

# Financial Review

## 財務回顧

### Summary of Results

The profit attributable to shareholders for the year ended 31 March 2006 was HK\$82.0 million or HK18.5 cents per share, which has decreased by 11.3% compared to profit attributable to shareholders of HK\$92.4 million or HK20.8 cents per share for the last year (restated). The main profit contributors were the surplus from investment properties revaluation of HK\$45.0 million and profit from the sales of another 18 units of the Group's property development project, Golf Parkview, at Kwu Tung for HK\$20.9 million.

### Group Liquidity and Financial Resources

The Group's liquidity and financing requirements are regularly reviewed.

For day-to-day liquidity management and to maintain flexibility in funding, the Group has access to banking facilities with an aggregate amount of HK\$464.9 million (HK\$94.9 million was secured by first charges over certain land and buildings and investment properties of the Group), of which HK\$170.9 million loans have been drawn down and approximately HK\$89.3 million has been utilised mainly for the issuance of letters of credit and performance bonds as at 31 March 2006. These banking facilities bear interest at prevailing market interest rates.

The Group follows a prudent policy in managing its cash balance, and endeavours to maintain its sound cash-flow generating capability, its ability to take on investments and acquisition projects, in order to enhance shareholder wealth. The total cash and bank balances of the Group have decreased by HK\$32.3 million to HK\$69.8 million as at 31 March 2006, and accounted for 10.0% of the current assets (2005: 15.1% (restated)). The net reduction was mainly due to the utilisation of funds to acquire properties for investment purposes from independent third parties during the year. The details in relation to the acquisition of investment properties have been disclosed in the section "Major Acquisitions".

### 業績概要

截至二零零六年三月三十一日止年度，本集團之股東應佔溢利為港幣82,000,000元或每股18.5港仙，與上年度股東應佔溢利港幣92,400,000元或每股20.8港仙（經重列）相比，下跌了11.3%。集團之收益主要來自重估投資物業所得盈餘港幣45,000,000元，以及出售本集團位於古洞之物業發展項目「高爾夫景園」的18個單位所得之盈利港幣20,900,000元。

### 集團流動資金及財務資源

本集團定期重估其流動資金及融資需求。

為了方便日常流動資金管理及維持融資之靈活性，本集團可動用若干銀行融資額，於二零零六年三月三十一日，總額為港幣464,900,000元（其中港幣94,900,000元是以本集團之若干土地及樓宇和投資物業作第一抵押），其中港幣170,900,000元之貸款已提取，而約港幣89,300,000元已使用，主要用作發出信用狀及履約保證。該等銀行融資按現行市場利率計算。

本集團於管理其現金結餘時奉行審慎政策，並致力維持本集團之穩健現金產生能力、本集團參與投資和收購之能力，以提升股東財富。於二零零六年三月三十一日，本集團之現金及銀行結餘總額，減少了港幣32,300,000元，至港幣69,800,000元，並佔流動資產10.0%（二零零五年：15.1%（經重列））。淨減少之主因是：於本年度，本集團動用資金，從獨立第三者收購物業，以作投資之用。有關收購投資物業之詳情已於「主要收購」一節內披露。

The Group has maintained a healthy balance sheet with net borrowings (total bank borrowings less total bank balances and cash) of HK\$101.1 million (2005: HK\$13.0 million) as at 31 March 2006. Accordingly, the gearing ratio of the Group, calculated on the basis of the Group's net borrowings to shareholders' funds, was 18.2% (2005: 2.7%). The net current assets have increased by HK\$14.2 million to HK\$283.9 million as at the year-end date and the current ratio (current assets divided by current liabilities) was maintained at 1.7 times.

With its cash holdings, steady cash inflow from its operations, together with available banking facilities, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.

### Treasury Policy

The aim of the Group's treasury policy is to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Treasury transactions unrelated to underlying financial exposure are not undertaken. Foreign currency exposures of the Group arise mainly from the purchase of goods. The Group will determine if any hedging is required, on an individual basis, depending upon the size and nature of the exposure, and the prevailing market circumstances.

In order to enhance the deployment of internal funds with maximum benefit, to achieve better risk control, and to minimise cost of funds, the Group's treasury activities are centralised and scrutinised by the top management.

The surplus cash is generally placed in short-term bank deposits with reputable financial institutions. Most of these deposits are denominated in Hong Kong dollars. Nearly all revenue, expenses, assets and liabilities of the Group are denominated in Hong Kong dollars. The Group therefore will not have any significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar.

