

Management Discussion and Analysis

GROUP RESULTS

Net profit for the year amounted to HK\$33.6 million (1999: HK\$51.6 million). Turnover for the year amounted to HK\$79.7 million, representing a decrease of 20% as compared to last year.

SIGNIFICANT INVESTMENTS

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building were approximately 78% and 60% let.

LIQUIDITY AND FINANCIAL RESOURCES

Basically, the Group's working capital requirement was financed by its rental income. As at 30 September 2000, the Group possessed cash and bank balances totalling HK\$29.9 million (1999: HK\$34.8 million). During the year, the Group does not need any borrowings or overdraft facilities.

EMPLOYEE AND REMUNERATION POLICIES

The Group employs a total of 17 employees. The Group recognises the importance of the strength of its human resources for its success. Pay rates of employees are maintained at competitive levels and promotion and salary increments are assessed on a performance related basis.