

Management Discussion and Analysis

GROUP RESULTS

Operating profit for the six months ended 31 March 2006 amounted to HK\$26.6 million (2005: HK\$21.6 million), an increase of 23%. Turnover for the period amounted to HK\$40.7 million, representing an increase of 15% as compared to last period.

SIGNIFICANT INVESTMENTS

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 87% and 89% let respectively.

LIQUIDITY AND FINANCIAL RESOURCES

Basically, the Group's working capital requirement was financed by its rental income. As at 31 March 2006, the Group had cash and bank balances totalling HK\$46.9 million. During the period, the Group did 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.