本集團維持穩健的資產負債表，於二零零六年三月三十一日之淨借款（銀行借款總額減銀行結餘及現金總額）為港幣101,100,000元（二零零五年：港幣13,000,000元）。據此，本集團之資本負債比率為18.2%（二零零五年：2.7%），此比率乃根據本集團之淨借款與股東資金之比率計算。淨流動資產增加港幣14,200,000元至年結日之港幣283,900,000元。於年結日，流動比率（流動資產除以流動負債）維持在1.7倍。

從可供動用之手頭現金、日常業務之穩定現金流入及可供動用之銀行融資額，本集團之流動資金狀況於來年將維持健全狀況，具備充裕財務資源以應付其責任、營運需要及未來發展。

### 財資管理政策

本集團之財資管理政策旨在減低匯率波動之風險及不參與任何高槓桿比率或投機性衍生產品交易。本集團並無進行與財務風險無關之財資交易。本集團之匯率波動風險，主要因購買貨物而起。在決定是否有對沖之需要時，本集團將按個別情況，視乎風險之大小及性質，以及當時市況而作決定。

為最有效地運用本集團之內部資金、達致更佳之風險監控及盡量減低資金成本，本集團之財資事務乃集中的，並受高層主管嚴密監督。

現金盈餘一般會存入信譽良好之金融機構作短期銀行存款，主要之貨幣為港幣。本集團幾乎所有收益、開支、資產與負債均以港幣結算或持有，因此本集團於外幣兌港幣之外匯兌換率變動所產生之損益將不會有任何重大風險。

## Shareholders' Funds

At the year-end date, shareholders' funds of the Group were HK\$555.4 million including reserves of HK\$511.1 million, an increase of HK\$72.2 million from HK\$483.2 million (restated) at 31 March 2005. On that basis, the consolidated net asset value of the Group as at 31 March 2006 was HK\$1.25 per share, compared to the consolidated net asset value of HK\$1.09 per share (restated) at 31 March 2005. Increase in shareholders' funds was mainly attributable to profits retained after the payments of dividends.

## Major Acquisitions

During the year under review, the Group purchased a property on the ground floor of Shatin Industrial Centre from an independent third party at a consideration of approximately HK\$4.6 million. This property is located in Hong Kong and will be held for investment purposes.

In December 2004, the Group formed a joint venture company, in which the Group holds 50% interest, with NWS Holdings Limited, an independent third party, to acquire a property at Nos. 1 & 1E La Salle Road, Kowloon Tong, Hong Kong (the "Property") at a consideration of HK\$171.0 million for redevelopment purposes. The acquisition of the Property has been completed in June 2005. Details of this acquisition and the formation of the joint venture company have been disclosed in the Company's circular to shareholders dated 14 January 2005.

In November 2005, the Group also acquired a property investment company, which owns a piece of land in D.D. No. 128, Yuen Long, New Territories, Hong Kong from an independent third party at a consideration of approximately HK\$34.6 million. This property is held for investment purposes. Details of this acquisition were disclosed in the Company's circular to shareholders dated 4 October 2005.

As at the year-end date, the Group purchased part of the second floor of Shatin Industrial Centre from an independent third party at a consideration of approximately HK\$27.0 million. This property is located in Hong Kong and will be held for investment purposes. Details of this acquisition were also disclosed in the Company's circular to shareholders dated 4 October 2005.

## 股東資金

於年結日，本集團之股東資金為港幣555,400,000元，當中包括港幣511,100,000元之儲備，較於二零零五年三月三十一日之港幣483,200,000元（經重列），增加港幣72,200,000元。以此為基準，於二零零六年三月三十一日，本集團之每股綜合資產淨值為港幣1.25元，而於二零零五年三月三十一日之每股綜合資產淨值為港幣1.09元（經重列）。股東資金增加之主因是派發股息後保留溢利所致。

## 主要收購

於回顧年度，本集團向一名獨立第三者購入位於沙田工業中心地下的物業，代價約為港幣4,600,000元。此等物業位於香港，將作投資之用。

於二零零四年十二月，本集團與獨立第三者新創建集團有限公司成立了一間合營公司（本集團持有50%權益），以港幣171,000,000元之代價，購入位於香港九龍塘喇沙利道1及1E號之物業作重建用途。該項收購已於二零零五年六月完成。有關此收購及成立合營公司之詳情已於本公司於二零零五年一月十四日寄予股東之通函內披露。

於二零零五年十一月，本集團向一名獨立第三者購入一間物業投資公司，該公司擁有一塊位於香港新界元朗丈量約第128號的地皮，代價約為港幣34,600,000元，持有該物業作投資之用。有關此收購之詳情已於本公司於二零零五年十月四日寄予股東之通函內披露。

