

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Net profit attributable to shareholders for the year was HK\$133.88 million, up 30% from last year. Basic earnings per share increased to 42 HK cents, up 39%. The net asset value per share was HK\$1.65, up 5%.

Turnover for the year amounted to HK\$1.85 billion, representing an increase of 13%. The gross profit percentage was maintained at previous year's level.

SEGMENTAL INFORMATION

The segmental information is as follows:—

	For the year ended 30 September				Change %	
	2000		1999		Turnover	Contribution
	Turnover HK\$'000	Contribution HK\$'000	Turnover HK\$'000	Contribution HK\$'000		
USA	1,632,976	126,969	1,468,910	105,647	11	20
Europe	160,831	9,655	145,260	7,970	11	21
Greater China	41,082	20,097	15,079	6,732	172	199
Others	18,018	2,334	14,719	1,738	22	34
	1,852,907	159,055	1,643,968	122,087	13	30

The increase of turnover in Greater China was mainly due to the consolidation of about HK\$16 million turnover of Theme. The contribution from Greater China was mainly due to interest income on bank deposits.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group funded the loan and investment of HK\$86 million in Theme, the repurchase of its own shares of about HK\$27 million and the purchase of machineries of about HK\$32 million in a jointly-controlled entity entirely from its internal reserves.

As at 30 September 2000, the net cash balances of the Group stood at HK\$263 million. The gearing ratio of long term liabilities to shareholders' funds was 0.47%.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group acquired the remaining portion of the property of its Headquarters in Hong Kong for HK\$ 46 million on 4 November 2000, funded from its internal reserves. In addition, the Group entered into an agreement to acquire the minority interests in a jointly-controlled entity for about HK\$22 million, to be funded also from its internal reserves. There are no other major capital expenditure in plan.

The turnover for the months of August and September for the year under review was HK\$106 million more than that of the corresponding period of last year, causing substantial increase in bills and trade receivables on the balance sheet date. By end of December 2000, the bills and trade receivables balances at 30 September 2000 were settled as normal.

GENERAL

The total number of employees of the Group including jointly-controlled entities and associates was about 12,000.

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