

Management Discussion and Analysis

管理層研討與分析

Looking forward to the opportunities and challenges in the next five-year development, the complete value innovation will be the core of the Group's strategies. The Group will strictly adhere to the principle of "Customer-oriented and Services on Demand".

面向下一個五年的機遇和挑戰，全面價值創新將成為本集團戰略的核心思想。本集團將堅持「客戶導向、隨需而動」。



GUO Wei 郭為
President & CEO
總裁及首席執行官

Overall Business Performance

The Group achieved good results in various aspects such as turnover, profit attributable to equity holders of the parent (profit attributable to shareholders), operating cash flow and liquidity for the year ended 31 March 2006. The principal businesses of the Group grew steadily during this financial year, achieving a balanced development between business growth and risk control. Basic earnings per share and diluted earnings per share were 29.19 HK cents and 29.07 HK cents respectively, representing a 34.89% and 34.71% growth comparing to the same period of last financial year.

The turnover of the Group of this financial year continued its robust growth of 28.52% comparing to last financial year, surpassing the growth rate of the overall PRC IT market. According to a report provided by IDC in April 2006, the PRC IT market experienced a stable growth in 2005 with an annual growth rate of 11.4%. For the year ended 31 March 2006, the Group recorded a turnover of HK\$19,865 million, representing a growth of 28.52% comparing to the amount of HK\$15,457 million of last financial year. The Group had recorded remarkable performance during the fourth quarter of this financial year with a turnover of HK\$5,153 million, representing a 43.45% growth comparing to the same period of last year, which was attributable to the Group's successful implementation of expansion strategies to increase its market share and to enlarge the gap between the Group and its rivals during this financial year. The gross profit margin of the Group during this financial year was 7.07%, slightly lower than the 7.66% of last financial year. The decline was mainly attributable to the Group's implementation of the expansion strategies during this financial year. Besides, the rapid development of the FULFILLMENT of the Distribution business and Systems business and the exploration of large scale Consumer Electronic Store ("CES") and other new marketing models also exerted certain impacts on the gross profit margin of the Group.

整體經營表現

截至二零零六年三月三十一日之年度，本集團營業額、母公司股東應佔溢利（股東應佔溢利）、經營性現金流和資金周轉等各項指標上，均取得了較好的成績。本財年內本集團主營業務穩健增長，實現了業務成長與風險控制的均衡發展。基本每股盈利及攤薄後每股盈利分別為29.19港仙及29.07港仙，比上財年同期分別上升34.89%及34.71%。

本集團於本財年營業額繼續保持較好增長，較上財年增長28.52%，超越了整體中國IT市場的增長水平。依據IDC於二零零六年四月提供的報告，中國IT市場於二零零五年增長平穩，年增長率為11.4%，而本集團於截至二零零六年三月三十一日之年度，錄得營業額港幣19,865百萬元，較上財年之港幣15,457百萬元，增長28.52%。本集團於本財年第四季度更有突出表現，第四季度錄得營業額港幣5,153百萬元，較去年同期增長43.45%。這得益於本集團擴大市場份額、加大於競爭對手距離的增長策略的有效實施。本集團於本財年的毛利率為7.07%，略低於上財年的7.66%。這是由於本集團本財年增長策略的實施；另外由於分銷和系統業務領域的庫存交單（FULFILLMENT）業務的快速成長、及探索面向大型消費連鎖賣場直供業務（CES）等新營銷模式，為本集團的整體毛利率帶來一定影響。

As a leading IT products distributor and service provider in the Mainland, the principal businesses of the Group continued to maintain a superior position during this financial year. According to an analysis report of Sm@rtPartner in June 2006, the Distribution business and Systems business of the Group occupied up to 50% of the market share of the top four distributors of the Mainland market during 2005, consolidating its role as a market leader. The Services business of the Group also had excellent performance. According to a report of IDC in April 2006, the Group's Services business ranked the first among the Mainland operators in the same industry.

The Group's profit attributable to equity holders of the parent increased significantly during this financial year. The return on shareholders' equity was 14.1%, representing an increase of 2.3% points comparing to 11.8% of last financial year. During this financial year, the profit attributable to equity holders of the parent of the Group was approximately HK\$252 million, representing a 35.27% growth comparing to last financial year. Total amount of other income and gains of the Group during this financial year was approximately HK\$123 million, mainly generated from exchange gains and the amount was approximately HK\$48 million for last financial year. During the fourth quarter of this financial year, the profit attributable to equity holders of the parent of the Group also achieved good performance with an amount of approximately HK\$46 million, representing a growth of 26.04% comparing to approximately HK\$36 million in the same period of last year.

