

# Chairman's Business Review

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I am pleased to report to shareholders that the Group's profit after taxation for the financial year ended 30 September 2000 amounted to HK\$33.6 million (1999: HK\$51.6 million). The Board has decided to recommend a final dividend of HK\$0.80 per share payable to the shareholders registered on 16 January 2001. Together with the interim dividend of HK\$0.50 per share paid in July 2000, total distribution for the year amounted to HK\$1.30 per share (1999: HK\$2.00 per share).

The Group's investment properties held for rental are Melbourne Plaza at 33 Queen's Road Central and Kimley Commercial Building at 142-146 Queen's Road Central. About 78% and 60% of shops and office units at Melbourne Plaza and Kimley Commercial Building respectively were let throughout the year. Although the economy was improving, it had not been fully recovered. The Group still had to continue its efforts in order to maintain the letting of the Group's investment properties for steady rental income. In view of the above, the occupancy rate remained stable apart from slight reduction in total rental income. As the Group always takes a conservative view on investment especially on investment properties with steady rental income, the Group continues to produce steady rental income under such economic condition.

The Group has participated with Wing Shan Group in a property development project in Foshan, the People's Republic of China in which the Group has an effective interest of 5%. (The total investment cost up to current financial year amounted to HK\$29.7 million). The property development project has a total site area of 30,500,000 sq.ft. and involves construction of two golf courses of which the first stage has been completed. The golf club is available for use. Ancillary club house, restaurant, swimming pool and other recreation facilities are also in full operation. In respect of construction of residential buildings, mid-size apartments with floor area from 330 sq. ft. to 1,600 sq. ft. are planned beside the golf courses.

The Group always has a conservative view on other investments and always focuses on investment properties with steady rental income. Therefore, the unfavourable economic conditions do not constitute a significant impact to the Group. Besides, the Group's investment properties are all located in Central District with steady rental income and the Group does not have any borrowing. Accordingly, I am happy to report to shareholders that the Group will continue to produce satisfactory return.

Finally, I would like to take this opportunity to thank my fellow directors and staff members for their loyal services and hard work.

**Dato' Dr. Cheng Yu Tung**  
Chairman

Hong Kong, 15 December 2000