

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$819,777,000 for the year ended March 31, 2005, representing an increase of approximately 46.1% as compared to the year ended March 31, 2004. The increase in turnover was mainly due to increases in securities trading and investments and the consolidated effect of the newly acquired travel business which contributed HK\$216,719,000 to the Group's turnover. The loss attributable to shareholders for the year ended March 31, 2005 was approximately HK\$12,920,000 as compared to the loss of approximately HK\$108,838,000 in 2004.

The loss per share for the year was HK0.81 cents when compared with HK7.29 cents in last year.

LIQUIDITY AND CAPITAL RESOURCES

During the period under review, the Company raised approximately HK\$14,034,000 from the exercise of warrants resulting in the issue of approximately 108 million shares. Bank balance and cash amounted to approximately HK\$69,616,000 (3.31.2004: HK\$144,311,000).

As at March 31, 2005, the Group's current ratio was 3.1 (3.31.2004: 7.7). Gearing ratio, defined as the ratio of total borrowings less cash balances to total assets, was maintained at a healthy level of 16.7% as at the year ended March 31, 2005 as compared to net cash position for the last year.

Capital commitments in respect of the acquisition of property, plant and equipment not provided in the financial statements as at March 31, 2005 was HK\$8,694,000 (3.31.2004: HK\$43,033,000).

MATERIAL ACQUISITIONS AND DISPOSAL AND FUTURE PLANS FOR MATERIAL INVESTMENTS

During the year, the Group disposed its entire interests in an associate, China EnerSave Limited (formerly known as EnerSave Holdings Limited), a company incorporated in Singapore and its shares are listed on The Singapore Exchange Securities Trading Limited and acquired 45.6% interests in Futuristic Group Ltd. through conversion of the convertible bond and options held by the Group.

財務回顧

本集團就截至二零零五年三月三十一日止年度錄得營業額約819,777,000港元，較截至二零零四年三月三十一日止年度增加約46.1%，主要受到證券買賣及投資的增長以及新收購旅遊業務為本集團營業額帶來216,719,000港元貢獻之綜合影響帶動。截至二零零五年三月三十一日止年度的股東應佔虧損約12,920,000港元，而二零零四年則有虧損約108,838,000港元。

年內每股虧損為0.81港仙，而去年則為7.29港仙。

流動資金及資金來源

回顧期內，本公司透過認股權證獲行使集資約14,034,000港元，因而發行約108,000,000股股份。銀行結存及現金約69,616,000港元（二零零四年三月三十一日：144,311,000港元）。

於二零零五年三月三十一日，本集團之流動比率為3.1（二零零四年三月三十一日：7.7）。截至二零零五年三月三十一日止年度，資產負債比率（總借貸減現金結餘與資產總值之比率）與去年之淨現金水平相比，維持於16.7%之穩健水平。

於二零零五年三月三十一日，有關收購物業、廠房及設備而未於財務報表作出撥備之資本承擔為8,694,000港元（二零零四年三月三十一日：43,033,000港元）。

重大收購及出售與日後重大投資計劃

年內，本集團出售其於聯營公司China EnerSave Limited（前稱EnerSave Holdings Limited）全部權益。該公司於新加坡註冊成立，其股份在新加坡證券交易所有限公司（Singapore Exchange Securities Trading Limited）上市，並透過轉換本集團所持可換股債券及購股權收購Futuristic Group Ltd. 45.6%權益。

MANAGEMENT DISCUSSION AND ANALYSIS

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MATERIAL ACQUISITIONS AND DISPOSAL AND FUTURE PLANS FOR MATERIAL INVESTMENTS – continued

In October 2004, the Group acquired 60% of the issued share capital of Anglo-French Travel Pte Ltd. which is primarily a business travel management company focusing on corporate travel for small and medium enterprises, government statutory boards, multinational and global companies.

FOREIGN EXCHANGE EXPOSURE

Substantially all the revenues, expenses, assets and liabilities are denominated in Hong Kong dollars, U.S. dollars, Canadian dollars and Singapore dollars. Due to the currency peg of the Hong Kong dollars to the U.S. dollars, the exchange rate between these two currencies has remained stable and thus no hedging or other alternatives have been implemented by the Group. The Group expected that there is no significant exposure on foreign currency, but it cannot be assured operating results in future will not be materially affected.