The Group further strengthened and optimized its risk control system through its persistent operation strategy of healthy business. Both the operating cash flow and the liquidity improved during this financial year. The net cash inflow from operating activities for the year ended 31 March 2006 was approximately HK\$130 million, representing an increase of HK\$2.3 million comparing to last financial year. For the year ended 31 March 2006, the cash cycle of the Group was 34.6 days, representing a decrease of 3.16 days comparing to last financial year, while the turnover rates for the inventories and the trade receivables decreased by 2.28 days and 0.81 day respectively.

The Group gained certain achievement in continuing to initiate management measures to control the overall operation expenses reasonably. The operating expenses rate experienced a noticeable drop during this financial year. The operating expenses rate of the Group during this financial year was 5.8%, lower than the 6.53% of last financial year. The selling and distribution costs and the administrative expenses rates decreased by 0.25% points and 0.20% points respectively comparing to last financial year.

作為國內領先的IT產品分銷商和服務提供商，本集團於本財年的主營業務繼續保持了優勢地位。依據Sm@rtPartner於二零零六年六月提供的分析報告，本集團於二零零五年在大陸市場排名前四名的分銷商中，分銷與系統業務所佔市場份額已超過了50%，市場領導地位得到加強。本集團服務業務亦有良好表現，依據IDC於二零零六年四月提供的報告，本集團的服務業務在同領域的國內企業中，市場排名位列第一。

本集團於本財年母公司股東應佔溢利大幅增長，股東資金回報率為14.1%，比上財年的11.8%增加了2.3個百分點。於本財年，本集團母公司股東應佔溢利約為港幣252百萬元，較上財年增長35.27%。本集團於本財年其他收入及收益總額約為港幣123百萬元，主要來自匯兌之收益，上財年約為港幣48百萬元。本集團於本財年第四季度母公司股東應佔溢利亦呈現較好的走勢，約為港幣46百萬元，比去年同期約港幣36百萬元，增長率達26.04%。

本集團堅持做健康業務的經營策略，進一步強化和優化風險控制體系，於本財年經營性現金流及資金周轉均有改善。本集團於截至二零零六年三月三十一日之年度，經營業務所得現金淨額約為港幣130百萬元，比上財年增加約為港幣2.3百萬元。截至二零零六年三月三十一日之年度，本集團現金周轉天數為34.6天，較上財年下降了3.16天。其中，存貨周轉天數和應收貿易帳款周轉天數分別較上財年下降了2.28天及0.81天。

本集團持續倡導的合理控制整體運營費用的管理措施，取得一定成效，本財年營運費用率明顯降低。本集團於本財年營運費用率為5.8%，低於上財年的6.53%。其中，銷售及分銷成本費用率和行政費用率比上財年分別減少約0.25個百分點及0.20個百分點。

Business Review

Under the strategic direction of “Customer-oriented and Services on Demand”, the Group implemented differentiated product development strategies and customer development strategies to address the demand of the target customers and the business features of Distribution, Systems and Services businesses respectively. The effective implementation of these strategies further consolidated the competitive edges of the Group through its marked improvement in the three principal businesses.

Distribution Business

The Distribution business of the Group experienced rapid growth during this financial year. For the year ended 31 March 2006, the turnover of the Distribution business of the Group reached HK\$11,616 million, representing a 33.32% growth comparing to last financial year. During the fourth quarter of this financial year, the turnover of Distribution business of the Group grew remarkably to HK\$3,040 million, representing a 51.67% growth comparing to the same period of last year. The desktop computer and notebook computer sectors gave out strong performance with their turnovers increased by 316.92% and 64.39% respectively comparing to the same period of last year.

During this financial year, the gross profit margin of the Group's Distribution business decreased to 4.69%, comparing to 5.57% of last financial year, which was mainly attributable to the strategy of concentrating on enlarging the market share of the Distribution business during this financial year. Besides, the FULFILLMENT business, the exploration of the large scale CES and also the sales of consumer IT products from Business To Customer and other new marketing models being under experimental stages and the newly introduced products being undergoing the launching process were all factors to induce the overall gross profit margin of the Distribution business to experience drop within the normal fluctuation range.

