

FINANCIAL REVIEW

財務回顧

SHAREHOLDERS' FUNDS

At 31 March 2007, the shareholders' funds of the Company and its subsidiaries (collectively the "Group") increased significantly by HK\$1,249.4 million to HK\$9,251.8 million (2006: HK\$8,002.4 million). The increase was attributable to the sale of 50% equity interest in a property development project in Shanghai under Dazhongli group companies, profitable property sale in Discovery Bay and increased profit contribution from other operating units. The overall gross profit margin for the Group rose by 10.8% to 43.2% (2006: 32.4%).

MAJOR CASH FLOWS FROM INVESTING ACTIVITIES

In December 2006, the Group disposed of 50% equity interest in Dazhongli group companies which hold a development project located in JingAn, Shanghai to Swire Properties Limited for a gross consideration of HK\$1,329.3 million.

MAJOR CASH FLOWS FROM OPERATING ACTIVITIES

In October 2006, the Group sold a commercial building located in Central at a gross consideration of HK\$163.9 million at a gain of approximately HK\$22.3 million. In the same month, a residential property in Hong Kong was also sold at a gross consideration of HK\$37.5 million.

During the financial year under review, the sale of residential properties of Chianti in Discovery Bay brought to the Group cash of approximately HK\$1,179.0 million. Investment properties of the Group also generated approximately HK\$236.5 million operating cash during the year.

FINANCIAL LIQUIDITY

The financial position of the Group continued to be strong with total cash and investment in securities accounting for HK\$2,724.8 million (2006: HK\$3,131.8 million) while total bank borrowings were reduced by HK\$855.4 million to HK\$1,273.4 million (2006: HK\$2,128.8 million) after repayment of certain bank loans during the year.

GEARING

The Group's gearing ratio stood at a low level of 18.4% (2006: 27.3%) as calculated by the Group's consolidated net borrowings to the shareholders' funds.

股東資金

於二零零七年三月三十一日，本公司及其附屬公司（「本集團」）之股東資金顯著增加1,249.4百萬港元至9,251.8百萬港元（二零零六年：8,002.4百萬港元）。增幅乃源自出售大中里集團公司位於上海之物業發展項目的50%權益、愉景灣物業銷售盈利及各業務盈利能力上升。本集團之整體業務毛利率上升10.8%至43.2%（二零零六年：32.4%）。

來自投資活動之主要現金流量

於二零零六年十二月，本集團向太古地產有限公司出售於大中里集團公司的50%權益，該集團擁有上海靜安區一項發展項目，代價總額為1,329.3百萬港元。

來自營運活動之主要現金流量

於二零零六年十月，本集團以代價總額163.9百萬港元出售一幢位於中環的商業大廈，獲得溢利約22.3百萬港元。於同月，一幢香港住宅物業亦以總代價37.5百萬港元出售。

於回顧之財政年度內，出售愉景灣尚堤住宅物業為本集團帶來現金約1,179.0百萬港元。本集團之投資物業亦於年內產生營運現金約236.5百萬港元。

流動資金

本集團之財務狀況強勁，現金及證券投資總額為2,724.8百萬港元（二零零六年：3,131.8百萬港元）。於年內償還若干銀行借貸後，銀行借貸總額減少855.4百萬港元至1,273.4百萬港元（二零零六年：2,128.8百萬港元）。

資本負債比率

本集團保持資本負債比率於18.4%（二零零六年：27.3%）之低水平，此比率乃按本集團之綜合借貸淨額除股東資金計算。

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BANKING FACILITIES

At 31 March 2007, the Group had adequate internal cash and banking facilities, both secured and unsecured, to finance its development projects and operations. At 31 March 2007, the unutilised credit facilities amounted to HK\$3,438.8 million (2006: HK\$3,186.6 million).

The maturity profile of bank borrowings were 28% (2006: 77%) falling within one year, 14% (2006: 23%) falling between one to two years, and 58% (2006: nil) falling between two to five years at 31 March 2007.

