業額及經營溢利分別為223,137,000港元及47,656,000港元。營業額之跌幅為8.3%,而經營溢利之增幅為70.8%。營業額減少,主要是由於二零零五年十二月終止郵輪之按時計費之分租及管理安排。

於回顧年度內,本集團向New Century Maritime Limited(「NCML」)全資擁有之兩間公司(「郵輪擁有人」)租用郵輪,並將郵輪分租予獨立第三方Evervalue Profits Limited(「Evervalue」),以於亞太區提供郵輪服務。作為向Evervalue收取定額分租費之回報,本集團需負責向郵輪擁有人支付定額租用費,並就營運郵輪提供或促使提供船員、技術管理、燃料供應、保險安排、管理服務及會計等服務(有關詳情已於本公司於二零零五年三月十四日之通函內披露)。

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On 28 September 2005, Evervalue served the Group two written notices to terminate the time sub-charter and management agreements for the Cruise Ships with effect from 1 December 2005. Instead, Evervalue charters the Cruise Ships directly from the Cruise Ship Owners. Under the new charter arrangement, Evervalue pays the Cruise Ships Owners the charter charges which comprise fixed daily charter hires and floating charges equivalent to 30% of gross bet (net of payment of loss) of the slot machines onboard the Cruise Ships. The Cruise Ships Owners are no longer responsible for any operational expenses for the Cruise Ships.

Given that (1) the Group would no longer receive the time sub-charter charges as a result of the termination of the time sub-charter and management agreements on 1 December 2005; (2) the new charter arrangement provides the Cruise Ship Owners to earn not only a recurrent charter hires but also upside earning potential by sharing gross bet (net of payment of loss) of the slot machines onboard the Cruise Ships; and (3) both the economy and tourism industry in Asia Pacific Region, the major markets of the Cruise Ships, are showing signs of stable growth, the Group entered into an agreement with a connected party on 28 September 2005 conditionally to acquire a further 15% equity interest in NCML. Pursuant to special general meeting held on 15 December 2005, the independent shareholders approved the aforesaid acquisition and it was completed on 3 January 2006. Since then, the Group holds a 60% equity interest in NCML, which then it becomes a subsidiary of the Company, and its results are being consolidated into the financial statements of the Group. That made a good progress at the performance of cruise ship charter services. For details, please refer to the Company's circular dated 28 November 2005.

於二零零五年九月二十八日，Evervalue向本集團發出兩份書面通知，以終止郵輪之按時計費之分租及管理協議，自二零零五年十二月一日起生效。取而代之，Evervalue直接向郵輪擁有人租用郵輪。根據新租用安排，Evervalue支付予郵輪擁有人之租用費，當中包括定額每日租用費及相當於郵輪上角子機之總投注額（扣除派彩金額）30%之浮動費用。郵輪擁有人不再負責郵輪之任何營運開支。

鑑於(1)因按時計費之分租及管理協議於二零零五年十二月一日終止，而本集團不能再收取分租費；(2)新租用安排讓郵輪擁有人不僅能夠賺取經常租用費，且能夠透過分享郵輪上角子機之總投注額（扣除派彩金額）賺取潛在盈利；及(3)亞太區（即郵輪之主要市場）之經濟及旅遊業呈現穩健增長跡象，因此本集團於二零零五年九月二十八日與一位關連人士訂立有條件協議，以進一步收購於NCML之15%股本權益。根據於二零零五年十二月十五日舉行之股東特別大會，獨立股東批准上述收購事項，收購事項已於二零零六年一月三日完成。自此，本集團持有NCML之60%股本權益，而NCML其後成為本公司之附屬公司，其業績將綜合計算至本集團之財務報表。此舉為郵輪租賃服務之表現帶來正面影響。有關詳情請參閱本公司於二零零五年十一月二十八日之通函。

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Hotel Operations

The Group holds a 50% interest in Batam View Beach Resort on Batam Island in Indonesia. Although the Hotel still has yet to turn profitable, it creates valuable synergies with the cruise ship charter services by offering a variety of leisure activities for our guests and generates traffic to the Cruise Ships. In order to attract more tourists and enhance its competitiveness in tourism industry in South Asia Region, the Group has budgeted cost of approximately S\$6,596,000 (equivalent to approximately HK\$32,513,000) for the Hotel's upgrading and refurbishing. At present, the Hotel is undergoing renovation and that has contributed to a drop in the overall occupancy rate. For the year ended 31 March 2006, turnover from hotel operations decreased from HK\$18,621,000 to HK\$15,880,000 as compared with the year earlier. However, with efficient tight cost control, segment loss of hotel operations decreased from HK\$14,805,000 to HK\$13,877,000 as compared to the previous year.

