

## 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, 2006 was HK\$148.7 million compared to HK\$231.2 million for same period last year.

If the revaluation surplus on investment properties net of deferred tax of HK\$113.9 million (2005 - HK\$203.7 million) were to be excluded, the underlying net profit for the year would be HK\$34.8 million (2005 - HK\$27.5 million) representing an increase of approximately 27 per cent over last year. This increase in profit was mainly attributable to the increase in rental income of the Group's investment properties in Hong Kong, despite a substantial increase in finance cost due to higher interest rate.

### DIVIDEND

The Board has recommended the payment of a final dividend of 12 cents per share to shareholders whose names appear on the Register of Members of the Company on 27th December, 2006. This together with the interim dividend of 3 cents per share paid on 20th July, 2006, will give a total dividend of 15 cents per share for the whole year. Upon approval at the Annual General Meeting, the proposed final dividend of 12 cents per share will be paid on 29th December, 2006.

### BUSINESS REVIEW

#### A. Hong Kong

The rental income of the Group's investment properties in Hong Kong contributed the major portion of the Group's operations profit for the financial year under review. Both the occupancy and new rental rate of these properties had benefited from the continuous improvement of the Hong Kong economy. Demand for both the local residential and commercial properties had been steady throughout the year.

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

#### B. Project in the Mainland

Silver Gain Plaza in Guangzhou (in which the Group has one-third interest) - The plan for the 4-storey commercial podium of Phase III has recently been approved by the relevant Government Authority. Construction of the foundation work will commence upon issuance of the Construction Permit, which is expected to be granted in early 2007. The commercial podium will have a floor area of 20,000 square meters. Two 27-storey residential towers consisting of 416 residential units with a total floor area of 42,000 square meters are planned on top of the podium. Construction cost will be financed by bank loan and internal funding of the project company.

## 主席報告書

### 全年溢利

本集團截至二零零六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一億四千八百七十萬元，比較上年度同期溢利為港幣二億三千一百二十萬元。

若撇除扣減遞延稅項後之投資物業重估盈餘港幣一億一千三百九十萬元(二零零五年為港幣二億零三百七十萬元)，年度內基本純利為港幣三千四百八十萬元，與上年度同期港幣二千七百五十萬元比較增加約百分之二十七。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，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十二仙予二零零六年十二月二十七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二零零六年七月二十日派發之中期股息每股三仙，全年之股息為每股十五仙。建議之末期股息每股十二仙，如在股東週年大會上通過，將於二零零六年十二月二十九日派發。

### 業務回顧

#### A. 香港

回顧本財政年度，本集團在香港之投資物業租金收入為集團提供主要部份之營運溢利。該等物業出租率及新租值因香港經濟繼續改善而得益。本集團之本地住宅及商業物業需求全年均保持平穩。

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所增長，並繼續對本集團提供溢利。

#### B. 國內項目

本集團持有三分一權益位於廣州之東銀廣場一第三期之四層高商業平台圖則已獲得有關政府部門批准。建築地基工程將於建築許可証發出後進行，該許可証預期於二零零七年初批出。商業平台樓面面積為二萬平方米。計劃於商業平台上建造兩幢二十七層高住宅大廈包括四百一十六個住宅單位，其總樓面面積為四萬二千平方米。建築工程費用將由項目公司以銀行貸款及內部資金融資。

## CHAIRMAN'S STATEMENT (Continued)

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 successful large scale IPOs of some mainland companies in the past six months have brought an influx of capital into Hong Kong. The stock transaction activities in the Hong Kong stock market and the Hang Seng Index have recently been driven to new record level. The continuous improvement of the mainland economy coupled with the above has benefited the local economy.

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

The Group will continue to upgrade its property holdings so as to enhance their competitiveness in the rental market, and will continue to look for investment opportunities with a cautious attitude.

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, 22nd November, 2006

## 主席報告書 (續)

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

於過往六個月期間，幾間中國公司之成功大型公開招股活動導致大量資金流入香港，驅使最近香港股票市場之股票交易活動及恒生指數達致新紀錄水平。中國經濟持續改善連同以上所述令本地經濟得益。

按上述情況，除卻利率增加及任何不可預知之負面因素外，預期本集團之物業租金收益於下個財政年度將會改善。

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，並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，二零零六年十一月二十二日