CREDIT RISK MANAGEMENT

The Group's credit policy defines the credit extension criteria, the credit approval and monitoring processes, and the loan provisioning policy. The Group maintains tight control on loan assessments and approvals and will continue to exercise a conservative and prudent policy in granting loans in order to maintain a quality loan portfolio and manage the credit risk exposure of the Group.

HUMAN RESOURCES

Remuneration packages are generally structured by reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including provident fund, medical insurance and performance related bonus. At the balance sheet date, there were approximately 200 employees employed by the Group. Share options may also be granted to eligible employees and persons of the Group.

管理層討論與分析 – 續

重大收購及出售與日後重大投資計劃 – 續

於二零零四年十月，本集團收購Anglo-French Travel Pte Ltd.已發行股本60%，該公司為商務旅遊管理公司，專注於中小型企業、政府法定機構、跨國及國際公司之公司旅遊。

外匯風險

本集團絕大部分收益、開支、資產及負債均主要以港元、美元、加幣及新加坡元結算。由於港元與美元掛鈎，故兩者之匯率保持穩定。因此，本集團並無進行任何對沖或其他類似活動。本集團預期不會面對重大外匯風險，惟未能保證營運業績於日後不會受到重大影響。

信貸風險管理

本集團之信貸政策限定延長信貸之條件、信貸批核及監管程序，以及貸款撥備政策。本集團對於借貸評估及批核維持嚴緊控制，並會繼續採取保守審慎政策批授貸款，以維持優質借貸組合，並管理本集團之信貸風險。

人力資源

薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資一般會每年根據表現評估及其他相關因素檢討。除薪金外，本集團另有其他員工福利，包括公積金、醫療保險及與表現掛鈎的花紅。於結算日，本集團聘用約200名員工。本集團另可向合資格僱員及其他人士授出購股權。

MANAGEMENT DISCUSSION AND ANALYSIS

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PLEDGE OF ASSETS

At the balance sheet date, the Group had pledged bank balances of HK\$4,121,000 as a security for banking facilities granted to a subsidiary and as securities for the credit card business transactions with MasterCard International Inc. The mortgage loans of HK\$41,446,000 were secured on the investment properties and land and buildings of the Group with carrying values of HK\$21,119,000 and HK\$48,526,000 respectively. Bank borrowings of HK\$83,151,000 is secured on investments in securities and bank balances with a carrying values of HK\$3,883,000 and HK\$63,655,000 respectively.

CONTINGENT LIABILITIES

- (a) At the balance sheet date, the Group has given guarantees to a financial institution in respect of banking facilities granted to a the Group's supplier of the Group of HK\$10,053,000.
- (b) At the balance sheet date, the Company has given guarantees to a financial institution in respect of banking facilities granted to subsidiaries of HK\$37,064,000.
- (c) Actions were brought by Pricerite Stores Limited and Pricerite Group Limited respectively, against a subsidiary of the Company, in respect of the alleged breach of agreement for damages which are not quantified. In the opinion of the directors, it is not practicable at this stage to determine with certainty the outcome of the litigation.

管理層討論與分析 – 續

資產抵押

於結算日，本集團已抵押銀行結存4,121,000港元，作為一間附屬公司獲授銀行融資以及與萬事達國際組織進行信用卡業務交易之抵押。本集團就其賬面值分別達21,119,000港元及48,526,000港元之投資物業和土地及樓宇取得按揭貸款41,446,000港元，亦就其賬面值分別達3,883,000港元及63,655,000港元之證券投資及銀行結存取得銀行借貸83,151,000港元。

或然負債

- (a) 於結算日，本集團就其供應商所獲授10,053,000港元銀行融資向一間財務機構提供擔保。
- (b) 於結算日，本公司就附屬公司所獲授37,064,000港元銀行融資向一間財務機構提供擔保。
- (c) 實惠傢居廣場有限公司及實惠集團有限公司分別就指稱本公司一間附屬公司違約而向該公司提出訴訟，追討尚未確定之賠償額。董事認為，在現階段無法肯定訴訟結果。