Exploring New Business Models and Products

The Group introduced the ACER notebook computers and desktop computers business and the FULFILLMENT business of the HP desktop computers during this financial year. The turnover of the aforementioned two businesses exceeded HK\$1,380 million for the year ended 31 March 2006. The Group took an active role in exploring new business models and attained achievement. In the rapid developing credit card installment business, the Group has already become a major partner with the three main card issuing banks, namely China Merchants Bank, Guangdong Development Bank and China Construction Bank.

The exploration of new business models and products directly increased the Group's market shares in various sectors. The turnovers of notebook computers, desktop computers, accessories, peripherals, PC servers and data projectors grew by 44.48%, 86.48%, 66.05%, 15.89%, 26.33% and 26.06% respectively comparing to last financial year.

業務回顧

在「客戶導向，隨需而動」的戰略指導思想下，本財年初，本集團從目標客戶需求出發，針對分銷、系統和服務業務的業務特點，分別制定了差異化的產品發展策略和客戶發展策略。這些策略的有效落實，使本集團三個主營業務都取得了長足的進步，進一步鞏固了競爭優勢。

分銷業務

本集團分銷業務於本財年呈現快速增長，截至二零零六年三月三十一日之年度，本集團分銷業務營業額達到港幣11,616百萬元，比上財年增長達33.32%。本集團於本財年第四季度分銷業務營業額增長更為特出，實現營業額港幣3,040百萬元，比去年同期增長51.67%，其中尤以臺式機及筆記本領域表現強勁，營業額比去年同期分別增長316.92%及64.39%。

本集團分銷業務於本財年的毛利率為4.69%，較上財年的5.57%有所下降。這主要由於分銷業務於本財年注重落實擴大市場份額的策略導向，以及庫存交單（FULFILLMENT）業務，探索面向大型消費連鎖賣場直供業務（CES）及針對個人消費類產品的營銷（BTC）等新營銷模式處於探索期、新引入產品業務尚處於導入期，因而導致分銷業務整體毛利率在正常波動範圍內有所下降。

探索新業務模式，不斷拓展新產品

本集團於本財年內引入宏碁（ACER）筆記本及臺式機產品線，惠普（HP）家用臺式機的庫存交單（FULFILLMENT）業務，截至二零零六年三月三十一日之年度，這兩項業務的營業額超過港幣1,380百萬元；積極探索新業務模式，並取得成長。在快速成長的信用卡分期業務中，已經成為招商銀行、廣東發展銀行及中國建設銀行三大發卡行在該業務上的重要的合作夥伴。

這些新營銷模式的探索及新產品的拓展，直接帶來在各領域的營業額的快速成長：本集團於本財年之筆記本營業額較上財年增長44.48%，臺式機營業額較上財年增長86.48%，套件營業額較上財年增長66.05%；傳統的外設營業額較上財年增長15.89%，PC伺服器營業額較上財年增長26.33%，投影機營業額較上財年增長26.06%。

Further Developed and Expanded the Business Channels' Coverage

The Distribution business cooperative channels kept growing both in terms of their number and maturity which gave an effective support to the performance growth. The Group further strengthened its coverage in tier 2 and 3 cities by adding 29 cities to its Distribution business network during this financial year. On the other hand, the Group further expanded its cooperative channels and reinforced its business directions by such measures. Comparing to 31 March 2005, the number of Distribution channels increased to 8,225 companies in total as at 31 March 2006, representing a 35% growth.

Systems Business

For the year ended 31 March 2006, the turnover of the Group's Systems business reached HK\$5,680 million, representing a 21.88% growth comparing to last financial year. The annual gross profit margin declined to 8.92% comparing to 9.54% of last financial year, which was mainly attributable to the decrease in the gross profit margin of the SUN servers in the first six months. However, the Systems business performed excellently during the fourth quarter of this financial year with a turnover of HK\$1,412 million, representing a 36.06% growth and a gross profit margin of 9.23%, representing an increase of 0.76% points comparing to the same period of last year. After adjustment, the sales and gross profit of the SUN servers became stable during the third and fourth quarters of this financial year.

