

## CHAIRMAN'S STATEMENT

### PROFIT FOR THE YEAR

The consolidated net profit of the Group after taxation and minority interests for the year ended 30th September, 2005 was HK\$27.8 million as compared with the net profit of HK\$23.3 million for the previous year. The increase in profit was mainly attributable to the increase in rental income of the Group's investment properties in Hong Kong and the increase in unrealized holding gain on listed securities held by the Group, despite a substantial increase in finance cost due to higher interest rate.

### DIVIDEND

The Board has recommended the payment of a final dividend of 10 cents per share to shareholders whose names appear on the Register of Members of the Company on 29th December, 2005. This together with the interim dividend of 2 cents per share paid on 22nd July, 2005, will give a total dividend of 12 cents per share for the whole year. Upon approval at the Annual General Meeting, the proposed final dividend of 10 cents per share will be paid on 3rd January, 2006.

### BUSINESS REVIEW

#### A. Hong Kong

The major portion of the Group's profit for the financial year under review was derived from the rental income of the Group's investment properties in Hong Kong. Both the occupancy and new rental rate of the Group's properties had benefited from the continuous improvement of the local economy during this period. Most of the growth occurred in the second half of the financial year, and the improvement was most pronounced in the residential sector, reflecting the increased influx of expatriates into Hong Kong.

Elephant Holdings Limited, a subsidiary of the Group, had also recorded a moderate increase in sales revenue during the financial year under review, and continued to contribute profit to the Group.

Wah Ming Hong Holdings Limited, in which the Group has a minority interest, maintained steady business and profit. The company owns and markets the Swiss brand 'ENICAR' watch.

## 主席報告書

### 全年溢利

本集團截至二零零五年九月三十日止年度除稅及少數股東權益後之綜合溢利為港幣二千七百八十萬元，比較上年度同期溢利為港幣二千三百三十萬元。溢利增加主要因為本集團在香港之投資物業租金收入增多及本集團持有上市證券未變現持有收益增加，雖然因利率調高而令財務支出大幅增加。

### 股息

董事會現建議派發末期股息每股十仙予二零零五年十二月二十九日登記於本公司股東名冊內之股東。上述建議之股息連同於二零零五年七月二十二日派發之中期股息每股二仙，全年之股息為每股十二仙。建議之末期股息每股十仙，如在股東週年大會上通過，將於二零零六年一月三日派發。

### 業務回顧

#### A. 香港

回顧本財政年度，溢利主要部份來自本集團在香港之投資物業租金收入。本集團之物業出租率及新租值因在此期間本地經濟繼續改善而得益。主要之增長發生在本財政年度下半年，及增長主要來自住宅物業。上述情況反映來香港工作之外籍人士有所增加。

本集團附屬公司大象行有限公司，本財政年度其銷售收入有溫和增長，並繼續對本集團提供溢利。

本集團持有少數權益之Wah Ming Hong Holdings Limited，業務及溢利維持穩定。該公司擁有及銷售瑞士「英納格」牌子手錶。

## CHAIRMAN'S STATEMENT (Continued)

### B. Project in the Mainland

Silver Gain Plaza in Guangzhou (in which the Group has one-third interest) – The re-designed master plan for Phase III of this project has now been approved by the local government's Planning Authority. The plan is currently being considered by the relevant government regulatory department, from which approval is expected to be issued in early 2006, and tender for construction work will commence thereafter. Phase III will consist of two 27-storey residential towers on top of a 4-storey commercial podium. There will be 416 residential units with a total floor area of 42,000 square meters, and a commercial podium with a floor area of 20,000 square meters. Construction cost will be financed by bank loan and internal funding of the project company.

Residential units in Vivaldi Court of Manhattan Garden, Chao Yang District, Beijing - Both rental and occupancy rate of the properties in this project continued to be adversely affected by the unfinished construction in the adjacent sites.

### PROSPECTS

The cumulative effect of the gradual increase in interest rate over the past eight months is now felt in the local property market. The rapid rise in property price in Hong Kong in the past two years has come to a halt, and property transactions have also subsided recently. The rise in interest rate might also dampen improvement in other sectors of the local economy.

In view of the above, the Group's rental income is anticipated to be stable in the coming financial year, barring any further increase in interest rate or any unforeseen adverse factor.

The Group's property holdings will continue to be upgraded so as to enhance their competitiveness in the rental market. The Group considers the current property prices in Hong Kong and certain cities in Mainland China to be at a very high level. In view of the rising interest rate and the above situation, the Group will take a cautious attitude when looking for investment opportunities.

I take this opportunity to thank my colleagues on the Board and our staff members for their loyal services and contributions.

Wong Bing Lai  
Chairman

Hong Kong, 24th November, 2005

## 主席報告書 (續)

### B. 國內項目

本集團持有三分一權益位於廣州之東銀廣場 – 此項目第三期重新設計之主體圖則已經獲得當地政府規劃局批准。圖則現正經有關之政府監管部門審議。預期於二零零六年初將獲得該部門批准，工程招標將會其後進行。第三期將包括四層高商業平台及建在平台上之兩幢二十七層高住宅大廈。將有住宅單位四百一十六個，其總樓面面積為四萬二千平方米，而商業平台樓面面積為二萬平方米。建築工程費用將由項目公司以銀行貸款及內部資金融資。

北京朝陽區京達花園威爾第閣之住宅單位 – 此項目之物業租金及出租率因鄰近地盤未完成之建築工程而仍然受到負面影響。

### 業務發展

過去八個月之利率逐步遞增，其累積之影響現已感染本地物業市場。過去兩年香港之物業價格快速上升，這情況現已經停止，及最近物業成交亦已減少。利率增加亦可能減慢本地其他經濟範疇的改善。

按上述情況，除卻利率增加及任何不可預知之負面因素外，預料本集團之物業租金收益於下個財政年度將保持平穩。

本集團會持續提升所持物業之質素以增加其在物業市場之競爭力。本集團認為現時香港及國內若干城市之物業價格已升至很高水平。由於利率上升及基於上述情況，本集團將以謹慎態度尋求投資機會。

本人謹在此向董事會同寅及本集團各同事之忠誠服務及貢獻敬表謝忱。

主席  
黃炳禮

香港，二零零五年十一月二十四日