





Management
Discussion
& Analysis
管理層討論及分析



Business and Financial Review

The Group recorded a turnover of HK\$104.8 million for the financial year ended 31 March 2006 (the "Year") as compared to that of HK\$62.5 million for the year ended 31 March 2005 (the "Previous Year"). The acquisition of a vessel-holding company, namely Master View Co., Ltd. ("Master View"), which has been accounted for by merger accounting, contributed a turnover of HK\$50.6 million to the Group in the Year, partially compensated the effect of the HK\$12.2 million drop in revenue from foundation projects. The rise in gross profit is attributable to results of the vessel-chartering operation of Master View and a marine foundation project. Detailed analyses of the effect of the acquisition of Master View and the vessel operation are set forth in note 2 and note 5 to the financial statements respectively.

The Group recognized HK\$16.7 million of other income in the Year, of which HK\$15.0 million is related to the receipt of a previously written-off receivable for variation contract works. A deferred income of HK\$0.9 million from the Previous Year relating to the marine foundation project was also recognized in the Year when the project has reached a certain stage of completion.

業務及財務回顧

截至二零零六年三月三十一日止財政年度（「本年度」），本集團之營業額約104,800,000港元，而截至二零零五年三月三十一日止財政年度（「上年度」）約62,500,000港元。收購之持有貨船公司Master View Co., Ltd.（「Master View」）以合併會計法入賬，於本年度為本集團貢獻約50,600,000港元營業額，部份抵銷了地基工程收入下跌約12,200,000港元之影響。毛利上升主要由於Master View之貨船租賃業務及一項海事地基項目之業績所致。收購Master View之影響及貨船業務之詳細分析分別載於財務報表附註2及5。

本集團本年度確認其他收入約16,700,000港元，其中15,000,000港元與收回先前撇銷經改動合約工程之應收賬款有關。上年度有關海事地基工程之遞延收入約900,000港元於該工程已竣工至一定階段後於本年度確認入賬。

The rise in the Group's finance costs is mainly due to inclusion of Master View's cost of financing for its vessel amounting to approximately HK\$6.1 million in the Year.

Overall, the Group has achieved a turnaround from Previous Year's loss position and reports a HK\$14.9 million operating profit and HK\$4.4 million profit after tax for the Year.

Construction Contracts

Competition in the local construction market remained stiff and cautions were exercised by the Group in tendering for projects. The Group continued to work on the marine piling project which commenced in the Previous Year and contracted for the foundation works of an industrial building construction project, both of which are expected to complete in the financial year 2006/07 and provide a reasonable rate of return.

It is usual for variations, both in technical specifications and scope of work, to arise out of construction projects. The Group is always committed to discharging its contract duties and fulfilling customers' needs despite any variations which may develop in the process. Settlement for variation works are usually negotiated between the parties involved after completion of the construction project. The Group has successfully collected favourable settlement for variation works in the Year and the Previous Year. Management foresees that settlement for variation works of a couple other completed contracts can be crystallised in the current year.



本集團融資成本之上升主要由於計入Master View於本年度之貨船融資成本約6,100,000港元所致。

整體而言，本集團由上年度之虧損轉為盈利，於本年度錄得約14,900,000港元之經營溢利及約4,400,000港元之除稅後溢利。

建造合約

本地建造市場之競爭仍甚激烈，而本集團在投標工程時亦審慎行事。本集團繼續於上年度開始施工之海事打樁工程並承包一工業大廈建造項目之地基工程，該兩項工程預期於二零零六／零七年財政年度竣工，並提供合理之回報率。

建造工程通常存在變數，包括技術規格及施工範圍。儘管在過程中可能出現各種變數，本集團一貫致力履行其合約責任及滿足客戶所需。經改動工程通常由有關各方於建造工程完工後磋商解決。於本年度及上年度，本集團已成功收回多項經改動工程的賬款。管理層預期數項已竣工合約之經改動工程賬款可於本年度變現。

Machinery Trading

The fast economic growth in mainland China and the Middle East created great demand for construction expertise and machinery in the past few years. The relatively long lead time and rising material cost for the production of heavy construction machinery further drove up the demand and prices of pre-owned machinery. The Group has been receiving enquiries expressing interest to acquire various types of its construction machinery and equipment during the Year and sees now as the right time to expand its machinery trading business. A few sale transactions of machinery have been concluded during the Year with further growth expected in the current year.

Vessel Chartering

The Group has acquired ownership of a semi-submersible heavy-lift type transport vessel ("Vessel") through its acquisition of Master View in March 2006. The Vessel was acquired by Master View in 2005 and had embarked on three voyages for the shipment of oversized cargoes, including oil rigs and other vessels, prior to being taken over by the Group. Since then, the Vessel has been undergoing upgrading works to enhance operational efficiency and has been put back in operation in June 2006.

The heavy transport industry is very much dominated by no more than two operators, which together control over 80% of the heavy transport shipping capacity in the world. There are approximately twenty semi-submersible heavy-lift vessels in operation presently, with less than ten of similar and comparable size to the Vessel. Given such limited capacity, the Group envisages immense opportunities to follow its initial stride into the business and is actively exploring means to expand its presence and capacity in the industry.

