



# Financial Review

## 財務回顧

### Summary of Results

The turnover of the Group grew to HK\$920.7 million for the year ended 31 March 2005, compared to HK\$652.8 million achieved in the previous year. The profit attributable to shareholders increased by 200.4% from HK\$33.3 million to HK\$100.1 million for the year ended 31 March 2005. The growth was mainly provided by the surplus from investment properties revaluation of HK\$45.4 million and profit from the sales of approximately 60% of the Group's property development project, Golf Parkview, at Kwu Tung of HK\$34.1 million. Basic earnings per share for the year improved to HK28.2 cents from HK9.4 cents last year.

### Group Liquidity and Financial Resources

The Group's liquidity and financing requirements are regularly re-assessed.

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 value. The total cash and bank balances of the Group have increased to HK\$102.1 million as at 31 March 2005 from HK\$88.2 million as at 31 March 2004, and accounted for 16.1% of the current assets (2004: 21.6%). The net increase was mainly due to the proceeds from the sales of approximately 60% of the property development project, Golf Parkview, at Kwu Tung after deducting the utilisation of funds to purchase properties for investment purposes from independent third parties during the year. The details in relation to the acquisition of properties have been disclosed in the section "Major Acquisitions".

### 業績概要

截至二零零五年三月三十一日止年度，本集團之營業額增長至港幣920,700,000元，去年則為港幣652,800,000元。截至二零零五年三月三十一日止年度之股東應佔溢利由港幣33,300,000元增加至港幣100,100,000元，增幅達200.4%。增長主要來自重估投資物業所得盈餘港幣45,400,000元，以及出售本集團位於古洞之發展項目高爾夫景園約60%的單位所得盈利港幣34,100,000元。本年度每股基本盈利由去年的港幣9.4仙增加至港幣28.2仙。

### 集團流動資金及財務資源

集團定期重估其流動資金及融資需求。

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，以提升股東價值。本集團之現金及銀行結餘總額，由於二零零四年三月三十一日之港幣88,200,000元增加至二零零五年三月三十一日之港幣102,100,000元，並佔流動資產16.1%（二零零四年：21.6%）。淨增長主要來自出售位於古洞之發展項目高爾夫景園約60%的單位所得之收入，扣除於本年度從獨立第三者購入物業作投資用途所動用之資金。有關收購物業之詳細資料已於「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\$13.0 million (2004 : HK\$ Nil) as at 31 March 2005. Accordingly, the gearing ratio of the Group, calculated on the basis of the Group's net borrowings to shareholders' funds, was at a low level of 0.03 (2004 : zero). The current ratio (current assets divided by current liabilities) increased from 1.4 times at the last year-end date to 1.6 times and the net current assets have increased by HK\$114.4 million to HK\$227.5 million as at the year-end date.

In order to maintain flexibility in funding and for day-to-day liquidity management, the Group has access to banking facilities with an aggregate amount of HK\$346.1 million (HK\$51.1 million was secured by first charges over certain land and buildings and investment properties of the Group), of which HK\$115.1 million loans have been drawn down and approximately HK\$89.5 million has been utilised mainly for the issuance of letters of credit and performance bonds as at 31 March 2005. These banking facilities bear interest at prevailing market interest rates.

With available banking facilities, steady cash inflow from its operations, especially the proceeds from the sales of the remaining 40% Golf Parkview, together with its cash holdings, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, future development and operation requirements.

### Treasury Policy

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

本集團維持穩健的資產負債表，於二零零五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13,000,000元（二零零四年：無）。據此，本集團之資本負債比率為0.03之低水平（二零零四年：0），此比率乃根據本集團之淨借款與股東資金之比率計算。流動比率（流動資產除以流動負債）由上個年結日之1.4倍增加至1.6倍，而淨流動資產則增加港幣114,400,000元至年結日之港幣227,500,000元。

為了維持融資之靈活性及方便日常流動資金管理，本集團可動用若干銀行融資額，於二零零五年三月三十一日，總額為港幣346,100,000元（其中港幣51,100,000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115,100,000元已提取，而約港幣89,500,000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。

從可供動用之銀行信貸、日常業務之穩定現金流入，尤其出售高爾夫景園餘下40%的單位所得之收入，加上手頭現金，本集團之流動資金狀況於來年將維持健全，具備充裕財務資源以應付其承諾、未來發展及營運需要。

### 財資管理政策

為取得更佳之風險監控、最有效運用內部資金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。



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The objective 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 conditions.

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

### Shareholders' Funds

As at 31 March 2005, shareholders' funds of the Group were HK\$491.4 million including reserves of HK\$455.9 million, an increase of HK\$93.1 million from HK\$398.3 million at 31 March 2004. On that basis, the consolidated net asset value of the Group at the year-end date was HK\$1.39 per share, compared to the consolidated net asset value of HK\$1.12 per share at 31 March 2004. Increase in shareholders' funds was mainly attributable to profit retained after the payments of dividends.

### Major Acquisitions

During the year, the Group purchased, from bank loan and internally generated funds, two properties at College Road and Sau Chuk Yuen Road, Kowloon Tong from two independent parties, at a total consideration of approximately HK\$52.8 million. These properties are located in Hong Kong and the Group is considering to redevelop the properties for sales. The details of these acquisitions have been disclosed in the Company's circular to shareholders dated 29 June 2004.

