

Chairman's Business Review

I would report to shareholders that the Group's profit after taxation for the financial year ended 30 September 2004 amounted to HK\$14.7 million (2003: HK\$25.6 million, as restated). The Board of Directors recommend a final dividend of HK\$0.80 per share payable to the shareholders registered on 28 January 2005. In addition to the interim dividend of HK\$0.50 per share paid in July 2004, the total dividend for the year amounted to HK\$1.30 per share (2003: HK\$1.50 per share).

The Group's investment properties, Melbourne Plaza at 33 Queen's Road Central attained 75% occupancy while Kimley Commercial Building at 142-146 Queen's Road Central was 67% leased. During the year, the economy has stabilised and is set for an all-round recovery. Steady occupancy rate has been secured through close liaison with tenants. The Group has always been prudent in investment strategies and has primarily relied on steady rental income. Stable earnings have been maintained during the year.

The Group's unlisted investment represents property development and golf club operation in Foshan, China. The controlling shareholder of the said investment, BT Development Holdings Limited (formerly known as Wing Shan Enterprises (Holdings) Limited) has gone into creditors' voluntary winding up. In the circumstances, the Board has decided to make a HK\$20.6 million provision for the said investment in the current year.

The Group has always been cautious about new investment opportunities and placed its emphasis on stable rental income as its main source of revenue. As the economy improves, the investment properties in Central will continue to earn sturdy income for the Group. Without any debt or commitment, the Group will undoubtedly keep on bringing optimum return for all shareholders.

Taking this opportunity, I would like to thank my fellow directors and staff members for their loyal services and continuing efforts.

Dato' Dr. Cheng Yu Tung
Chairman

Hong Kong, 16 December 2004