

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited interim financial statements are prepared in accordance with Statement of Standard Accounting Practice 2.125, "Interim Financial Reporting", issued by the Hong Kong Society of Accountants ("HKSA") and Appendix 16 of the Listing Rules.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2000.

Comparative figures in the consolidated profit and loss account have been restated to conform with requirements of the revised Statement of Standard Accounting Practice 2.101 "Presentation of Financial Statements" issued by the HKSA.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property investment in Hong Kong. Activity of the subsidiary company is property investment in Hong Kong.

3. TURNOVER

	2001 HK\$'000	2000 HK\$'000
Property investment	41,267	40,437

The activities of the Group are primarily conducted in Hong Kong.

4. OPERATING PROFIT

Operating profit is stated after crediting and charging the followings:

	2001 HK\$'000	2000 HK\$'000
Crediting:		
Interest income	639	766
Charging:		
Depreciation	<u>26</u>	<u>43</u>

5. TAXATION

	2001 HK\$'000	2000 HK\$'000
Hong Kong profits tax		
Company and subsidiary company	<u>3,570</u>	<u>2,540</u>

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits for the six months ended 31 March 2001.

6. INTERIM DIVIDEND

	2001 HK\$'000	2000 HK\$'000
Interim dividend of HK\$0.50 (2000: HK\$0.50) per share	<u>12,500</u>	<u>12,500</u>

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$19,299,000 (2000: HK\$14,489,000) and the 25,000,000 shares in issue throughout the six months ended 31 March 2001.

8. TRADE DEBTORS, DEPOSITS AND PREPAYMENTS

	31 March 2001 HK\$'000	30 September 2000 HK\$'000
Trade debtors		
Below 60 days	2,785	2,390
61 to 90 days	611	257
91 days and above	2,923	1,444
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	6,319	4,091
Deposits and prepayments	1,242	1,424
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	7,561	5,515
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Trade debtors represent rental income which are due one month in advance.

9. TRADE CREDITORS, ACCRUALS, DEPOSITS AND TEMPORARY RECEIPTS

	31 March 2001 HK\$'000	30 September 2000 HK\$'000
Trade creditors		
Below 60 days	77	94
Accruals, deposits and temporary receipts	14,305	14,722
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	14,382	14,816
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10. RESERVES

	31 March 2001 HK\$'000	30 September 2000 HK\$'000
Investment properties revaluation reserve	1,242,657	1,242,657
Retained profit	33,212	26,413
	<u>1,275,869</u>	<u>1,269,070</u>

Interim Dividend

The Board declares an interim dividend of HK\$0.50 per share (2000: HK\$0.50 per share) for the year ending 30 September 2001. The register of members will be closed from 9 July to 11 July 2001, both days inclusive, during which period no transfer of shares will be registered. Dividend warrants will be posted to shareholders by 17 July 2001.

Chairman's Business Review

The Group's investment properties at Melbourne Plaza at 33 Queen's Road Central and Kimley Commercial Building at 142-146 Queen's Road Central continued to generate steady rental income. 81% of the shops and offices at Melbourne Plaza were let during the period. Rental maintained at comparable levels as that in last period. Stable return is expected for the whole year.

The Group has participated in a property development project in Foshan, China with Wing Shan Group. The property development project has a total site area of 30,500,000 sq. ft. and includes the construction of two golf courses which have been available for use. In respect of construction of ancillary properties, foundation work has been substantially completed. A market research in respect of the property market in Mainland China is being carried out. Construction of properties will continue if the sale of properties is satisfactory.