Cordial Relationship with Suppliers Led to Remarkable Business Growth

During this financial year, various major business sectors of the Group's Systems business recorded remarkable growth as compared to last financial year. For the year ended 31 March 2006, the turnovers of the packaged software, storage products, networking products and UNIX servers increased by 45.03%, 58.90%, 19.67% and 3.43% respectively comparing to last financial year. Under the strategies of strengthening cooperation with suppliers and constant expansions of sales channels, the Group experienced remarkable growth in its four key products during the fourth quarter of this financial year. The turnover of servers business experienced modest growth during this financial year due to the impact of the downturn of the SUN products, nevertheless, the business recovered after adjustment and the turnover increased by 17.57% during the fourth quarter of this financial year comparing to the same period of last year. Besides, during the fourth quarter of this financial year, packaged software, storage products, and networking products also experienced significant growth of 40.26%, 123.71% and 38.05% respectively comparing to the same period of last year. The Group was honored with various awards by HP, IBM and Microsoft during this financial year for its outstanding performance in the marketing of these suppliers' products.

深耕渠道，提升各類型渠道覆蓋深度和廣度

本集團的分銷業務合作渠道在數量和深度上不斷豐富，有效支撐分銷業務的業績成長。一方面，本財年本集團加大了對二、三級城市的深度覆蓋，於本財年分銷業務的營業網點新增了29個城市；另一方面，本集團加大對合作渠道的廣度拓展，強化合作渠道拓展工作的業務導向，使得於二零零六年三月三十一日分銷合作渠道總數目達到8,225家，比二零零五年三月三十一日之數目增長35%。

系統業務

截至二零零六年三月三十一日之年度，本集團系統業務營業額達到港幣5,680百萬元，較上財年增長21.88%。全年毛利率為8.92%，較上財年的9.54%的水平有所下降，主要受太陽計算機（SUN）伺服器在上半年的毛利率下降的影響。但在本財年第四季度系統業務表現突出，實現營業額港幣1,412百萬元，增長達到36.06%，實現毛利率9.23%，較去年同期增加0.76個百分點。SUN伺服器業務經過調整，銷售和毛利水平在本財年第三、四季度亦恢復平穩。

廠商合作良好，業務增長顯著

本集團系統業務於本財年內各主要業務領域的營業額較上財年有明顯的增長，截至二零零六年三月三十一日之年度，套裝軟件營業額較上財年增長45.03%，存儲設備營業額較上財年增長58.90%，網絡產品營業額較上財年增長19.67%，UNIX伺服器營業額較上財年增長3.43%。在加強與廠商合作，不斷擴充渠道銷售的策略下，本集團於本財年第四季度四大領域產品增長顯著。本集團伺服器業務雖受上半年SUN產品下滑影響，使本財年伺服器營業額增速略緩，但業務經過調整恢復，在本財年第四季度伺服器營業額比去年同期增長達到17.57%。另外在本財年第四季度，套裝軟件、存儲設備和網絡產品增長亦非常出色，較去年同期增長分別達40.26%、123.71%及38.05%。其中，惠普（HP）、IBM及微軟（Microsoft）業務表現更為突出，於在本財年本集團獲得這些廠商的多項大獎。

Close Alliance with Channels and In-depth Development in Different Regions

The Systems business of the Group increased its investment and focus on channels. As at 31 March 2006, the total number of channels increased to 4,524 companies, representing a 21% growth comparing to 31 March 2005. A closer cooperative relationship with core channels was established through continuous implementation of core account management system and regional integrated sales capability to pool together the regional business resources and support the rapid growing business.

Gradual Improvement of the Products Supporting Services and the Value-added Services

The Group continued to strengthen the technical engineers team and reinforced its service team management to upgrade the integrated service capabilities in respect of the services of before sales, after sales, project management and accreditation. As at 31 March 2006, the number of technical staff grew from 133 persons as at 31 March 2005 to 178 persons. The technical services covered 13 cities and contained more than 40 technical accreditations from 17 suppliers. During this financial year, the service turnover of the Systems business of the Group increased by 81% comparing to last financial year, while the service turnover of the fourth quarter of this financial year increased by 164% comparing to the same period of last year.

Services Business

The Services business of the Group maintained rapid growth throughout this financial year. The business kept expanding with enhancing profitability. For the year ended 31 March 2006, the turnover of the Services business of the Group recorded HK\$2,569 million, representing a 23.29% growth comparing to last financial year. The gross profit margin grew remarkably to 13.77%, comparing to 12.19% of last financial year. The hardware integration business and the software business grew significantly comparing to the same period of last year. In particular, the Services business achieved an outstanding performance in the fourth quarter of this financial year with an increased gross profit margin of 18.47% from 11.54%, representing an increase of 6.93% points comparing to the same period of last year. There were significant orders credited to tax, finance, telecommunications and other businesses.