Property Investments

For the year under review, due to the successive interest rate hikes and inflation, the speculative sentiment and the overall sales activities in property market has slowed down but the price for retail shops at the prime location still stood firm. In addition, housing demand remains strong as buyers' confidence is bolstered by improving economic prospects and rising income. This resulted in an increasing demand for change of property usage from industrial to commercial purpose. For the year ended 31 March 2005, the Group has adopted HKAS 40 "Investment Property" and recorded a gain in value of HK\$91,497,000. As the Group holds a large spectrum of properties including industrial buildings, we still benefited from the increase in the current market valuation of investment properties to the sum of HK\$15,320,000 for the year.

酒店業務

本集團持有印尼峇淡島之Batam View Beach Resort之50%權益。儘管酒店尚未轉虧為盈，酒店透過為賓客提供多項消閒活動，並與郵輪租賃服務締造寶貴之協同效益，為郵輪製造載客量。為吸引更多旅客及加強其於南亞地區旅遊業之競爭力，本集團已預算花費約為6,596,000坡元（約相等於32,513,000港元）為酒店進行翻新及更新酒店設施。現時，酒店正在進行裝修，令整體入住率下跌。截至二零零六年三月三十一日止年度，酒店業務之營業額由去年之18,621,000港元減至15,880,000港元。然而，由於嚴謹之成本控制措施奏效，酒店業務之分類虧損由去年之14,805,000港元減少至13,877,000港元。

物業投資

於回顧年度，鑑於接連加息及通脹，地產市場之炒賣氣氛及整體銷售活動放緩，但位於黃金地段之零售商舖之價格仍然高企。此外，由於買家信心受到經濟前景改善及收入日益增加支持，對房屋之需求仍然龐大，導致物業由工業更改為商業用途之需求逐漸上升。截至二零零五年三月三十一日止年度，本集團已採納香港會計準則第40號「投資物業」，並錄得估值收益91,497,000港元。由於本集團持有大量物業（包括工業大廈），而投資物業之現時市場估值增加至15,320,000港元，故本集團年內仍然受惠。

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Although the property market is now undergoing a consolidation phase, the management believes that the current slowdown in the property market is temporary. The Group will continue to strengthen its quality portfolio of rental properties at prime location. On 15 June 2005, the Group entered into a binding preliminary sale and purchase agreement to acquire a retail shop at Dundas Street, Mongkok, Kowloon at the consideration of HK\$38,000,000. The acquisition was subject to tenancy and completed on 16 September 2005.

Benefiting from the acquisitions of several quality properties in the past two years and the recovery of the local economy, the Group's investment property portfolio contributed satisfactory performance to the Group. As compared to last year, segment turnover for the year ended 31 March 2006 increased from HK\$13,865,000 to HK\$16,935,000. Taking the fair value gains on investment properties into account, segment profit decreased from HK\$96,560,000 to HK\$13,541,000. The average annual rental yield derived from investment property was 4.4% (31 March 2005: 4.6%). Rental income is expected to rise continuously, in line with the recent acquisition of investment property and will provide strong recurrent income to the Group.

Subsequent to the balance sheet date, the Group entered into a binding preliminary sale and purchase agreement on 11 April 2006 to acquire another retail shop at Dundas Street, Mongkok, Kowloon at the consideration of HK\$39,500,000. The acquisition was also subject to tenancy and completed on 12 June 2006.

儘管地產市場正經歷整固期，管理層相信地產市場現階段之放緩只屬暫時性質。本集團將繼續加強其位處黃金地段之優質租賃物業組合。於二零零五年六月十五日，本集團訂立一份有約束力之臨時買賣協議，以按代價38,000,000港元收購位於九龍旺角登打士街之一間零售店舖。該物業乃連租賃收購，收購事項已於二零零五年九月十六日完成。

受惠於過去兩年收購多項優質物業及本地經濟復甦，本集團之投資物業組合為本集團帶來理想表現。與去年相比，截至二零零六年三月三十一日止年度之分類營業額由13,865,000港元增至16,935,000港元。計及投資物業之公平價值收益，分類溢利由96,560,000港元減至13,541,000港元。投資物業之平均全年租金回報率為4.4%（二零零五年三月三十一日：4.6%）。隨著近期收購投資物業，預期租金收入將持續上升，並將為本集團提供強勁之經常收入。

