

## 財務回顧 FINANCIAL REVIEW

### Summary of Results

The profit attributable to shareholders for the year ended 31 March 2007 was HK\$105.6 million or HK23.8 cents per share, which has increased by 28.8% compared to profit attributable to shareholders of HK\$82.0 million or HK18.5 cents per share for the last year. The main profit contributors were the gain arising from the disposal of the wholly owned subsidiary holding Health Plus Centre and the 50% interest in the Dongguan project.

### Group Liquidity and Financial Resources

The Group's liquidity and financing requirements are regularly reviewed.

For day-to-day liquidity management and to maintain flexibility in funding, the Group has access to banking facilities with an aggregate amount of HK\$468.5 million (HK\$63.5 million was secured by first charges over certain land and buildings and investment properties of the Group), of which HK\$247.1 million loans have been drawn down and approximately HK\$150.8 million has been utilised mainly for the issuance of letters of credit and performance bonds as at 31 March 2007. The bank loans under these banking facilities bear interests at prevailing market interest rates.

The Group follows a prudent policy in managing its cash balance, and endeavours to maintain its sound cash generating capability, its ability to take on investments and acquisition projects, in order to enhance shareholder wealth. The total cash and bank balances of the Group have increased by HK\$188.6 million to HK\$258.5 million as at 31 March 2007, and accounted for 26.1% of the current assets (2006: 10.6%). The net increase was mainly due to the sales proceeds received from the disposal of the wholly owned subsidiary holding Health Plus Centre and the 50% interest in the Dongguan project and the receipts from construction and renovation work. Subsequent to the year end, part of these funds were utilised in paying land premiums for our development project at the junction of 4 College Road and 21 Sau Chuk Yuen Road and a joint development project at 1 & 1E La Salle Road; for acquisition of investment properties, construction plant and equipment, and an aluminium window company Million Hope Industries Limited; for partial repayment of bank loans; and for working capital of the construction projects.

### 業績概要

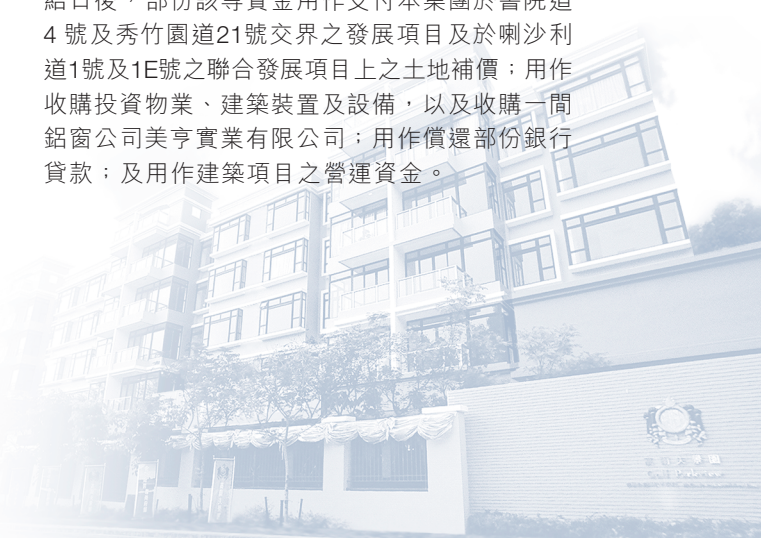
截至二零零七年三月三十一日止年度，股東應佔溢利為港幣105,600,000元或每股23.8港仙，與上年度股東應佔溢利為港幣82,000,000元或每股18.5港仙相比，上升了28.8%。溢利主要來自出售持有健怡坊中心之全資附屬公司及於東莞項目50%權益之收益。

### 集團流動資金及財務資源

本集團定期重估其流動資金及融資需求。

為了方便日常流動資金管理及維持融資之靈活性，本集團可動用若干銀行融資額，於二零零七年三月三十一日，總額為港幣468,500,000元（其中港幣63,500,000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247,100,000元之貸款已提取，而約港幣150,800,000元已使用，主要用作發出信用狀及履約保證。該等銀行融資下之貸款按現行市場利率計算。

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，以提升股東財富。於二零零七年三月三十一日，本集團之現金及銀行結餘總額，增加了港幣188,600,000元，至港幣258,500,000元，並佔流動資產26.1%（二零零六年：10.6%）。淨增加之主因是：出售持有健怡坊中心之全資附屬公司及於東莞項目50%權益之所得款項，以及建築及維修工程之所得款項。於年結日後，部份該等資金用作支付本集團於書院道4號及秀竹園道21號交界之發展項目及於喇沙利道1號及1E號之聯合發展項目上之土地補價；用作收購投資物業、建築裝置及設備，以及收購一間鋁窗公司美亨實業有限公司；用作償還部份銀行貸款；及用作建築項目之營運資金。



## 財務回顧 FINANCIAL REVIEW

The Group has maintained a healthy balance sheet with net bank balances and cash (total bank balances and cash less total bank borrowings) of HK\$11.4 million (2006 : net borrowings of HK\$101.1 million) as at 31 March 2007. Accordingly, the gearing ratio of the Group, calculated on the basis of the Group's net borrowings to shareholders' funds, was 0% (2006 : 18.2%). The net current assets have increased by HK\$162.0 million to HK\$405.1 million as at the year-end date and the current ratio (current assets divided by current liabilities) was 1.69 times (2006 : 1.58 times).