Fruitful Results Attained by New and Existing Customers while Clientele Expanded with a Breakthrough

The Services business of the Group attained a great achievement in exploring new customers during this financial year. In respect of software business, the Group extended its financial sector business into the foreign-funded banks and entered into contracts with Bank of East Asia successfully. Regarding the tax sector, the Group entered into contracts with Liaoning Local Tax Bureau. Beijing Subway No. 5 Line and the China National Cotton Reserves Corporation became two new key contracting clients of the software business in the government sector. In respect of hardware business, Henan Credit Union, Hubei Credit Union and other customers of the same level became new clients of the Group.

渠道聯盟緊密，區域深度發展

本集團系統業務於本財年加大渠道培養和關懷，於二零零六年三月三十一日渠道總數目增加到4,524家，比二零零五年三月三十一日之數目增長21%。同時，繼續推行核心渠道客戶經理制和區域複合銷售能力，與核心渠道陣營建立更為緊密的合作夥伴關係，整合區域業務資源，支撐業務快速增長。

基於產品的支持服務和增值服務方面的能力逐步提升

本集團於本財年繼續加大技術工程師隊伍的建設力度，加強服務隊伍管理，提升在售前、售後、項目管理和認證能力等方面的綜合服務能力。截至二零零六年三月三十一日，技術人員已由二零零五年三月三十一日的133人增加至178人，技術服務城市覆蓋度達到13個城市，並擁有17個廠商的40餘種技術服務認證。本集團於本財年系統業務服務營業額較上財年增長81%，其中本財年第四季度服務營業額較去年同期增長164%。

服務業務

本集團服務業務於本財年保持快速成長，業務規模不斷擴大，盈利能力明顯提升。截至二零零六年三月三十一日之年度，本集團服務業務錄得營業額港幣2,569百萬元，較上財年增長23.29%，毛利率為13.77%，較上財年的12.19%有顯著增長。其中，硬件集成業務與軟件業務均較去年同期大幅增長。特別在本財年第四季度服務業務更有突出的表現，毛利率達18.47%，較去年同期的11.54%增加了6.93個百分點，稅務、金融、電信等行業均有大單入賬。

客戶耕作取得成效，新老客戶碩果累累

本集團服務業務於本財年新客戶開拓取得巨大突破。在軟件業務領域，金融行業進入外資銀行領域，成功簽約東亞銀行；稅務行業順利簽約遼寧地稅；政府行業的軟件業務新簽約北京地鐵5號線及中國棉花儲備總公司兩大客戶；在硬件業務領域，新開拓並順利簽約河南農聯社、湖北農聯社等客戶。

Existing customers kept signing new contracts. The hardware and software integration income of existing customers in the finance sector such as China Construction Bank, Bank of Communications and China Development Bank grew continuously. In respect of software business, the Group entered into many millions-worth contracts with China Construction Bank, China Development Bank, Henan Mobile, Anhui Mobile, State Administration of Taxation, Chinese Academy of Sciences, China Grain Reserves Corporation and other companies. In respect of hardware business, the sales of integrated hardware for the headquarters of five main operators, namely China Mobile, China Telecom, CNC, China Unicom and China Tietong continued to grow, resulting in many millions-worth contracts.

Significant Increase of Products Support and the Outsourcing Operation and Maintenance Services

The Group's products support and outsourcing operation and maintenance services recorded a turnover of HK\$200 million this financial year, representing an increase of over 100% comparing to last financial year. The rapid increase of service capability was endorsed by the Group's conclusion of various millions-worth contracts with Hebei Mobile, CNC, Guangdong Telecom and other customers at times.

Breakthrough of Solution Capabilities in Various Industries

The integrated tax collection and management software V2.0 for the tax sector passed the verification and testing conducted by the State Administration of Taxation and the Chinese Academy of Sciences. The Model Bank, a complete set of IT solution for the banking business, was launched in the finance industry and successfully sold to the China Construction Bank and the Huaxia Bank. The NGBOSS, a new generation operation support system solution launched in the telecommunications sector, was successfully applied in the core operation support system project version 1.5 of the Henan Mobile and the Anhui Mobile. The application of SmartFrame, a solution platform, was further expanded and it is widely used in the government, tax and telecommunications sectors.

