

Management Discussion and Analysis

GROUP RESULTS

Profit attributable to equity holders for the year amounted to HK\$360.6 million (2007: HK\$433.1 million). The decrease in profit was mainly resulted from current year's moderate uplift in fair value of investment properties of HK\$310.6 million compared with HK\$442.5 million in 2007. Turnover for the year amounted to HK\$125.8 million, up 20% year-on-year. Rental operation contributed HK\$93.6 million (2007: HK\$75.3 million) to the operating profit, representing an increase of 24% as compared to last year.

SIGNIFICANT INVESTMENTS

The Group's investment properties at Melbourne Plaza and Kimley Commercial Building in Central were approximately 96% and 94% let respectively.

LIQUIDITY AND FINANCIAL RESOURCES

Basically, the Group's working capital requirement was financed by its rental income. As at 30 September 2008, the Group had cash and bank balances totalling HK\$99.0 million (2007: HK\$84.5 million). During the year, the Group did not require 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 is maintained at competitive levels and promotion and salary increments are assessed on a performance basis.

MATERIAL ACQUISITIONS, DISPOSALS AND FUTURE DEVELOPMENTS

There were no acquisitions or disposals of subsidiary companies and associated companies during the year. Currently, there are no plans for material capital investments or future developments.