機械貿易

中國內地及中東地區經濟之快速增長於過去幾年產生了對建造專才及機械之龐大需求。重型建築機械之生產時間相對較長及其原材料成本上漲進一步推動了二手機械的需求及價格。本年度，本集團不斷接獲表示有意購買其不同類型建築機械設備之查詢，並視目前為擴大其機械貿易業務之最佳時機。本年度內已完成若干機械銷售，預期現年將會進一步增長。

貨船租賃

於二零零六年三月，本集團透過收購Master View，取得了一艘半潛式運輸載重貨船（「貨船」）的擁有權。該貨船於二零零五年由Master View購入，並在本集團購入前曾展開三次載運超大型貨物（包括鑽油台及其他船隻）的航程。從此以後，貨船一直進行改良工程，以提高營運效益並於二零零六年六月再次投入營運。

重型運輸業的主要營運商不超過二家，合共控制全球逾80%的重型運輸載運量。目前約有二十艘半潛式載重貨船投入營運，不足十艘與該貨船規模相若。基於該等有限之載運量，本集團預期於初步涉足該業務後將有無限商機，並積極開拓途徑，以擴大於業內之地位及產能。

Liquidity, Financial Resources, Capital Structure and Gearing

The acquisition of Master View, which was accounted for by merger accounting, has rendered considerable incremental impact on the Group's total assets and total liabilities as at 31 March 2006 and 31 March 2005. Such effects are being summarized in note 2 to the financial statements.

As at 31 March 2006, the Group had cash and bank balances of HK\$48.7 million (2005: HK\$50.6 million) and total borrowings of HK\$157.9 million (2005: HK\$220.8 million). Current portion of long term borrowings, short term borrowings and bank overdrafts as at 31 March 2006 amounted to HK\$117.0 million (2005: HK\$164.3 million). The Group's gearing ratio as at 31 March 2006, calculated by dividing net borrowings by total equity, was 0.82 (2005: 1.33). Interest on the Group's borrowings was mainly on floating rate basis. The reduction in gearing was mainly attributable to the enhanced cash flow from operating activities.

Although the level of debts falling due in the short term remains high, the Group has already administered procedures to alleviate pressure on its short term cash flow. Several transactions of equipment sales have been completed in the few months subsequent to the end of the Year and have brought over HK\$30 million of net cash flow to the Group. With its Vessel back in operation since last month, the Group envisages a stable stream of revenue from shipping operation can be established to strengthen its liquidity.

流動資金、財務資源、資本結構及負債比率情況

收購Master View(以合併會計法入賬)對於本集團二零零六年三月三十一日及二零零五年三月三十一日資產總值及負債總額產生相當影響。該等影響概述於財務報表附註2。

於二零零六年三月三十一日，本集團之現金及銀行結餘約為48,700,000港元(二零零五年：約50,600,000港元)，總借貸則約為157,900,000港元(二零零五年：約220,800,000港元)。於二零零六年三月三十一日之長期借貸之即期部份、短期借貸及銀行透支合共約117,000,000港元(二零零五年：約164,300,000港元)。本集團之負債比率按本集團借貸淨額除以總股本計算，於二零零六年三月三十一日為0.82倍(二零零五年：1.33倍)。本集團之借貸主要以浮動利率計算利息。負債減少主要由於經營活動之現金流量增加所致。

儘管短期到期的債務水平仍然高企，本集團已制定程序以緩解對短期現金流量之壓力。若干器材銷售已於年結日後數月內完成，並為本集團帶來逾30,000,000港元之現金流量淨額。隨著該貨船於上月投入營運，本集團預期船運業務可帶來穩定之收入，以鞏固流動資金狀況。

Operations of the Group are mainly conducted in Hong Kong Dollars (“HK\$”) and United States Dollars (“US\$”) and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$ and US\$, which do not pose significant foreign currency risk at present.

Charges on the Group's Assets

The net book values of machinery and equipment held under finance leases and pledged for long-term bank loans amounted to HK\$41.6 million and HK\$35.6 million respectively. A vessel with net book value of HK\$66.2 million is pledged to secure for other loan. Certain banking facilities are secured by bank deposits of HK\$46.8 million.

Employees and Remuneration Policies

The Group has about 49 (excluding directors) staff members as at 31 March 2006 and provides competitive remuneration packages to employees which commensurate with individual job nature and performance.

The Group adopted a share option scheme as incentive to eligible persons for their contribution to the Group. Details of the scheme are set out under separate heading in this report.

Contingent Liabilities

Contingent liabilities of the Group are disclosed in note 29 to the financial statements.

本集團業務主要以港元及美元計值，而其收入、開支、資產、負債及借貸主要以港元及美元為單位，目前並無重大外匯風險。

集團資產抵押

根據融資租賃持有之機械設備賬面淨值約為41,600,000港元，而就長期銀行貸款而予以抵押的機械器材賬面淨值則約為35,600,000港元。賬面淨值約為66,200,000港元之貨船已予抵押以取得其他貸款。若干銀行融資乃以約46,800,000港元之銀行存款作抵押。

僱員及薪酬政策

於二零零六年三月三十一日，本集團共聘用約四十九名員工（不包括董事），並按員工之個別工作性質及表現向其提供具競爭力之薪酬。

本集團採納一項購股權計劃，獎勵對本集團作出貢獻的合資格人士。該計劃之詳情已獨立載於本報告。

或然負債

本集團之或然負債於財務報表附註29披露。