Acquisition during the Year

In the third quarter of this financial year, the Group acquired 71.04% of equity interests in Beijing Si-Tech Information Technology Co., Ltd. ("STQ"), a company which engages in telecommunications business specializing in the research and development of new software products and the provision of services in connection with the application and maintenance services of such software products to customers. The acquisition price was approximately HK\$54 million, and the goodwill arose after the acquisition was approximately HK\$28 million. For the year ended 31 March 2006, the Group paid approximately HK\$49 million for this acquisition.

老客戶持續產出再簽新單。金融行業如中國建設銀行、交通銀行、國家開發銀行等老客戶軟硬件集成收入持續增長。在軟件業務領域，簽約中國建設銀行、國家開發銀行、河南和安徽移動、國家稅務總局、中國科學院以及中國糧食儲備總公司等客戶的多個千萬級軟件大單；在硬件業務領域，中國移動、中國電信、中國網通、中國聯通和中國鐵通五大運營商總部硬件集成領域銷售規模持續增長，實現多個億元級大單的簽約。

產品支持與運維外包服務規模大幅提升

本集團產品支持與運維外包服務於本財年錄得營業額超過港幣200百萬元，較上財年增長超過100%；服務能力提升迅猛，在河北移動、中國網通、廣東電信等客戶取得突破，陸續簽訂多個千萬級服務大單。

解決方案能力建設在各行業中均取得突破性進展

稅務行業的綜合征管軟件V2.0通過國家稅務總局和中國科學院驗收。金融行業推出Model Bank全套銀行業務IT解決方案，並成功在中國建設銀行和華夏銀行實現銷售。電信行業推出NGBOSS新一代運營支撐系統解決方案，成功在河南移動、安徽移動核心運營支撐系統1.5版項目中應用。解決方案平臺SmartFrame應用範圍進一步擴大，目前已在政府、稅務、電信等行業得到廣泛應用。

年度內之收購

本集團於本財年第三季度收購從事新軟件產品之研究及開發，以及向客戶提供該等軟件產品之應用及保養服務等電信業務之北京思特奇信息技術股份有限公司（「思特奇」）的71.04%股權，收購價格約為港幣54百萬元，收購後產生商譽約為港幣28百萬元，截至二零零六年三月三十一日之年度，本集團已就此收購項目支付了約港幣49百萬元。之後，本集團通過向思特奇注資，將股權比例增持到81.18%。本集團通過收購思特奇，將進一步提升本集團在國內電信行業IT服務領域競爭力，以促進本集團在電信軟件服務業務的高速、健康、穩定發展。

Thereafter, the Group increased its shareholding to 81.18% through capital injection into STQ. Through the acquisition of STQ, the Group would further enhance its competitive power in the IT services of the Mainland's telecommunications sector, and would definitely promote the Group's rapid, healthy and stable development of the telecommunications software services.

Management Review

The Group continued to improve its management by the focusing work of the RDC during this financial year. "Plan R", based on credit management and process establishment, focused on the different management methods for different customers and established an overall risk control system for different business characteristics; meanwhile, it optimized the principal business process with a distribution business base and preliminarily established the IT process management system. "Plan D" further improved the technician management, encouragement and development means, and streamlined and restructured Digital China's corporate culture system. "Plan C" was a business growth plan focused on customer development and business innovation. Observing the actual results of this financial year, it is obvious that the work of those three key scopes of the RDC had achieved their targets and made proactive effects on the overall healthy improvement of the Group.

Five-Year Review and Future Prospectus

Since the commencement of spin-off in 2000, the Group has passed its first five-year development cycle. Both of the Group's result and management achieved its five-year development objectives. According to the report provided by the IDC in April 2006, the IT market in the PRC increased by 63.3% in 2005 when comparing to 2000. Taking this as a comparison base, the Group's turnover in this financial year increased by 131.8% when comparing to the financial year of 2000/01, which was much higher than the growth in the IT market in the PRC. The profit attributable to equity holders of the parent of the Group in this financial year increased by 73.9% when comparing to the financial year of 2000/01, and the return on shareholders' equity also continued to grow. Meanwhile, through the continuous risk management, talent management and customer managing capability establishment, the Group's core management capabilities increased significantly which set a better business and management foundation for the Group's next five-year development.