TREASURY POLICY

The Group has centralised treasury functions for the management of funding requirements, interest rate and currency risk exposure. With majority of assets and liabilities denominated in HK dollars and US dollars, the Group has limited exposure to foreign currencies. For hedging of foreign currency exposure in certain overseas operation, currency swap arrangements were used. The Group's banking facilities are principally on floating rate basis and interest rate swaps were employed to manage interest rate risk for its short to medium term borrowings when appropriate and necessary.

It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

PLEDGE OF ASSETS

At 31 March 2007, the Group had pledged certain properties with a total carrying value of HK\$469.4 million (2006: HK\$465.5 million), bank deposits of HK\$75.6 million (2006: HK\$60.8 million) and equipment of HK\$0.1 million (2006: HK\$0.1 million) to secure banking facilities granted to the Group.

The Group's entire interest of 31% in Tung Chung Station Development Company Limited ("TCS DCL") was pledged. The loans to TCS DCL (before provision) amounting to approximately HK\$2,379.3 million (2006: HK\$2,379.3 million) were subordinated to banks, to secure the banking facilities granted to TCS DCL.

銀行信貸

於二零零七年三月三十一日，本集團具備充裕內部現金及有抵押與無抵押之銀行信貸，以應付其發展項目及營運所需資金。於二零零七年三月三十一日，未動用之信貸總額為3,438.8百萬港元（二零零六年：3,186.6百萬港元）。

於二零零七年三月三十一日，銀行借貸組合中還款期為一年內償還的佔28%（二零零六年：77%），須於一至兩年內償還的佔14%（二零零六年：23%），及須於兩至五年內償還的佔58%（二零零六年：無）。

財資政策

本集團集中其財務管理職能以管理其資金需求、利率及外匯風險。資產與負債大部分以港元及美元計算，本集團所需面對之外匯風險有限。本集團亦訂立若干外匯掉期安排作對沖用途。本集團之銀行信貸主要按浮動息率計算，並在合適及需要時為中短期之借貸安排利率掉期，以管理其利率風險。

本集團之政策為嚴禁使用金融衍生工具作投機用途。

資產抵押

於二零零七年三月三十一日，本集團將賬面總值469.4百萬港元（二零零六年：465.5百萬港元）之若干物業、75.6百萬港元（二零零六年：60.8百萬港元）之銀行存款及0.1百萬港元（二零零六年：0.1百萬港元）之設備作為授予本集團銀行信貸之抵押。

本集團將其於Tung Chung Station Development Company Limited（「TCS DCL」）持有之全部31%權益作為抵押。向TCS DCL提供之貸款（扣除撥備前）約2,379.3百萬港元（二零零六年：2,379.3百萬港元）作為銀行授予後償保證，用以擔保授予TCS DCL之銀行信貸。

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HKR Properties Limited, one of the Company's wholly owned subsidiaries, also subordinated an inter-company debt of HK\$27.8 million (2006: HK\$25.2 million) due from one of its subsidiaries to secure certain general banking facilities granted to that subsidiary.

CONTINGENT LIABILITIES

The Group's contingent liabilities in respect of corporate guarantees and undertaking given, to the extent of the Group's proportionate share, in respect of banking and other facilities (or secured indebtedness, if appropriate) granted, increased by HK\$2.3 million to HK\$155.5 million (2006: HK\$153.2 million).

本公司其中一家全資附屬公司香港興業(物業)有限公司亦同時將其應收一家附屬公司之公司間欠款27.8百萬港元(二零零六年：25.2百萬港元)用作提供予該附屬公司之若干一般銀行信貸之抵押。

或然負債

有關於本集團以股權比例為限就獲授銀行及其他信貸或有抵押之債項(如適用)作出公司擔保及承擔之或然負債增加2.3百萬港元至155.5百萬港元(二零零六年：153.2百萬港元)。