

Management Discussion and Analysis

Turnover of the Group for the year 2001 decreased by approximately 42% to HK\$24.0 million. The drop in interest rates has caused the decline in our interest income, and as the Group did not hold any property interests during the year, there was no property sales and rental income. Other income includes HK\$10.3 million of net gain on disposal of long term investments, compared with a loss of HK\$21.5 million incurred in 2000, and there were no profits or losses from associates, compared with a share of loss from associates of HK\$18.5 million in 2000. Overall, profit attributable to shareholders has increased to HK\$32.6 million.

As at 31 December 2001, the Group had cash and bank balances of HK\$404.0 million with no borrowings, and long term investments of HK\$263.0 million at market value. The Group's financial position has remained strong.