

## Management Discussion and Analysis

### RESULTS

During the current year under review, the Group achieved a turnover of HK\$3,316,000 and profit attributable to shareholders of HK\$2,488,000, compared with the turnover of HK\$2,258,000 and profit attributable to shareholders of HK\$506,000 recorded in last year. With the fully let out commercial areas of Ever Success Plaza, the Group's rental and related income has increased by 84%. However, the prevailing low interest rate environment during the year has resulted in an unsatisfactory treasury income earned by the Group. Further, the progress of the Group's property projects in the PRC was slow during the year.

### SEGMENT INFORMATION

The principal activities of the Group are property development and investment.

The following is an analysis of the turnover and contribution to profit of the Group:

	Turnover		Contribution to profit before taxation	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Property development and investment				
Sale of completed properties	312	627	(7)	77
Property letting	3,004	1,631	2,113	1,032
Disposal of land	-	-	-	(2,855)
	<b>3,316</b>	<b>2,258</b>		
Segment results			<b>2,106</b>	(1,746)
Other activities			<b>14,605</b>	19,292
Less: Unallocated administrative and other expenses			<b>(14,223)</b>	(17,040)
			<b>2,488</b>	<b>506</b>

#### Notes:

- (i) The Group's property development and investment activities were carried out in the Mainland China ("PRC").
- (ii) Other activities comprise mainly of treasury activities, including investments in debt securities and money market funds operating in the United States of America, European countries and Hong Kong and the placement of bank deposits in Hong Kong.

## LIQUIDITY AND FINANCIAL RESOURCES

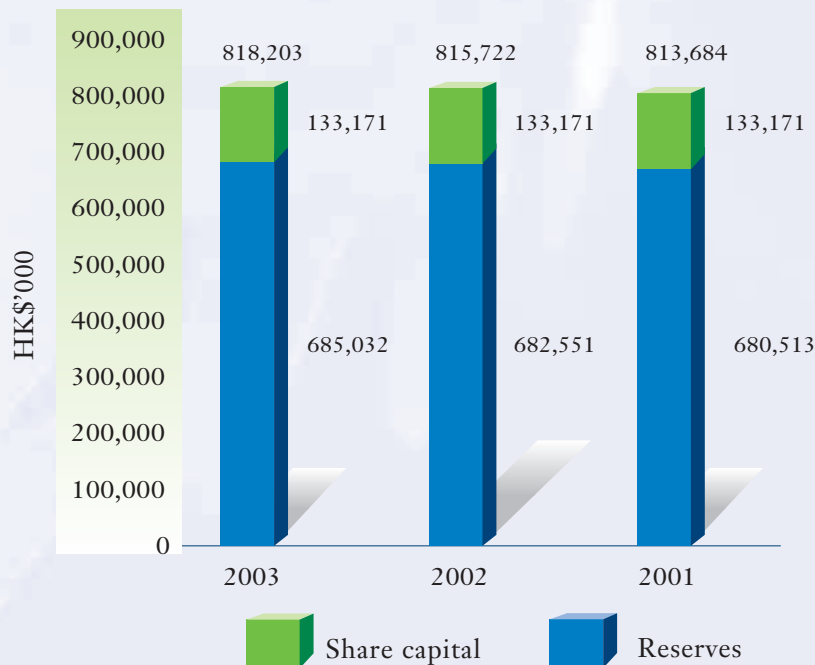
As at 31st March, 2003, the Group remained cash-rich and has no bank borrowings and no material capital expenditure commitments or financial obligations.

Cash and available funding amounted to HK\$605,025,000 and accounted for 82% of total current assets.

Exchange risk of the Group is minimal as the assets of the Group comprised substantially of cash, fixed income notes or money market funds denominated in United States currency which is officially pegged to the Hong Kong currency.

## CAPITAL STRUCTURE

As at 31st March, 2003, the Group had no long term borrowings and its operations were financed entirely by shareholders' funds.



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### **MAJOR CUSTOMERS AND SUPPLIERS**

The aggregate sales attributable to the Group's largest customer and five largest customers accounted for approximately 53.6% and 68.0% respectively of the Group's turnover for the year. The five largest suppliers of the Group accounted for less than 30% of the Group's total purchases for the year.

During the year, the Group has not made any purchases other than incurring rental outgoings and overhead expenses.

None of the Company's directors, their associates or any shareholders of the Company (who to the best of the knowledge of the Company's directors owned more than 5% of the Company's issued shares) had a beneficial interest in any of the Group's five largest customers and the five largest suppliers.

### **STAFF**

As at 31st March, 2003, the Group employed 51 staff at market remunerations with staff benefits such as insurance, provident fund scheme, discretionary bonus and share option scheme.