

Financial Review

財務概況

Capital Resources and Liquidity

As at 31st March 2006, the Group's total equity funds were HK\$913.8 million including reserves of HK\$779.1 million. The Group continued to maintain a strong financial position with cash and bank balances of HK\$695.7 million. The Group's working capital was HK\$692.0 million. Based on the Group's steady cash inflow from operations and coupled with its existing cash and bank facilities, the Group has adequate financial resources to fund its future expansion.

During the year, the majority of the Group's cash and bank balances were in Hong Kong or U.S. dollars and deposited in leading banks with maturity dates falling within one year. This is in line with the Group's policy to maintain liquidity of its funds and in response to the increase of deposit rates. The funds will continue to contribute a stable yield to the Group.

Financial Position

Total funds employed (representing total equity) as at 31st March 2006 were HK\$913.8 million, which represented a 0.4% increase over the total funds employed of HK\$910.0 million, restated, as at 31st March 2005.

The gearing ratio, defined as the ratio of total loans less cash and bank balances to total assets, was nil as at 31st March 2006 and 31st March 2005.

Treasury Policies

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management with no significant borrowing during the year. Most of the assets, receipts and payments of the Group are denominated either in Hong Kong or U.S. dollars. However, the Group will monitor its foreign exchange position and, when appropriate, the Group will hedge its non U.S. dollar foreign exchange exposure by way of forward foreign exchange contracts.

資本及流動資金

截至二零零六年三月三十一日止，集團股東權益為九億一千三百八十萬港元，其中包括七億七千九百一十萬港元之儲備金。集團繼續維持穩健財務狀況，現金及銀行結存累積達六億九千五百七十萬港元，集團營運資金為六億九千二百萬港元。基於集團有穩定的經營業務現金注入，加上現時手持之現金及銀行信貸，集團掌握充裕財務資源以應付未來發展。

於年內，集團大部分現金及銀行結存均為港元或美元，並以一年內到期之存款存放於數間大銀行。此與本集團維持其資金之流動性及提高存款息率之回應的政策相符，該資金將繼續對本集團帶來穩定的收益。

財務狀況

二零零六年三月三十一日之運用資金總額（等同股東權益）為九億一千三百八十萬港元，較二零零五年三月三十一日（重新列示）之九億一千萬港元運用資金總額增加百分之零點四。

集團於二零零六年三月三十一日及二零零五年三月三十一日之槓桿比率均為零。槓桿比率為總負債減去現金及存款後與總資產之比例。

庫務政策

集團的理財政策是不參與高風險之投資或投機性的衍生工具。年內，集團於財務風險管理方面繼續維持審慎態度，並無重大借貸。集團大部分資產、收款及付款均為港元或美元。然而，集團會審視其外幣狀況，並於適當時候，以遠期外匯合約對沖其非美元外幣風險。

As at 31st March 2006, the Group had HK\$8,000,000 outstanding forward foreign exchange contracts and, subject to certain conditions, was committed to purchase Euro 819,000 at an average exchange rate to U.S. dollars of 1.2588 in the coming year. The exchange rate for one Euro to U.S. dollar as at 31st March 2006 was 1.2109. All the above mentioned foreign exchange contracts were fully materialised subsequent to year-end.

Effective from 1st April 2006, facing the volatility of foreign exchange market and the potential downside exposure arisen from the forward foreign exchange contracts, the Group minimises its non U.S. dollar foreign exchange exposure by way of hedging against order at spot and maintain no long position. The hedging policies are reviewed by the Group regularly.

Charge on Group Asset

As at 31st March 2006, no Group asset was under charge to a financial institution.

Contingent Liabilities

The Group had no significant contingent liability as at 31st March 2006.

Capital Commitment

As at 31st March 2006, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK\$89.4 million.

於二零零六年三月三十一日，本集團有未行使之外匯遠期合約總餘額為八百萬港元，以某些條件為準，承諾於來年以平均美元兌歐元匯率1.2588購買八十一萬九千歐元。於二零零六年三月三十一日，美元兌一歐元匯率為1.2109。所有上述外匯遠期合約已於年結日後全數變現。

自二零零六年四月一日起，面對著外匯市場之波幅及遠期外匯合約潛在損失之風險，本集團以即時對沖方式減低其非美元外幣風險，且不維持長倉。本集團會定期檢討對沖政策。

集團資產之抵押

於二零零六年三月三十一日，集團並無資產於財務機構作抵押。

或然負債

集團於二零零六年三月三十一日並無重大或然負債。

資本承擔

於二零零六年三月三十一日，本集團於購買物業、機器及設備有資本承擔合共八千九百四十萬港元。