結算日後，本集團於二零零六年四月十一日訂立一份有約束力之臨時買賣協議，以按代價39,500,000港元收購位於九龍旺角登打士街之另一間零售店舖。該物業乃連租賃收購，收購事項已於二零零六年六月十二日完成。

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On 13 July 2006, the Group entered into a subscription agreement to subscribe for the entire equity interests in Worksmart Profits Limited ("Worksmart") with connected parties. Worksmart has a wholly-owned subsidiary, which has committed to acquire from an independent third party an office building located in Singapore at a consideration of S\$32,500,000 (equivalent to HK\$160,200,000). The acquisition is subject to tenancy and to be completed on or before 27 September 2006. Pursuant to the Listing Rules, the acquisition of the office building as contemplated under the subscription agreement to subscribe for 60% equity interests in Worksmart by the Group is subject to the independent shareholders' approval. Please refer to the Company's announcement dated 14 July 2006 for details.

Internet Services

In view of the substantial accumulated losses incurred in the internet services and no significant improvement in its operating performance, the Group entered into a sale and purchase agreement with an independent third party on 9 April 2005 to dispose of its entire equity interest in a subsidiary group, which is engaged in the business of providing real estate transaction information on the internet, and the related shareholder's loan for a consideration of HK\$8 and HK\$2,000,000 respectively. The disposal was completed on 31 May 2005 and there was a gain of HK\$3,587,000 recorded on disposal.

於二零零六年七月十三日，本集團訂立一份認購協議，以與關連人士認購 Worksmart Profits Limited (「Worksmart」) 之全部股本權益。Worksmart 之全資附屬公司承諾按代價 32,500,000 坡元 (相等於 160,200,000 港元) 向一位獨立第三方收購位於新加坡之辦公室樓宇。該物業乃連租賃收購，收購事項將於二零零六年九月二十七日或之前完成。根據上市規則，認購協議擬進行收購該辦公室物業以便本集團認購 Worksmart 之 60% 股本權益之事項須獲得獨立股東批准。有關詳情請參閱本公司於二零零六年七月十四日之公佈。

互聯網服務

鑑於互聯網服務錄得大幅累積虧損，而其經營表現並無重大改善，本集團於二零零五年四月九日與一位獨立第三方訂立一份買賣協議，以出售其於一個從事於互聯網提供房地產交易資訊之業務之附屬集團之全部股本權益及有關股東貸款，代價分別為 8 港元及 2,000,000 港元。出售事項已於二零零五年五月三十一日完成，並錄得出售收益 3,587,000 港元。

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Associated Company – New Century Maritime Limited

Upon completion of two acquisitions of an aggregate of 45% equity interests in NCML in July 2004 and March 2005, the results of NCML is being shared by the Group under the equity method. NCML is an investment holding company whose principal assets are the entire beneficial interests in the Cruise Ships. The Cruise Ships are being chartered to an independent third party to operate as cruise liners between Singapore, Malaysia and Indonesia.

On 28 September 2005, the Group entered into an agreement with a connected party conditionally to acquire a further 15% equity interest in NCML together with the rights of and benefits in the sale loan at an aggregate consideration of approximately US\$7,289,000 (equivalent to approximately HK\$56,856,000). Pursuant to special general meeting on 15 December 2005, the independent shareholders approved the aforesaid acquisition and it was completed on 3 January 2006. Since then, the Group holds a 60% equity interest in NCML and it becomes a subsidiary of the Company and its results are consolidated into the financial statements of the Group. For the period ended 2 January 2006, the Group's share of profit from NCML amounted to approximately HK\$37,212,000, as compared to HK\$20,438,000 in the year ended 31 March 2005.

Contingent Liabilities

At the balance sheet date, the Company had outstanding guarantees of HK\$177,200,000 (2005: HK\$163,900,000) given to banks to secure general credit facilities granted to certain subsidiaries of the Group. Credit facilities in an aggregate amount of HK\$96,510,000 (2005: HK\$95,800,000) had been utilised by such subsidiaries in respect of such guarantees as at the balance sheet date.