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

### Treasury Policy

The aim 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 circumstances.

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

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

本集團維持穩健之資產負債表，於二零零七年三月三十一日之淨銀行結餘及現金(銀行結餘及現金總額減銀行借款總額)為港幣11,400,000元(二零零六年：淨借款港幣101,100,000元)。據此，本集團之資本負債比率為0%(二零零六年：18.2%)，此比率乃根據本集團之淨借款與股東資金之比率計算。淨流動資產增加港幣162,000,000元至年結日之港幣405,100,000元，而流動比率(流動資產除以流動負債)為1.69倍(二零零六年：1.58倍)。

從可供動用之手頭現金、日常業務之穩定現金流入及可供動用之銀行融資額，本集團之流動資金狀況於來年將維持健全狀況，具備充裕財務資源以應付其責任、營運及未來發展需要。

### 財資管理政策

本集團之財資管理政策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。

為最有效地運用本集團之內部資金，達致更佳之風險監控及盡量減低資金成本，本集團之財資事務乃由最高管理層主管，並受其嚴密監督。

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。本集團大部份收益、開支、資產與負債均以港幣計算，因此本集團於外幣兌港幣之外匯兌換率變動所產生之損益將不會有任何重大風險。

## 財務回顧 FINANCIAL REVIEW

### Shareholders' Funds

At the year-end date, shareholders' funds of the Group were HK\$647.6 million including reserves of HK\$603.3 million, an increase of HK\$92.2 million from HK\$555.4 million at 31 March 2006. On that basis, the consolidated net asset value of the Group as at 31 March 2007 was HK\$1.46 per share, compared to the consolidated net asset value of HK\$1.25 per share at 31 March 2006. Increase in shareholders' funds was mainly attributable to profits retained after the payments of dividends.

### Major Acquisitions

During the year under review, the Group purchased the following properties from independent third parties for investment purposes:

- (1) Rooms 204-206 and 2 carparking spaces, Kin Wing Industrial Building, Tuen Mun, New Territories at a consideration of approximately HK\$1.9 million.
- (2) Workshop 8, 2/F, Block B and a carparking space, Shatin Industrial Centre, 5-7 Yuen Shun Circuit, Shatin, New Territories at a consideration of HK\$3.0 million.
- (3) Workshop 7, 1/F, Block A and a carparking space, Shatin Industrial Centre, 5-7 Yuen Shun Circuit, Shatin, New Territories at a consideration of approximately HK\$2.4 million.
- (4) Workshop 5, G/F, Block A and a carparking space, Shatin Industrial Centre, 5-7 Yuen Shun Circuit, Shatin, New Territories at a consideration of HK\$12.0 million.
- (5) Southern half portion of ground floor, 5 & 5A La Salle Road, Kowloon Tong, Kowloon at a consideration of HK\$7.5 million.

Subsequent to the year end, in May 2007, the Group acquired Million Hope Industries Limited which carries on aluminium windows and curtain wall business at an acquisition cost of approximately HK\$3.4 million.

### 股東資金

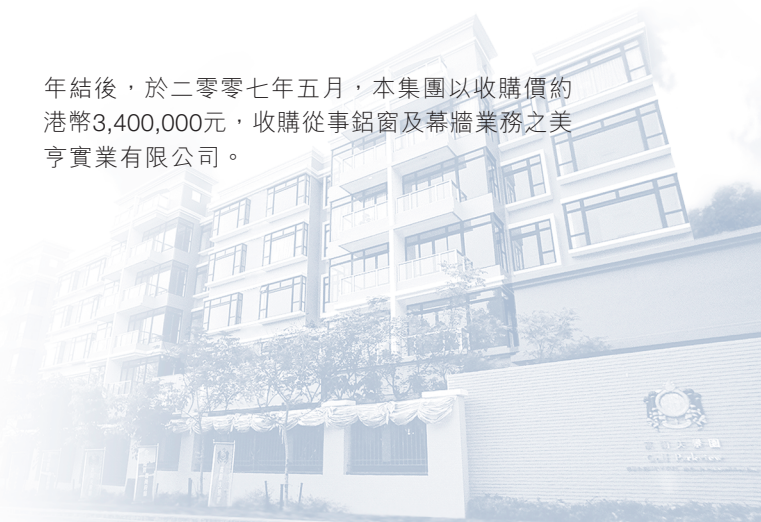
於年結日，本集團之股東資金為港幣647,600,000元，當中包括港幣603,300,000元之儲備，較於二零零六年三月三十一日之港幣555,400,000元，增加港幣92,200,000元。以此為基準，於二零零七年三月三十一日，本集團之每股綜合資產淨值為港幣1.46元，而於二零零六年三月三十一日之每股綜合資產淨值為港幣1.25元。股東資金增加之主因是派發股息後保留溢利所致。