本集團之財資管理政策乃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。

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，主要之貨幣為港幣或美元。本集團接近所有收益、開支、資產與負債均以港幣或美元結算或持有。由於港幣與美元掛鈎，因此本集團於美元兌港幣之外匯兌換率變動所產生之損益將無任何重大風險。

### 股東資金

於二零零五年三月三十一日，本集團之股東資金為港幣491,400,000元，當中包括港幣455,900,000元之儲備，較於二零零四年三月三十一日之港幣398,300,000元，增加港幣93,100,000元。以此為基準，於年結日，本集團之每股綜合資產淨值為港幣1.39元，而於二零零四年三月三十一日之每股綜合資產淨值為港幣1.12元。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

於本年度，本集團從銀行融資及內部撥付資金，向兩個獨立第三者購入位於九龍塘書院道及秀竹園道兩項物業，代價總額約為港幣52,800,000元。該等物業均位於香港，而本集團正考慮將物業重建後出售。該等收購之詳情已於本公司於二零零四年六月二十九日寄予股東之通函內披露。

In December 2004, the Group formed a joint venture company, in which the Group holds 50% interest, with 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 total redevelopment costs of the Property (including the acquisition cost of the Property) are estimated to be in the region of approximately HK\$306.4 million. A deposit amounting to HK\$17.1 million has been paid to the vendor and the balance of the acquisition cost of the Property shall be payable on or before 30 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 March 2005, the Group also acquired a property leasing company, which owns a leasehold interest in GT House, No. 31 Wing Wo Street, Sheung Wan, Hong Kong from HKR International Limited, a substantial shareholder of the Company at a consideration of approximately HK\$4 million. This acquisition has further broadened the Group's property investment portfolio. Details of this acquisition were disclosed in the Company's announcement dated 21 March 2005.

### Capital Structure

The Group intends to maintain 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\$115.1 million from the banks (at 31 March 2004: HK\$ 55.3 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\$68.2 million repayable within the first year, HK\$4.2 million repayable within the second year and HK\$42.7 million within the third to fifth years. Interest is based on HIBOR plus a competitive margin.

於二零零四年十二月，本集團與獨立第三者成立了一間合營企業（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。該物業之重建成本總額（包括該物業之購買價值）估計約為港幣306,400,000元。港幣17,100,000元已付予買家作訂金，而該物業之購買價值餘款須於二零零五年六月三十日或以前付清。有關該收購及成立合營企業之詳細資料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。

於二零零五年三月，本集團以大約港幣4,000,000元之代價，向本公司之一位主要股東香港興業國際集團有限公司購入一間物業租賃公司，該公司持有位於香港上環永和街三十一號祥加大廈之租賃權益。該項收購進一步擴闊本集團之物業投資組合。該收購之詳細資料已於本公司於二零零五年三月二十一日發出之公告中披露。

### 資本結構

本集團力求保持適當的股本及債務組合，以確保在未來時間能維持一個適當的資本結構。於回顧年度，本集團從銀行獲得港幣貸款總額達港幣115,100,000元（於二零零四年三月三十一日：港幣55,300,000元）。該貸款乃用作一般營運資金，以及提供資金以收購物業作投資用途。貸款的還款期攤分五年，第一年須償還港幣68,200,000元，第二年須償還港幣4,200,000元，第三至第五年則須償還共港幣42,700,000萬元。利息是根據香港銀行同業拆息附以優惠利率差幅計算。



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### Collateral

As at 31 March 2005, certain land and buildings and investment properties of the Group, at the carrying value of approximately HK\$129.5 million (at 31 March 2004: HK\$ 95.0 million), were pledged to a bank to secure the Hong Kong dollars loans of HK\$51.1 million.

### Capital Commitments

Details of the capital commitments are set out in note 35 of the consolidated financial statements.

### Contingent Liabilities

Details of the contingent liabilities are set out in note 34 of the consolidated financial statements.

### Employees and Remuneration Policy

The Group is maintaining 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, we can increase overall operational efficiency without the need for substantial increase in headcount.

The number of full time employees of the Group, excluding its associated companies and jointly controlled entities, was over 500 as at 31 March 2005. In addition to salary payments, other benefits include discretionary bonuses, provident fund schemes, a medical insurance scheme, on-the-job training, education sponsorship subsidies, a group life and personal accident insurance scheme.

Employees are remunerated according to individual performance, value creation, the nature of the job and market trends. The Group recruits and promotes individuals based on their competencies, merits and development potential, 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.

### 抵押品

於二零零五年三月三十一日，本集團若干賬面值約為港幣129,500,000元（二零零四年三月三十一日：港幣95,000,000元）之土地及樓宇和投資物業已抵押予銀行，以獲得港幣51,100,000元之貸款。

### 資本承擔

資本承擔之詳細資料刊載於綜合財務報表附註35。

### 或然負債

或然負債之詳細資料刊載於綜合財務報表附註34。

### 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。

於二零零五年三月三十一日，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，其他福利包括酌情花紅、公積金計劃、醫療保險計劃、在職培訓、教育贊助補貼、團體人壽及個人意外保險計劃。

僱員之酬金乃按個人表現、價值創造、工作性質及市場趨勢而定。本集團根據個別人士之才幹、優點及發展潛能作出招聘及晉升，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內。