聯營公司 – New Century Maritime Limited

於二零零四年七月及二零零五年三月完成收購NCML合共45%股本權益之兩次收購事項後，NCML之業績由本集團根據權益法分佔。NCML為一間投資控股公司，其主要資產為於郵輪之全部實益權益。郵輪現正租予一位獨立第三方以在新加坡、馬來西亞及印尼各地經營郵輪業務。

於二零零五年九月二十八日，本集團與一位關連人士訂立一份有條件協議，以按總代價約為7,289,000美元（約相等於56,856,000港元）進一步收購NCML之15%股本權益連同銷售貸款之權利及利息。根據於二零零五年十二月十五日舉行之股東特別大會，獨立股東批准上述收購事項，收購事項已於二零零六年一月三日完成。自此，本集團持有NCML之60%股本權益，而NCML成為本公司之附屬公司，其業績將綜合計算至本集團之財務報表。截至二零零六年一月二日止期間，本集團應佔NCML之溢利合共約37,212,000港元，而截至二零零五年三月三十一日止年度應佔NCML之溢利則為20,438,000港元。

或然負債

於結算日，本公司給予銀行之未償還擔保額為177,200,000港元（二零零五年：163,900,000港元），作為本集團若干附屬公司獲授一般信貸融資之抵押。於結算日，該等附屬公司已動用合共96,510,000港元（二零零五年：95,800,000港元）之若干信貸之擔保額。

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Charge on the Group's Assets

As at 31 March 2006, certain of the Group's prepaid land premiums, leasehold office premises and investment properties with aggregate carrying value of approximately HK\$390,165,000 and a cruise ship with carrying value of HK\$222,300,000, together with a fixed deposit of US\$2,250,000 (equivalent to HK\$17,550,000) were pledged to banks for the total interest-bearing loans of approximately HK\$224,465,000 granted to the Group. As at 31 March 2006, HK\$104,310,000 of the total interest-bearing loans had been utilized by the Group.

CAPITAL COMMITMENT

As at 31 March 2006, the Group had commitment of approximately HK\$22,745,000 relating to renovation and upgrade of facilities for the hotel property located in Indonesia.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2006, the Group had net current assets of approximately HK\$141,010,000 and equity attributable to equity holders of the parent of approximately HK\$609,653,000.

During the year under review, the Group issued a convertible bond in the principal amount of approximately US\$6,338,000 (equivalent to approximately HK\$49,436,000) to a connected party as part of the consideration for acquiring 15% equity interests in NCML, an investment holding company whose principal assets are the entire beneficial interests in the Cruise Ships, together with the rights and benefits of and in the relevant shareholders' loans. The Group was also granted two new mortgage bank loans in the total principal amount of HK\$22,990,000.

本集團資產之抵押

於二零零六年三月三十一日，本集團賬面值共約390,165,000港元之若干預付補地價、租賃辦公室物業及投資物業，以及賬面值222,300,000港元之一艘郵輪，連同2,250,000美元(相當於17,550,000港元)之定期存款抵押予銀行，以獲取合共約224,465,000港元之計息貸款。於二零零六年三月三十一日，本集團已動用共104,310,000港元之計息貸款。

資本承擔

於二零零六年三月三十一日，本集團有約22,745,000港元之承擔，為位於印尼之酒店物業之裝修及設施翻新費。

流動資金及財政資源

於二零零六年三月三十一日，本集團之淨流動資產約為141,010,000港元及母公司股權持有人應佔權益約為609,653,000港元。

於回顧年度內，本集團發行一份本金額約為6,338,000美元(相當於49,436,000港元)之可換股債券予一名關連人士，作為收購NCML之15%股本權益，連同有關股東貸款中之權利及利益之部分代價。NCML為一家投資控股公司，其主要資產為於郵輪之全部實益權益。本集團亦獲授予兩筆新造銀行按揭貸款，總本金額為22,990,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group's total indebtedness (representing the aggregate amounts of interest-bearing loans from banks and convertible bond) was approximately HK\$138,336,000. Among which, approximately HK\$104,310,000 was bank loans denominated in Hong Kong dollars or US dollars and charged at floating interest rates. It was secured by: 1) mortgages over certain of the Group's properties having an aggregate net book value of approximately HK\$390,165,000; 2) a cruise ship with carrying value of HK\$222,300,000; and 3) a fixed deposit of US\$2,250,000 (equivalent to HK\$17,550,000). Approximately HK\$34,026,000 was unsecured convertible bond which was denominated in US dollars and charged at fixed interest rate of 1% per annum.

For the total indebtedness, approximately HK\$16,918,000 will be repayable within one year, approximately HK\$78,135,000 will be repayable within the second to fifth years and the remaining balance of approximately HK\$43,283,000 will be repayable after five years. The Group's gearing ratio (total indebtedness divided by equity attributable to equity holders of the parent) as at the balance sheet date was reduced to 0.23 as compared to 0.71 (as restated) as at 31 March 2005.

