

# Management Discussion and Analysis

The turnover of the Group for the year 2000 increased by approximately 47% to approximately HK\$41.7 million. This was mainly due to the higher property sales and interest income, offset by a reduction in dividend income. Property sales and rental income has increased by approximately HK\$11.2 million as the Group's remaining property interests were sold during the year. Interest income increased by approximately HK\$4.1 million, while dividend income decreased by approximately HK\$1.9 million.

The operating profit, however, decreased by approximately 21% to approximately HK\$23.4 million mainly as a result of the loss on disposal of securities. Share of losses of associates amounted to approximately HK\$18.5 million as compared to a profit of approximately HK\$4.5 million in 1999. Overall, profit attributable to shareholders decreased by approximately 72% to approximately HK\$9 million.

As at 31 December 2000, the Group had cash and bank balances of approximately HK\$520.5 million, with no borrowings. The Group had also maintained a portfolio of blue chip company shares listed in Hong Kong with an aggregate market value of approximately HK\$103 million at the end of the year. With its abundant cash and a good investment portfolio, the Group's liquidity and its financial resources are extremely strong.