### 主要收購

於回顧年度，本集團向獨立第三者購入以下物業，作投資之用：

- (1) 新界屯門建榮工業大廈204-206室及兩個泊車位，代價約為港幣1,900,000元。
- (2) 新界沙田源順圍5至7號沙田工業中心B座2樓第8號單位及一個泊車位，代價為港幣3,000,000元。
- (3) 新界沙田源順圍5至7號沙田工業中心A座1樓第7號單位及一個泊車位，代價約為港幣2,400,000元。
- (4) 新界沙田源順圍5至7號沙田工業中心A座地下第5號單位及一個泊車位，代價為港幣12,000,000元。
- (5) 九龍九龍塘喇沙利道5及5A號南座地下，代價為港幣7,500,000元。

年結後，於二零零七年五月，本集團以收購價約港幣3,400,000元，收購從事鋁窗及幕牆業務之美亨實業有限公司。



## 財務回顧 FINANCIAL REVIEW

### Capital Structure

The Group intends to keep 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\$247.1 million from the banks (at 31 March 2006: HK\$170.9 million). The borrowings have been used as general working capital and for refinancing the acquisition of properties for investment purposes. The maturity profile of the loans spread over a period of five years with HK\$185.6 million repayable within the first year, HK\$20.7 million repayable within the second year and HK\$40.8 million within the third to fifth years. Interest is based on HIBOR plus a competitive margin.

### Collateral

As at 31 March 2007, certain land and buildings and investment properties of the Group, at the carrying value of approximately HK\$116.5 million (at 31 March 2006: HK\$218.8 million), were pledged to the banks to secure the Hong Kong dollar loans of HK\$63.5 million (at 31 March 2006 : HK\$94.9 million).

### Contingent Liabilities

Details of the contingent liabilities are set out in note 36 of the consolidated financial statements.

### Capital Commitments

Details of the capital commitments are set out in note 37 of the consolidated financial statements.

### Post Balance Sheet Event

Details of the post balance sheet event are set out in note 41 of the consolidated financial statements.

### Employees and Remuneration Policy

The Group is implementing 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, our overall operational efficiency can be improved without the need for substantial increase in headcount.

### 資本結構

本集團力求保持適當之股本及債務組合，以確保未來能維持一個有效之資本結構。於回顧年度，本集團從銀行獲得港幣貸款達港幣247,100,000元（於二零零六年三月三十一日：港幣170,900,000元）。此貸款乃用作一般營運資金，以及為收購物業作投資用途再作融資。貸款之還款期攤分五年，於首年內須償還港幣185,600,000元，於第二年內須償還港幣20,700,000元，於第三至第五年內則須償還共港幣40,800,000元。利息是根據香港同業拆息附加以吸引利率差幅計算。

### 抵押品

於二零零七年三月三十一日，本集團若干賬面值約為港幣116,500,000元（二零零六年三月三十一日：港幣218,800,000元）之土地及樓宇和投資物業已抵押予銀行，以獲得港幣63,500,000元之貸款（於二零零六年三月三十一日：港幣94,900,000元）。

### 或然負債

或然負債之詳細資料刊載於綜合財務報表附註36。

### 資本承擔

資本承擔之詳細資料刊載於綜合財務報表附註37。

### 年結日後事項

年結日後事項之詳細資料刊載於綜合財務報表附註41。

### 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。我們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。



## 財務回顧 FINANCIAL REVIEW

The number of full time employees of the Group, excluding its jointly controlled entities, was over 700 as at 31 March 2007. In addition to salary payments, other benefits include provident fund schemes, discretionary bonuses, on-the-job training, education sponsorship subsidies, a medical insurance scheme, a group life and personal accident insurance scheme.

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

於二零零七年三月三十一日，本集團（不包括其共同控制實體）有超過七百名全職僱員。除支付薪金外，其他福利包括公積金計劃、酌情花紅、在職培訓、教育贊助補貼、醫療保險計劃、團體人壽及個人意外保險計劃。

僱員和董事之酬金乃按個人及本集團之表現、行業趨勢、市場情況、工作性質及價值創造而定。本集團根據個別人士之發展潛能、才幹及能力作出招聘及晉升，並確保其薪酬維持於合理之市場水平。本集團之所有董事、全職僱員及顧問均符合參與本公司之購股權計劃之資格。購股權計劃之主要條款概述於董事會報告書中。