On 9 November 2005 and 15 November 2005, the convertible bonds with respective aggregate principle amounts of approximately US\$10,565,000 (equivalent to approximately HK\$82,407,000) and US\$8,450,000 (equivalent to approximately HK\$65,910,000) issued as part of the considerations for acquiring an aggregate of 45% equity interests in NCML, were converted into 135,095,919 and 106,308,401 new shares, respectively, at the respective conversion price of HK\$0.61 per share and HK\$0.62 per share. The share conversions resulted in an increase in share capital and share premium by approximately HK\$2,414,000 and HK\$108,769,000 respectively.

本集團之總債務(即銀行提供之計息貸款及可換股債券之總額)約為138,336,000港元。其中約104,310,000港元乃以港元或美元為結算單位及按浮動息率計息，並以：1)本集團賬面淨值合共約390,165,000港元之若干物業按揭；2)賬面值為222,300,000港元之郵輪；及3)為數2,250,000美元(相當於17,550,000港元)之定期存款作抵押之銀行貸款。約34,026,000港元之無抵押可換股債券乃以美元為結算單位及按固定年利率1%計息。

總債務方面，約16,918,000港元須於一年內償還，約78,135,000港元須於第二至第五年內償還，餘額約43,283,000港元須於五年後償還。於結算日，本集團之負債比率(總債務除以母公司股權持有人應佔權益)減少至0.23，而於二零零五年三月三十一日之負債比率則為0.71(重列)。

於二零零五年十一月九日及二零零五年十一月十五日，作為收購NCML合共45%之股本權益之部分代價而發行總本金額分別約為10,565,000美元(約相等於82,407,000港元)及8,450,000美元(約相等於65,910,000港元)之可換股債券按個別換股價每股0.61港元及每股0.62港元分別轉換為135,095,919股及106,308,401股新股份。轉換股份導致股本及股份溢價分別增加約2,414,000港元及108,769,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Major Acquisitions

On 15 June 2005, the Group entered into a binding preliminary sale and purchase agreement to acquire a retail shop at Dundas Street, Mongkok, Kowloon at the consideration of HK\$38,000,000. The acquisition was subject to tenancy and completed on 16 September 2005.

Further to the two acquisitions of an aggregate of 45% equity interests in NCML in July 2004 and March 2005, on 28 September 2005, the Group entered into an agreement with a connected party conditionally to acquire a further 15% equity interest in NCML together with the rights of and benefits in the sale loan at an aggregate consideration of approximately US\$7,289,000 (equivalent to approximately HK\$56,856,000). The acquisition was completed on 3 January 2006 and the consideration was satisfied by the Group partly by cash of approximately US\$951,000 (equivalent to approximately HK\$7,420,000) and the remaining balance of approximately US\$6,338,000 (equivalent to approximately of HK\$49,436,000) by the Company's issuance of another convertible bond entitling the holder thereof to convert the outstanding principle amount into new ordinary shares at an exercise price of HK\$0.63 per share (subject to adjustment) or repayable on the second anniversary of its issuance. As at the balance sheet date, the Group holds a 60% equity interest in NCML.

主要收購事項

於二零零五年六月十五日，本集團訂立一份有約束力之臨時買賣協議，以按代價38,000,000港元收購位於九龍旺角登打士街之一間零售商舖。該物業乃連租賃收購，收購事項已於二零零五年九月十六日完成。

繼於二零零四年七月及二零零五年三月收購NCML合共45%之股本權益之兩次收購事項後，於二零零五年九月二十八日，本集團與一位關連人士訂立一份有條件協議，以按總代價約為7,289,000美元（約相等於56,856,000港元）進一步收購NCML之15%股本權益連同銷售貸款之權利及利益。收購事項已於二零零六年一月三日完成，而本集團乃以現金約為951,000美元（約相等於7,420,000港元）支付部分代價，並由本公司發行另一份可換股債券以支付餘款金額約6,338,000美元（約相等於49,436,000港元）。該可換股債券之持有人有權按行使價每股0.63港元（可予調整）將未償還本金額轉換為新普通股，或於其發行後第二週年屆滿時獲償還本金額。於結算日，本集團持有NCML之60%股本權益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

POST BALANCE SHEET EVENTS

On 11 April 2006, the Group entered into a binding preliminary sale and purchase agreement to acquire another retail shop at Dundas Street, Mongkok, Kowloon at the consideration of HK\$39,500,000. The acquisition was subject to tenancy and completed on 12 June 2006.