Looking forward to the opportunities and challenges in the next five-year development, the complete value innovation will be the core of the Group's strategies. The Group will strictly adhere to the principle of "Customer-oriented and Services on Demand", and will insist to achieve the continuous growth of the corporate value by innovating business modes and technologies under the restructuring of the IT services. Under this principle, through formulating the practicable yearly plan and budget and accompanying the effective execution security system, the management is confident that the result of the Group will record a continuous stable growth in the financial year of 2006/07, and the core business and management capabilities will also be further enhanced.

管理回顧

本集團於本財年持續以RDC重點工作來推動管理進步。以信用管理與流程建設為核心的「R計畫」，更注重客戶的差異性管理，建立針對不同業務特徵的全面風險控制體系；同時，優化了基於分銷業務的主營業務流程，並初步建立了IT流程管理系統。「D計畫」進一步完善了對技術人員管理、激勵與發展的方法論，同時梳理再造了神州數碼企業文化體系。「C計畫」則是以客戶發展和業務創新為核心的業務增長計畫。從本財年實際效果看，RDC三項重點工作均達成預定目標，對本集團業務實現全面健康增長起到了非常積極的作用。

五年回顧與未來展望

本集團自二零零零年開始分拆以來，已走過了第一個五年的發展周期。本集團在業績目標和管理目標均達成既定發展目標。依據IDC於二零零六年四月提供的報告，中國IT市場於二零零五年比二零零零年增長63.3%，而本集團於本財年營業額比二零零零／零一財年增長為131.8%，遠超中國IT市場平均增長水平。本集團於本財年母公司股東應佔溢利比二零零零／零一財年增長達到73.9%，股東資金回報率亦實現持續增長。同時，通過持續的風險管理、人才管理以及客戶管理能力的建設，使得本集團的核心管理能力大幅提升，為本集團下一個五年的發展奠定了較好的業務和管理基礎。

面向下一個五年的機遇和挑戰，全面價值創新將成為本集團戰略的核心思想。本集團將堅持「客戶導向、隨需而動」，堅持向IT服務轉型的前提下，以業務模式創新和技術創新為訴求點，追求企業價值的持續成長。在這一思想的指導下，通過制定務實的年度計劃和預算，並配套以有效的執行保障體系，管理層有信心使本集團在於二零零六／零七財年的業績獲得持續穩定增長，在核心業務能力和管理能力也將得到進一步的提升。

Capital Expenditure, Liquidity and Financial Resources

The Group mainly finances its operations with internally generated cash flows, bank loans and banking facilities.

The Group had total assets of HK\$5,827 million at 31 March 2006 which were financed by total liabilities of HK\$4,021 million, minority interests of HK\$19 million and equity attributable to equity holders of the parent of HK\$1,787 million. The Group's current ratio at 31 March 2006 was 1.25 as compared to 1.40 at 31 March 2005.

During the year ended 31 March 2006, capital expenditure of HK\$227 million were incurred for the acquisition of property, plant and equipment and construction of buildings in Beijing.

The aggregate interest-bearing borrowings as a ratio of equity attributable to equity holders of the parent was 0.68 at 31 March 2006 which is the same as the ratio at 31 March 2005. The computation of the said ratio was based on the total interest-bearing borrowings of HK\$1,206 million (31 March 2005: HK\$1,076 million) and equity attributable to equity holders of the parent of HK\$1,787 million (31 March 2005: HK\$1,579 million).

At 31 March 2006, the denomination of the interest-bearing borrowings of the Group was shown as follows:

於二零零六年三月三十一日，本集團的附息貸款的借款單位如下：

資本開支、流動資金及財務資源

本集團主要以內部資源、銀行貸款及銀行信貸應付其營運所需資金。

於二零零六年三月三十一日，本集團擁有總資產港幣5,827百萬元，而資金來源為總負債港幣4,021百萬元，少數股東權益港幣19百萬元及母公司股東應佔權益港幣1,787百萬元。於二零零六年三月三十一日，本集團之流動比率為1.25，而於二零零五年三月三十一日為1.40。

於截至二零零六年三月三十一日止之年度內，用於購置物業、廠房及設備，以及於北京興建大樓的資本開支為港幣227百萬元。

有關附息貸款總額佔母公司股東應佔權益之比率於二零零六年三月三十一日為0.68，與於二零零五年三月三十一日的比率相同。上述比率按附息貸款總額港幣1,206百萬元（二零零五年三月三十一日：港幣1,076百萬元）及母公司股東應佔權益港幣1,787百萬元（二零零五年三月三十一日：港幣1,579百萬元）計算。

