

FINANCIAL REVIEW 財務回顧

Shareholders' Funds

At 31 March 2006, the shareholders' funds of the Company and its subsidiaries (collectively the "Group") increased significantly by HK\$1,552.5 million to HK\$8,002.4 million (2005: HK\$6,449.9 million (restated)). The increase was attributable to an upward fair value revaluation of investment properties and increase in profitability of operating units. The Group's gross profit margin for operating units improved by 5.0% to 32.4% (2005: 27.4% (restated)).

Major cash flows from operating/investing activities

During the financial year under review, the Group acquired CDW Building at a gross consideration of HK\$1,400.0 million in January 2006. The Group also acquired an industrial building located in Aberdeen at a gross consideration of HK\$122.8 million. In addition, the Group made a down payment to acquire a commercial building located in Central at a gross consideration of HK\$135.0 million.

The Group's investment properties generated an approximate HK\$169.4 million operating cash during the year. Disposal of the commercial podium of an investment property in Tai Po and the property sales in Discovery Bay also brought respectively HK\$87.5 million and HK\$23.0 million cash to the Group.

Major cash flows from financing activities

In April 2005, the Group issued an aggregate principal amount of HK\$1,410.0 million zero coupon convertible bonds for a maximum tenor of five years maturing in 2010. The net proceeds will be used primarily to finance the Group's commitment in relation to the Jingan project in Shanghai and general working capital.

In January 2006, the Group issued 192,896,338 rights shares at HK\$3.80 each to partially finance the acquisition of CDW Building.

Financial Liquidity

The financial position of the Group was strong with total cash and investment in securities amounting to HK\$3,131.8 million (2005: HK\$3,383.7 million). Total bank borrowings decreased by HK\$584.6 million to HK\$2,128.8 million (2005: HK\$2,713.4 million) after repayment of certain bank loans during the year.

股東資金

於二零零六年三月三十一日，本公司及其附屬公司（統稱「本集團」）之股東資金顯著增加1,552.5百萬港元至8,002.4百萬港元（二零零五年：6,449.9百萬港元（重列））。增幅乃歸因於重估投資物業公平值增加及各業務盈利能力上升。本集團之業務毛利率改善5.0%至32.4%（二零零五年：27.4%（重列））。

來自營運／投資活動之主要現金流量

於回顧財政年度期間，本集團於二零零六年一月按總代價1,400.0百萬港元收購中國染廠大廈。本集團亦按總代價122.8百萬港元收購一幢位於香港仔的工業大廈。此外，本集團亦就按總代價135.0百萬港元收購一幢位於中環的商業大廈並支付訂金。

本集團之投資物業於年內產生約169.4百萬港元之營運現金。出售一項位於大埔的商用投資物業及位於愉景灣的物業銷售亦分別為本集團帶來87.5百萬港元及23.0百萬港元現金。

來自融資活動之主要現金流量

於二零零五年四月，本集團發行本金總額1,410.0百萬港元最高年期為五年，並於二零一零年到期之零息可換股債券。所得款項淨額主要作為本集團就上海靜安項目融資，以及作為一般營運資金用途。

於二零零六年一月，本集團以供股價每股3.8港元發行192,896,338股供股股份，所得款項用以支付收購中國染廠大廈之部分所需費用。

流動資金

本集團之財務狀況強勁，現金及證券投資總額為3,131.8百萬港元（二零零五年：3,383.7百萬港元）。年內償還若干銀行貸款後，銀行借貸總額減少584.6百萬港元至2,128.8百萬港元（二零零五年：2,713.4百萬港元）。

FINANCIAL REVIEW 財務回顧

Gearing

The Group maintained a low gearing ratio of 27.3% (2005: 15.4% (restated)) as calculated by the Group's consolidated net borrowings to the shareholders' funds.

Banking Facilities

At 31 March 2006, the Group had sufficient internal cash and banking facilities, both secured and unsecured, to finance its development projects and operations. At 31 March 2006, the unutilised credit facilities stood at HK\$3,186.6 million (2005: HK\$2,588.6 million).