於年結日，本集團向一名獨立第三者購入部分位於沙田工業中心二樓的物業，代價約為港幣27,000,000元。此物業位於香港，將作投資之用。有關此收購之詳情已於本公司於二零零五年十月四日寄予股東之通函內披露。

### Capital Structure

The Group intends to keep an appropriate mix of equity and debt to ensure an efficient capital structure over time. During the year under review, the Group has borrowed Hong Kong dollar loans amounting to HK\$170.9 million from the banks (at 31 March 2005: HK\$115.1 million). The borrowings have been used as general working capital and for refinancing the purchase of properties for investment purposes. The maturity profile of the loans spread over a period of five years with HK\$82.2 million repayable within the first year, HK\$6.2 million repayable within the second year and HK\$82.5 million within the third to fifth years. Interest is based on HIBOR plus a competitive margin.

### Collateral

As at 31 March 2006, certain land and buildings and investment properties of the Group, at the carrying value of approximately HK\$218.8 million (at 31 March 2005: HK\$129.5 million), were pledged to the banks to secure the Hong Kong dollar loans of HK\$94.9 million (at 31 March 2005: HK\$51.1 million).

### Contingent Liabilities

Details of the contingent liabilities are set out in note 39 of the consolidated financial statements.

### Capital Commitments

Details of the capital commitments are set out in note 40 of the consolidated financial statements.

### Post Balance Sheet Event

Details of the post balance sheet event are set out in note 44 of the consolidated financial statements.

### Employees and Remuneration Policy

The Group is implementing a manpower policy that aims to maximise the output of existing staff resources in order to achieve productivity gains. We believe that through improving our staff's job-related competencies, our overall operational efficiency can be improved without the need for substantial increase in headcount.

### 資本結構

本集團力求保持適當的股本及債務組合，以確保未來能維持一個有效的資本結構。於回顧年度，本集團從銀行獲得港幣貸款達港幣170,900,000元（於二零零五年三月三十一日：港幣115,100,000元）。此貸款乃用作一般營運資金，以及為收購物業作投資用途再作融資。貸款的還款期攤分五年，第一年須償還港幣82,200,000元，第二年須償還港幣6,200,000元，第三至第五年則須償還共港幣82,500,000萬元。利息是根據香港銀行同業拆息附以優惠利率差幅計算。

### 抵押品

於二零零六年三月三十一日，本集團若干賬面值約為港幣218,800,000元（二零零五年三月三十一日：港幣129,500,000元）之土地及樓宇和投資物業已抵押予銀行，以獲得港幣94,900,000元之貸款（於二零零五年三月三十一日：港幣51,100,000元）。

### 或然負債

或然負債之詳細資料刊載於綜合財務報表附註39。

### 資本承擔

資本承擔之詳細資料刊載於綜合財務報表附註40。

### 結算日後事項

結算日後事項之詳細資料刊載於綜合財務報表附註44。

### 僱員及酬金政策

本集團維持一項以盡量發揮現有僱員資源，藉此提高生產力為目的之人力政策。彼等相信透過提高僱員之工作能力，我們可以在不大量增加人手之情況下，加強整體之營運效率。

The number of full time employees of the Group, excluding its associated companies and jointly controlled entities, was over 500 as at 31 March 2006. In addition to salary payments, other benefits include provident fund schemes, discretionary bonuses, on-the-job training, education sponsorship subsidies, a medical insurance scheme, a group life and personal accident insurance scheme.

Employees and directors are remunerated according to individual and the Group's performance, industry trends, prevailing market conditions, the nature of the job and value creation. The Group recruits and promotes individuals based on their development potential, merits and competencies, and ensures that their remuneration packages are at a reasonable market level. All directors, full time employees and consultants of the Group are entitled to participate in the share option scheme of the Company. The principal terms of the share option scheme are summarised in the Report of the Directors.

於二零零六年三月三十一日，本集團（不包括其聯營公司及共同控制實體）有超過五百名僱員。除支付薪金外，其他福利包括公積金計劃、酌情花紅、在職培訓、教育贊助補貼、醫療保險計劃、團體人壽及個人意外保險計劃。

僱員和董事之酬金乃按個人及本集團之表現、行業趨勢、市場情況、工作性質及價值創造而定。本集團根據個別人士之發展潛能、才幹及能力作出招聘及晉升，並確保其薪酬福利配套維持於合理之市場水平。所有董事、全職僱員及顧問均符合參與本集團之購股權計劃的資格。購股權計劃之主要條款概述於董事會報告書。