		Denominated in United States Dollar 以美元為借款單位 HK\$'000 港幣千元	Denominated in Renminbi 以人民幣為借款單位 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Current	流動			
Interest-bearing bank borrowings, unsecured	附息銀行貸款，無抵押	981,578	200,611	1,182,189
Interest-bearing bank borrowing, secured	附息銀行貸款，有抵押	—	4,799	4,799
Interest-bearing other loan, secured	附息其他貸款，有抵押	—	19,197	19,197
Total	合計	981,578	224,607	1,206,185

The Group's current borrowings of approximately HK\$24 million extended by financial institutions to a subsidiary of the Group, STQ, were secured by a property situated in the Mainland China with a net carrying amount of approximately HK\$17 million at 31 March 2006 and 14,061,976 issued shares of STQ in favour of Beijing Zhongguancun Sci-Tech Guaranty Co. Ltd. (the "Pledgee"), an independent third party, for securing a guarantee issued by such Pledgee on behalf of STQ. After the repayment of the outstanding syndicated loan balance of HK\$410 million in November 2005, the whole outstanding syndicated loan balance was fully repaid during the year ended 31 March 2006.

The Group's total available credit facilities at 31 March 2006 amounted to HK\$4,778 million, of which HK\$3,186 million were in trade lines and HK\$1,592 million were in short-term and revolving money market facilities. At 31 March 2006, the facility drawn down was HK\$2,280 million in trade lines and HK\$388 million in short-term and revolving money market facilities.

Under the normal course of business, the Group has issued performance bonds to some customers for potential claims of non-performance in order to satisfy the specific requirements of these customers. As no material claims had been made by the customers under such performance bonds in the past, the management considers that the possibility of realisation of any actual material liabilities arising from such performance bonds is remote.

Human Resources

At 31 March 2006, the Group had approximately 5,400 (31 March 2005: approximately 4,300) full-time employees. The majority of these employees work in the PRC. The Group offers remuneration packages in line with industry practice. Employees' remuneration includes basic salaries and bonuses. With the increase in the total number of staff to cope with its business requirements, the Group has recorded a 29.07% increase in staff costs to approximately HK\$640 million for the year ended 31 March 2006 as compared with an approximate sum of approximately HK\$496 million (as restated) for the last financial year. In order to attract and retain a high caliber of capable and motivated workforce, the Company offers share options to staff based on the individual performance and the achievements of the Company's targets. The Group is committed to providing its staff with various in-house and external training and development programs.

本集團之流動貸款約港幣24百萬元是由金融機構授予本集團之一間附屬公司思特奇，並以於二零零六年三月三十一日以賬面淨值約港幣17百萬元位於中國大陸之一項物業及思特奇的14,061,976股已發行股份抵押予一間獨立第三方中關村科技擔保有限公司（「承押人」），以獲取由承押人代表思特奇之貸款作出之擔保。約為港幣410百萬元之尚欠銀團貸款已於二零零五年十一月償還，而截至二零零六年三月三十一日止年度內之全數之尚欠銀團貸款已償還。

本集團於二零零六年三月三十一日之可動用總信用額為港幣4,778百萬元，當中包括港幣3,186百萬元之貿易信用額度及港幣1,592百萬元之短期及循環現金透支。於二零零六年三月三十一日，本集團已動用之貿易信用額度為港幣2,280百萬元及短期及循環現金透支為港幣388百萬元。

在一般業務範圍內，本集團為滿足若干客戶之個別要求，會就未能履約之潛在索償向該等客戶提供履約保證。由於過去並無客戶就履約保證作出任何重大索償，故管理層認為因履約保證而產生任何實際重大負債之可能性不大。

人力資源

於二零零六年三月三十一日，本集團約有全職僱員5,400名（二零零五年三月三十一日：約4,300名）。該等僱員大部份均於中國受僱。本集團按照行業慣例提供酬金福利予僱員。僱員酬金包括基本薪金及花紅。為配合業務需求而增聘僱員，導致本集團於截至二零零六年三月三十一日止年度之僱員成本上升29.07%至約港幣640百萬元，上財年同期約港幣496百萬元（重列）。為吸納及挽留優秀積極之僱員，本公司按個人表現及所達到之本公司目標，向員工授出購股權。本集團亦同時致力為僱員提供多項內部及外間培訓與發展計劃。