The maturity profile of bank borrowings were 77% (2005: 15%) falling within one year, 23% (2005: 70%) falling between one to two years, and nil (2005: 15%) falling between two to five years at 31 March 2006.

Treasury Policy

The Group centralises its treasury functions and adopts a conservative approach for its treasury management. The majority of assets and liabilities is denominated in HK dollars and US dollars and has limited exposure to foreign currencies. The Group also entered into certain currency swap arrangement for hedging purpose. The Group's banking facilities are principally on floating rate basis and interest rate swaps were employed to manage interest rate risk for its short to medium term borrowings when appropriate and necessary.

It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

Pledge of Assets

At 31 March 2006, the Group pledged certain properties with a total carrying value of HK\$465.5 million (2005: HK\$472.0 million), bank deposits of HK\$60.8 million (2005: HK\$81.9 million) and equipment of HK\$0.1 million (2005: nil) to secure banking facilities granted to the Group.

The Group's entire interest of 31% in Tung Chung Station Development Company Limited ("TCSDDL") was pledged. The loans to TCSDDL (before provision) amounting to approximately HK\$2,379.3 million (2005: HK\$2,373.1 million) were subordinated to banks, to secure the banking facilities granted to TCSDDL.

資本負債比率

本集團保持資本負債比率於27.3% (二零零五年: 15.4% (重列)) 之低水平, 此比率乃按本集團之綜合借貸淨額除股東資金計算。

銀行信貸

於二零零六年三月三十一日, 本集團具備充裕內部現金及有抵押與無抵押之銀行信貸, 以應付其發展項目及營運所需資金。於二零零六年三月三十一日, 未動用之信貸總額為3,186.6百萬港元 (二零零五年: 2,588.6百萬港元)。

於二零零六年三月三十一日, 銀行借貸組合中之還款期須於一年內償還的佔77% (二零零五年: 15%), 須於一至兩年內償還的佔23% (二零零五年: 70%), 及沒有借貸須於兩至五年內償還 (二零零五年: 15%)。

財資政策

本集團集中其財務管理職能, 並對財務管理採取審慎之政策。資產與負債大部分以港元及美元計算, 所需面對之外匯風險有限。本集團亦訂立若干外匯掉期安排作對沖用途。本集團之銀行信貸主要按浮動息率計算, 並在合適及需要時為中短期之借貸安排利率掉期, 以管理其利率風險。

本集團之政策為嚴禁使用金融衍生工具作投機用途。

資產抵押

於二零零六年三月三十一日, 本集團將賬面總值465.5百萬港元 (二零零五年: 472.0百萬港元) 之若干物業, 60.8百萬港元 (二零零五年: 81.9百萬港元) 之銀行存款及0.1百萬港元 (二零零五年: 無) 之設備作為授予本集團銀行信貸之抵押。

本集團將其於Tung Chung Station Development Company Limited ("TCSDDL") 持有之全部31%權益作為抵押。向TCSDDL提供之貸款 (扣除撥備前) 約2,379.3百萬港元 (二零零五年: 2,373.1百萬港元), 並作為銀行授予後償保證, 以擔保授予TCSDDL之銀行信貸。

FINANCIAL REVIEW 財務回顧

HKR Properties Limited, one of the Company's wholly owned subsidiaries, also subordinated an inter-company debt of HK\$25.2 million (2005: HK\$22.8 million) due from one of its subsidiaries to secure certain general banking facilities granted to that subsidiary.

Contingent Liabilities

The Group's contingent liabilities in respect of corporate guarantees and undertaking given, to the extent of the Group's proportionate share, in respect of banking and other facilities (or secured indebtedness, if appropriate) granted, reduced by HK\$17.5 million to HK\$153.2 million (2005: HK\$170.7 million).

本公司其中一家全資附屬公司香港興業(物業)有限公司亦同時將其應收一家附屬公司之25.2百萬港元(二零零五年:22.8百萬港元)公司間欠款用作提供予該附屬公司之若干一般銀行信貸之抵押。

或然負債

有關於本集團以股權比例為限就獲授銀行及其他信貸或有抵押之債項(如適用)作出公司擔保及承擔之或然負債減少17.5百萬港元至153.2百萬港元(二零零五年:170.7百萬港元)。