

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review and prospect

As at 30 September 2003, the investment portfolio of the Group consisted of listed securities in Hong Kong with a total market value of HK\$33,446,640. The Board considers that it is appropriate for the Group to retain financial resources at present to enable it to seize new and attractive investment opportunities as and when they arise. Therefore, the Board has resolved not to recommend a dividend payment.

For the six months ended 30 September 2003, the Group recorded a net profit of HK\$4,285,028 and this was mainly attributable to the realized gain of HK\$146,482 on disposal of trading securities and the net unrealized holding gains of HK\$6,331,304 of the Company's investment in listed securities.

The Group is managing a portfolio of different good-quality listed company securities covering a range of industry sectors to achieve risk diversification. Dividend income totaling HK\$6,160 was received by the Group during the period.

The Board will continuously follow the investment objectives and policies of the Company in order to enhance the return of the Company.

### Liquidity and Financial resources, capital commitment and contingent liability

As at 30 September 2003, the Company had retained cash and cash equivalent of HK\$5,951,497 (31 March 2003: HK\$8,253,275), which was mainly deposited with major banks in Hong Kong. The Company did not have any borrowings during the period and there are no charges on the Group's assets. As at 30 September 2003, the Company has no material capital commitment and contingent liability.

### Employees

As at 30 September 2003, the Company had 4 employees. Total staff cost for the period amounted to approximately HK\$243,506 including Director's emoluments. The Company's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees.