

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results

For the six months ended 30 September 2003, the global economy persisted to shrink by recession, terrorists' attack, the Iraq War and the outbreak of Severe Acute Respiratory Syndrome ("SARS"). Through the ongoing exercise of liquidation of unsound investment, the tight cost control of its operating and administrative overheads, and the diversification of its business into the charter and sub-charter arrangement of Asian cruise line business, the Group has achieved a satisfactory result with its turnover being increased from HK\$19,546,000 (the comparative figure in 2002) to HK\$120,941,000 and its trading result being turned into net profit from ordinary activities attributable to shareholders of approximately HK\$6,739,000 (2002: HK\$11,674,000 loss).

### Vessel-chartering

By chartering two vessels (the "Vessels") from the connected parties and sub-chartering the Vessels to an independent third party with effect from 27 November 2002, the Group diversified into the Asian cruise line business. This generated a stable revenue and complimented the operation of the Resort by offering a variety of cruise and ground resort services to tourists in Singapore, Malaysia and Indonesia.

The Group charges the sub-charterer a fixed daily sub-charter charge. Owing to the adverse impact of SARS on a number of South East Asian countries, the Group granted an allowance to the sub-charterer in an aggregate amount of approximately HK\$8,500,000 for the period from April to June 2003. Nevertheless, the net profit contributed from the vessel-chartering to the Group was approximately HK\$11,103,000 which restored the overall performance of the Group into profitability. Moreover, the sub-charter charges for the first five years are fixed and at progressive rate. The back to back chartering and sub-chartering arrangements will not only keep it intact from any cyclical fluctuations of the Asian cruise line business but also allow the Group to receive additional revenue of a stable base.

## 管理層討論及分析

### 業績

於截至二零零三年九月三十日止六個月內，受到經濟衰退、恐怖分子襲擊、伊拉克戰事及爆發嚴重急性呼吸系統綜合症（「非典型肺炎」）所影響，全球經濟一蹶不振。本集團透過持續清理不良投資項目、加強對其營運及行政費用之成本控制措施、及多元化發展將其業務至亞洲遠洋郵輪租賃及分租安排業務，本集團之業績表現令人滿意，營業額由19,546,000港元（於二零零二年之比較數字）增加至120,941,000港元，而其貿易業績則轉而錄得股東應佔日常業務溢利淨額約6,739,000港元（二零零二年：虧損11,674,000港元）。

### 船舶租賃業務

由二零零二年十一月二十七日起，透過向有關連人士租用兩艘遠洋郵輪（「郵輪」），並分租予一獨立第三者，為本集團向亞洲遠洋郵輪業務作多元化發展。此舉除帶來穩定收入外，更可配合現時酒店業務，為新加坡、馬來西亞及印尼之旅客提供多項遠洋旅遊與陸上渡假服務。

本集團向分租商按日收取定額分租費用。鑑於受到非典型肺炎對多個東南亞國家造成之不利影響，本集團已同意由二零零三年四月至六月期間，向分租商提供津貼約8,500,000港元。然而，郵輪租用業務已為本集團帶來溢利淨額貢獻約11,103,000港元，令本集團之整體業務轉虧為盈。此外，首五年之分租費用乃按定額及以遞進式方法收取。該項配對式租用及分租安排不僅讓本集團免受亞洲遠洋郵輪業務之任何週期性波動影響，亦可讓本集團收取具備穩定基礎之額外收入。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Vessel-chartering (continued)

The Management is confident that the vessel-chartering will continue to generate attractive return and will position the Group to benefit from the recovery of the Asia Pacific economy in the foreseeable future.

### Hotel Operation

By offering a variety of cruise and ground resort services and providing the quality of customer services to the tourists, there was an encouraging growth on the performance of the hotel operation in Indonesia (the "Hotel") until the outbreak of SARS which imposed a temporary adverse impact on the Hotel. Following Singapore's removal from the list of affected areas with local transmission of SARS and a series of tourism promotional activities, the occupancy rate of the Hotel has gradually returned to the pre-SARS level. In order to enhance its competition in the Asia Pacific region, a feasibility study for further enhancement and upgrading of the Hotel's facilities is presently being conducted.

### Property Investment

The adverse effect from SARS and the sluggish retail market caused a decline in the overall rental income for the Group. The average annual rental yield derived from properties located in Hong Kong was approximately 7.1% (2002: 7.8%). Following the implementation of the Closer Economic Partnership Arrangement (the "CEPA") in June and the uplifting of the restriction on individual travel scheme from certain PRC provinces to Hong Kong in July, the local economy in Hong Kong is gradually sliding towards recovery. It is anticipated that the property market in Hong Kong will improve steadily, hence the Group will continue to strengthen on its quality portfolio of rental properties at prime location. The Group's goal for its property sector remains the same – generate a stable and recurrent rental return.

## 管理層討論及分析 (續)

### 船舶租賃業務 (續)

管理層深信，郵輪租用業務將繼續取得可觀之回報，且於可見未來，本集團可望藉著亞太區經濟復甦而受惠。

### 酒店業務

透過提供多項遠洋旅遊與陸上渡假服務及向旅客提供優質客戶服務，印尼之酒店業務（「酒店」）表現增長令人鼓舞，然而非典型肺炎爆發卻對酒店造成短暫不利影響。自新加坡在本地感染非典型肺炎之疫區名單中除名，及推出一連串旅遊推廣活動後，酒店入住率已逐漸回復至非典型肺炎前之水平。為提升酒店於亞太地區之競爭力，本公司現正就進一步改善及提升酒店設施而進行可行性研究。

### 物業投資

由於非典型肺炎所帶來之持續負面影響，及零售市場表現疲弱，故本集團整體租金收入出現下滑。位於香港之物業每年平均租金回報率約為7.1%（二零零二年：7.8%）。隨著於六月落實更緊密經貿關係安排（「CEPA」），以及若干中國省份於七月放寬參加「自由行」到香港之限制後，香港本地經濟已逐漸邁向復甦。預計香港物業市場將穩步向好，因此，本集團將繼續增強位於黃金地段之優質租務物業組合。本集團之物業投資業務目標不變 – 創造穩定及經常性租金回報。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Property Investment (continued)

After the balance sheet date, the Group entered into a sale and purchase agreement with a third party to acquire units nos. 3807, 3808, 3809, 3810, 3811 on the thirty eighth floor of the West Tower and car park no. 14 on the sixth floor of Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong (the "Property") at the consideration of HK\$30,000,000. The acquisition of the Property was completed on 28 November 2003. Three out of the five units are currently occupied by the Group as its principal place of business, together with the car park for its own use. The remaining two units are now under a tenancy agreement. The Directors believe that the acquisition of the Property will improve the Group's operating performance and widen its earnings base.

### Securities Trading

During the period under review, the Group had recorded a turnover of approximately HK\$7,902,000 for the trading in marketable securities. In view of the recent record high stock index and bloom up in marketable securities, the Group had a profit of approximately HK\$3,266,000 arising from the trading and investment in marketable securities. In consideration of the continuing low interest rate and the steady recovery of local economy in Hong Kong, the Group continues to maintain an appropriate portfolio in marketable securities for the purpose of trading and capital gains.

### Internet Services

Through the websites namely <http://www.landsearch.com.hk> (operated by a subsidiary) and <http://www.legalsearch.com.hk> (operated by an associate), the Group continues to provide the subscribers via the internet with a prompt and comprehensive "One Stop Search Solution", including but not limited to Encumbrance Search, Litigation Search, Company Search and Information Update Monitoring Service and other valuable information.

## 管理層討論及分析 (續)

### 物業投資 (續)

於結算日後，本集團與第三者訂立買賣協議，收購香港干諾道中168-200號信德中心西翼三十八樓之3807、3808、3809、3810及3811號單位及六樓之14號泊車位（「該物業」），代價為30,000,000港元。該物業之收購事項已於二零零三年十一月二十八日完成。該五個單位之其中三個目前正由本公司佔用作為其主要營業地點，連同泊車位自用。其餘兩個單位目前根據租約出租。董事相信，收購該物業將提升本集團之營運表現及擴大其收益基礎。

### 證券買賣

於回顧期內，本集團買賣有價證券錄得營業額約7,902,000港元。鑑於股票指數最近創出新高及有價證券交投活躍，本集團在有價證券買賣及投資產生之溢利約為3,266,000港元。考慮到息率持續偏低及香港本地經濟穩定復甦，本集團繼續維持合適之有價證券組合，以獲取買賣及資本收益。

### 互聯網服務

透過名為<http://www.landsearch.com.hk>（由一間附屬公司經營）及<http://www.legalsearch.com.hk>（由一間聯營公司經營）之網站，本集團繼續以互聯網形式，為訂戶提供快捷及全面之「一站式搜尋解決方案」，包括但不限於提供產權負擔搜尋、訴訟搜尋、公司搜尋及資訊更新監察服務及其他寶貴資料。

**MANAGEMENT DISCUSSION AND ANALYSIS (continued)****Internet Services (continued)**

Furthermore, the sole agency agreement signed between Land Search Online Limited ("Land Search Online"), a subsidiary of the Group and All China Marketing Research Company Limited ("ACMR"), a subsidiary of the National Bureau of Statistics of China ("NBS") and exclusively authorized to distribute the statistic data of the NBS in commercial purpose, Land Search Online has expanded to include ACMR's products of credit report of PRC companies and industry research in PRC into the portfolio of services. The management believes that the provision of ACMR's products and services will contribute to the steady growth in revenue for the Group.

**Film Processing**

In view of substantial accumulated losses of the film processing business in PRC in previous years and the continuing keen competition in this industry in PRC, the Group had liquidated this business sector in the third quarter of 2003.

**Electronic Products**

In view of rapid change in electronic technology and substantial accumulated losses incurred at the wireless headsets business, the Group had terminated the wireless headsets operation in the third quarter of 2003.

**Capital Commitment**

As at 30 September 2003, the Group had a total commitment of RM31,500,000 (equivalent to approximately HK\$64,712,000) representing the remaining construction cost of a property currently under development in Malaysia. Since the site plan and usage of this property had been altered by the principal developer without prior consent of the management of the Group, the Directors are still in the progress of seeking legal advice to determine the appropriate course of action to be taken.

**管理層討論及分析 (續)****互聯網服務 (續)**

此外，本集團旗下附屬公司查冊通互聯網有限公司(「查冊通」)與中國國家統計局(「國統局」)轄下附屬公司兼獲獨家授權分銷國統局統計資料作商業用途之代理北京華通人市場信息有限公司(「華通人」)簽訂獨家代理協議。查冊通已將其服務組合擴大至包括華通人現有之中國公司信貸報告及行業研究等服務。管理層相信，在提供華通人之產品及服務後可使本集團之收益穩步上揚。

**膠卷沖印**

由於國內膠卷沖印業務往年錄得龐大之累積虧損，加上該行業在國內之競爭持續劇烈，本集團已於二零零三年第三季終止該項業務。

**電子產品**

鑑於電子技術日新月異，加上無線耳機業務出現龐大累積虧損，本集團已於二零零三年第三季結束無線耳機業務。

**資本承擔**

於二零零三年九月三十日，本集團之總承擔為31,500,000馬幣(約相等於64,712,000港元)，此乃目前位於馬來西亞之發展中物業之剩餘建築成本。由於主要發展商未經本集團管理層事先同意，自行更改該項物業之平面圖及用途，董事現正尋求法律意見，以決定採取有關適當行動。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Contingent Liabilities

As at 30 September 2003, the Company had outstanding guarantees given to banks and a loan provider to secure general credit facilities granted to the Group in the amount of HK\$63,000,000. Credit facilities in the aggregate amount of approximately HK\$31,377,000 had been utilized by the Group in respect of these guarantees as at 30 September 2003.

Subsequent to the balance sheet date, the Group entered into a sale and purchase agreement with an independent third party to acquire a property in Hong Kong. After the completion of the sale and purchase agreement on 28 November 2003, the Group is now applying for a bank loan upon security of the property and the Company will further provide corporate guarantee in the amount of HK\$18,000,000 to bank to secure the above mentioned credit facility granted to the Group.

### Liquidity and Financial Resources

As at the balance sheet date, the Group had net current assets of approximately HK\$65,130,000 and shareholders' fund of approximately HK\$182,384,000. The Group's total indebtedness representing the aggregate amounts of loans from banks, financial institutions and loan providers of approximately HK\$38,143,000 secured by mortgages over the Group's properties having an aggregate carrying value of approximately HK\$108,320,000 as at the balance sheet date. The Group's gearing ratio (total indebtedness divided by shareholders' funds) as at the balance sheet date was 0.21 as compared to 0.17 as at 31 March 2003. Except for approximately HK\$6,766,000 of the total indebtedness which was denominated in Malaysian Ringitt, all the other indebtedness were denominated in Hong Kong Dollars. The total indebtedness is at floating interest rate.

## 管理層討論及分析 (續)

### 或然負債

於二零零三年九月三十日，本公司給予銀行及貸款者未償還擔保，以取得授予本集團之一般銀行信貸，總額約達63,000,000港元，其中約31,377,000港元銀行信貸已由本集團於二零零三年九月三十日動用。

於結算日後，本集團與獨立第三者訂立買賣協議，收購位於香港之一項物業。當買賣協議於二零零三年十一月二十八日完成後，本集團現正以該物業抵押予銀行作貸款申請。本公司將進一步向銀行作出為數18,000,000港元之公司擔保，以取得向本集團批授之上述銀行信貸。

### 流動資金及財政資源

於結算日，本集團之淨流動資產約為65,130,000港元，股東資金約為182,384,000港元。本集團之總債務（即銀行、財務機構及貸款者提供之貸款總額）約為38,143,000港元，並以本集團於結算日賬面總值約108,320,000港元之物業按揭作抵押。於結算日，本集團之負債比率（總債務除以股東資金）為0.21倍，相較於二零零三年三月三十一日之0.17倍。除總債務中約6,766,000港元以馬來西亞幣值為結算單位外，所有其他債務均以港元為結算單位。總債務均按浮動息率計息。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Liquidity and Financial Resources (continued)

As at the balance sheet, the Group's aggregate cash on hand was HK\$82,929,000. Subsequent to the balance sheet date, the Group acquired a property in Hong Kong at the consideration of HK\$30,000,000. The consideration was from internal source of funds. The management believes the Group will have adequate financial resources to meet its working capital requirements and for further potential investment purpose as opportunities arise in the future.

### Human Resources

As at 30 September 2003, the total number of employees of the Group was about 442, among which about 329 staff were based in Indonesia, 62 staff in Malaysia, 2 staff in PRC and 49 staff in Hong Kong. Apart from competitive remuneration package offered to the employees, share options may also be granted in order to attract and retain talented employees. As at 30 September 2003, the Company had 33,800,000 outstanding share options granted to eligible executives and employees of the Group. Subsequent to the balance sheet date, additional 6,500,000 share options were granted and 350,000 share options were exercised.

### Prospects

Despite the overall business environment being overwhelmed by the global economic downturn, the management has successfully restored the Group to profitability for the period under review. It reflected that the Group has effectively restructured its investment profiles and placed the Group on the path to a steady growth. Apart from the steady revenue generated from the vessel-chartering, the Group will continue to secure reasonable returns through the active and prudent pursuit of quality property investments at prime location in Hong Kong. This will provide the Group with steady recurrent earnings and also solidify the capital base.

## 管理層討論及分析 (續)

### 流動資金及財政資源 (續)

於結算日，本集團之手頭現金總額約為82,929,000港元。於結算日後，本集團收購位於香港之一項物業，代價為30,000,000港元。該代價來自內部資金。管理層相信本集團將擁有足夠財政資源，以應付其日常資金需要，待日後時機出現，亦可撥付其他有潛力之投資項目。

### 人力資源

於二零零三年九月三十日，本集團僱員合共約為442人，其中約329人駐於印尼，62人駐於馬來西亞，2人駐於中國，其餘49人駐於香港。除為僱員提供優厚薪酬組合外，本集團亦可授出購股權以吸納及挽留優秀僱員。於二零零三年九月三十日，本公司向本集團之合資格行政人員及僱員授出合共33,800,000份購股權。於結算日後，已授出額外6,500,000份購股權，另有350,000份購股權已行使。

### 展望

儘管整體業務環境仍然受到全球經濟放緩拖累，但管理層已在回顧期間內成功令本集團再度錄得盈利，反映本集團在過去數年有效地重整其投資項目，致使本集團業務得以穩定增長。除船舶租賃帶來之穩定收入外，本集團將繼續透過積極及審慎方式，在香港之黃金地段物色優質物業投資項目以取得合理回報。此舉不僅可為本集團提供穩定之經常性收益，亦可提升其穩固之資本基礎。