

Management Discussion and Analysis

GROUP RESULTS

Net profit for the six months ended 31 March 2001 amounted to HK\$19.2 million (2000: HK\$14.4 million). Turnover for the period amounted to HK\$41.2 million, representing an increase of 2% as compared to last period.

SIGNIFICANT INVESTMENTS

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building were approximately 81% and 63% let.

LIQUIDITY AND FINANCIAL RESOURCES

Basically, the Group's working capital requirement was financed by its rental income. As at 31 March 2001, the Group possessed cash and bank balances totalling HK\$24.4 million. During the period, the Group does not need any borrowings or overdraft facilities.

EMPLOYEE AND REMUNERATION POLICIES

The Group employs a total of 18 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.

Disclosure of Interests

At 31 March 2001, the interests of the Directors and Chief Executive in the share capital of the Company which have to be notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to section 28 of the Securities (Disclosure of Interests) Ordinance of Hong Kong (including interests which they are deemed or taken to have under section 31 or Part I of the Schedule to that Ordinance) or which are required, pursuant to section 29 of that Ordinance, to be entered in the register referred to therein were as follows:-