

Management Discussion and Analysis

GROUP RESULTS

Net profit for the year amounted to HK\$38.0 million (2004: HK\$14.7 million). The huge improvement was mainly due to the HK\$20.6 million provision made in last year for the unlisted investment, Billion Park Investment Limited. Turnover for the year amounted to HK\$72.8 million, representing an increase of 4% as compared to last year.

SIGNIFICANT INVESTMENTS

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 80% and 88% let.

LIQUIDITY AND FINANCIAL RESOURCES

Basically, the Group's working capital requirement was financed by its rental income. As at 30 September 2005, the Group had cash and bank balances totalling HK\$53.5 million (2004: HK\$42.1 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. Remuneration for employees are maintained at competitive levels and promotion and salary increments are assessed on a performance related basis.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no acquisitions or disposals of subsidiaries and associated companies during the year. Also, there was no future plans for material investments in capital assets.