

# Notes to the Financial Statements

## 1. PRINCIPAL ACCOUNTING POLICIES

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of the investment properties, and in conformity with generally accepted accounting principles in Hong Kong and in accordance with Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants (“HKSA”).

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 2002.

## 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. SEGMENT INFORMATION

	2003 HK\$'000	2002 HK\$'000
<b>(a) Turnover</b>		
Property investment	36,456	39,570
	<u>                    </u>	<u>                    </u>
<b>(b) Contribution to operating profit</b>		
Property investment	23,612	25,442
	<u>                    </u>	<u>                    </u>

Turnover represents gross rental and service income from investment properties.

As the Group’s principal business is property rental in Hong Kong, an analysis of the Group’s turnover and profit by business and geographical segments has not been presented.

#### 4. OPERATING PROFIT

Operating profit is stated after crediting and charging the followings:

	2003 HK\$'000	2002 HK\$'000
Crediting:		
Interest income	275	304
Charging:		
Depreciation	<u>24</u>	<u>24</u>

#### 5. TAXATION

	2003 HK\$'000	2002 HK\$'000
Hong Kong profits tax		
Company and subsidiary company	<u>4,005</u>	<u>3,944</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profits for the period.

#### 6. INTERIM DIVIDEND

	2003 HK\$'000	2002 HK\$'000
Interim dividend of HK\$0.70 (2002: HK\$0.50) per share	<u>17,500</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\$19,602,000 (2002: HK\$21,855,000) and the 25,000,000 shares in issue throughout the period.

## 8. DEBTORS, DEPOSITS AND PREPAYMENTS

	<b>31 March 2003 HK\$'000</b>	<b>30 September 2002 HK\$'000</b>
Trade debtors		
Below 60 days	2,788	3,147
61 to 90 days	277	728
91 days and above	2,728	1,749
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	5,793	5,624
Deposits and prepayments	2,116	2,489
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	7,909	8,113
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Trade debtors represent rental income which are due one month in advance.

## 9. CREDITORS, ACCRUALS AND DEPOSITS

	<b>31 March 2003 HK\$'000</b>	<b>30 September 2002 HK\$'000</b>
Trade creditors		
Below 60 days	79	122
Accruals and deposits	13,764	13,845
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	13,843	13,967
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