On 13 July 2006, the Group entered into a subscription agreement to subscribe for the entire equity interests in Worksmart Profits Limited ("Worksmart") with connected parties. In accordance with the subscription agreement, Worksmart will be owned as to 60% by the Group. Worksmart has a wholly-owned subsidiary, ACE Properties Pte. Ltd. ("ACE Properties"), which has committed to acquire from an independent third party an office building located in Singapore at a consideration of S\$32,500,000 (equivalent to HK\$160,200,000). The acquisition is subject to tenancy and to be completed on or before 27 September 2006. The Group is required to provide a shareholders' loan of S\$13,800,000 (equivalent to HK\$68,000,000) to Worksmart for the acquisition of the office building, on basis proportionate to the shareholdings. For the purpose of the payment of the remaining balance of the consideration of the acquisition, ACE Properties will borrow an amount of S\$12,500,000 (equivalent to HK\$61,600,000) from a connected party and will provide the office building as mortgage securities. Pursuant to the Listing Rules, the acquisition of the office building as contemplated under the subscription agreement to subscribe for 60% equity interests in Worksmart by the Group and the provision of mortgage loan from a connected party are subject to the independent shareholders' approval. Please refer to the Company's announcement dated 14 July 2006 for details.

結算日後事項

於二零零六年四月十一日，本集團訂立一份有約束力之臨時買賣協議，以按代價39,500,000港元收購位於九龍旺角登打士街之另一間零售店舖。該物業乃連租賃收購，收購事項已於二零零六年六月十二日完成。

於二零零六年七月十三日，本集團訂立一份認購協議，以與關連人士認購Worksmart Profits Limited（「Worksmart」）之全部股本權益。根據認購協議，本集團將擁有Worksmart之60%權益。Worksmart之全資附屬公司ACE Properties Pte. Ltd.（「ACE Properties」）承諾按代價32,500,000坡元（相等於160,200,000港元）向一位獨立第三方收購位於新加坡之辦公室樓宇。該物業乃連租賃收購，收購事項將於二零零六年九月二十七日或之前完成。本集團須按股權比例向Worksmart提供股東貸款13,800,000坡元（相等於68,000,000港元）以收購該辦公室物業。就支付收購事項代價餘額而言，ACE Properties將向關連人士借入12,500,000坡元（相等於61,600,000港元），並將提供該辦公室樓宇作為按揭抵押品。根據上市規則，認購協議擬進行收購該辦公室物業以便本集團認購Worksmart之60%股本權益之事項及關連人士提供按揭貸款須獲得獨立股東批准。有關詳情請參閱本公司於二零零六年七月十四日之公佈。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Exposure on Foreign Exchange Risk and Interest Rate Risk

The Group's cash and cash equivalents are mainly held predominately in Hong Kong dollars, US dollars and Singapore dollars. The Group's borrowings are denominated in Hong Kong dollars at floating interest rates and in US dollars at fixed interest rate or floating interest rate. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate. In the opinion of the directors, the Group has no significant interest rate risk. 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 had 288 staff. Among which, about 261 staff were based in Indonesia, 4 staff in Singapore and 23 staff in Hong Kong. The Group offers its staff competitive remuneration package. In addition, discretionary bonuses and share options are also granted to eligible staff based on individual and the Group's performance. As at 31 March 2006, the Group had 50,550,000 outstanding share options granted to eligible executives and employees of the Group.

外匯風險及利率風險

本集團之現金及現金等價物主要以港元、美元及新加坡元為結算單位。本集團之借貸乃以港元為結算單位並按浮動利率計息，及以美元為結算單位並按固定利率或浮動利率計息。本集團之市場利率波動風險主要與本集團按浮動利率計息之長期債項承擔有關。董事認為本集團之利率風險不高。然而，管理層會密切監察外匯風險，並將於有需要時考慮對沖重大外匯風險。

人力資源

於二零零六年三月三十一日，本集團僱員合共為288人，其中約261人駐於印尼，4人駐於新加坡及23人駐於香港。本集團為其員工提供優厚薪酬組合。此外，本集團亦可按照個別表現及本集團表現授予合資格員工酌情花紅及購股權。於二零零六年三月三十一日，本集團有50,550,000份已授予本集團合資格行政人員及僱員而尚未行使之購股權。