

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited interim accounts have been prepared in accordance with Statement of Standard Accounting Practice 2.125, "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The interim accounts should be read in conjunction with the 2004 annual accounts.

The principal accounting policies and methods of computation used in the preparation of the interim accounts are consistent with those used in the annual accounts for the year ended 30 September 2004. HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the interim accounts for the six months ended 31 March 2005. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to analyse and quantify the impact of these new HKFRSs on its results of operations and financial position.

2. PRINCIPAL ACTIVITIES

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

3. SEGMENT INFORMATION

	2005 HK\$'000	2004 HK\$'000
(a) Turnover		
Property investment	35,512	35,698
	<u> </u>	<u> </u>
(b) Contribution to operating profit		
Property investment	21,586	21,583
Unallocated item - provision for advances to an unlisted investment	-	(10,000)
	<u> </u>	<u> </u>
	<u>21,586</u>	<u>11,583</u>

Turnover represents gross rental and service income from investment properties.

As the Group's principal business is property investment 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 following:

	2005 HK\$'000	2004 HK\$'000
Crediting:		
Interest income	44	79
	<u> </u>	<u> </u>
Charging:		
Depreciation	27	23
	<u> </u>	<u> </u>

5. TAXATION

	2005 HK\$'000	2004 HK\$'000
Company and subsidiary company		
Hong Kong profits tax	3,702	3,682
Deferred taxation	87	93
	<u>3,789</u>	<u>3,775</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits for the period.

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2005 HK\$'000	2004 HK\$'000
Profit before taxation	21,590	11,579
Calculated at a tax rate of 17.5%	<u>3,778</u>	<u>2,026</u>
Tax effect on net (income)/expenses that are not (taxable)/deductible in determining taxable profit	(8)	1,749
Over-provision in the current period	<u>19</u>	<u>-</u>
Taxation charge	<u>3,789</u>	<u>3,775</u>

6. INTERIM DIVIDEND

	2005 HK\$'000	2004 HK\$'000
Interim dividend of HK\$0.50 (2004: 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\$17,801,000 (2004: HK\$7,804,000) and the 25,000,000 shares in issue throughout the period.

8. FIXED ASSETS

	Investment properties	Fixtures and equipment	Total
	HK\$'000	HK\$'000	HK\$'000
Net book value at 30 September 2004	1,322,600	173	1,322,773
Additions	–	17	17
Revaluation surplus	220,100	–	220,100
Depreciation	–	(27)	(27)
Net book value at 31 March 2005	<u>1,542,700</u>	<u>163</u>	<u>1,542,863</u>

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued on 31 March 2005 on an open market value basis by CS Surveyors Limited.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

	31 March 2005	30 September 2004
	HK\$'000	HK\$'000
Trade debtors		
Below 60 days	2,862	2,560
61 to 90 days	317	315
91 days and above	335	234
	<u>3,514</u>	<u>3,109</u>
Deposits and prepayments	<u>2,080</u>	<u>2,290</u>
	<u>5,594</u>	<u>5,399</u>

Trade debtors represent rental income which is due one month in advance.

10. CREDITORS, ACCRUALS AND DEPOSITS

	31 March 2005	30 September 2004
	HK\$'000	HK\$'000
Trade creditors		
Below 60 days	–	640
Accruals and deposits	<u>13,273</u>	<u>13,096</u>
	<u>13,273</u>	<u>13,736</u>