

Management Discussion and Analysis

GROUP RESULTS

Net profit for the year amounted to HK\$25.8 million (2002: HK\$46.4 million), a decrease of 44%. The decrease was mainly due to irrecoverable rents and provision for advances to an unlisted investment. Turnover for the year amounted to HK\$69.6 million, representing a decrease of 10% as compared to last year.

SIGNIFICANT INVESTMENTS

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 73% and 67% let.

LIQUIDITY AND FINANCIAL RESOURCES

Basically, the Group's working capital requirement was financed by its rental income. As at 30 September 2003, the Group had cash and bank balances totalling HK\$41.2 million (2002: HK\$44.8 million). During the year, the Group does not need any borrowings or overdraft facilities.

EMPLOYEES 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.