Set out below is information disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):

(A) COMMENTARY ON ANNUAL RESULTS

(I) Review of 2001/2002 Results and Segmental Performance

Group profit attributable to Shareholders for the year ended 31 March 2002 amounted to HK$86.3 million, a decrease of HK$156.2 million or 64.4% as compared with HK$242.5 million for the previous year. Earnings per share were 4.2 cents (2001–11.7 cents).

The Group's turnover for the year was HK$3,330.2 million, 72.3% higher than HK$1,932.7 million for 2000/2001, which was principally due to higher property sales revenue recognised by the Marco Polo Developments group ("MPDL") in respect of its sales of Ardmore Park units in Singapore.

The Group's operating profit before borrowing costs and provision for impairment in value of properties increased slightly by 3.0% to HK$1,344.0 million from HK$1,304.3 million despite the higher property sales contribution from MPDL. MPDL's favourable results were offset mainly by the absence of profit from disposal of non-trading securities in the current year as reported by the Realty Development Corporation group ("RDC"). MPDL's profit was mainly derived from recognition of a proportion of pre-sale profit from Ardmore Park of which 33% was recognised in 2001/2002 against 15.7% in the preceding year. The Certificate of Statutory Completion of Ardmore Park was obtained on 18 October 2001 and stage billings accumulating to 93% of the total sales price of the sold units have been billed and fully received.

Included in operating profit was other net loss of HK$33.3 million compared with a profit of HK$289.5 million for the previous year, which mainly related to the disposal of non-trading securities.

Borrowing costs charged to the profit and loss account for the year were HK$156.1 million, a substantial decrease from HK$284.9 million incurred in the previous year as a result of interest rate cuts and the reduction in the Group's net debt, which was mainly attributable to the abovementioned stage collection of Ardmore Park's sale proceeds.

Provision for impairment in value of properties for the year under review was HK$373.7 million which included a provision of HK$155.9 million made by MPDL in respect of the Ardmore View project and a provision of HK$217.8 million as reported by RDC for its development projects in Tuen Mun and Kwai Chung and certain land reserved for development. A provision of HK$338.7 million for 2000/2001 was made by RDC for its development projects as mentioned above.

Share of losses of associates was HK$353.9 million compared to HK$202.4 million for the previous year, both mainly resulting from the Group's share of provision for impairment in value of the Bellagio project made by an associate.

The taxation charge for 2001/2002 was HK$250.4 million, as compared with HK$113.2 million for 2000/2001. Higher taxation charges were recorded mainly due to increased sales revenue recognised by MPDL.

Minority interests were HK$123.6 million compared to HK$122.6 million in the previous year.

(II) Liquidity and Financial Resources

(a) At 31 March 2002, the Group's shareholders' funds totalled HK$11,483.4 million or HK$5.55 per share, decreased from HK$12,274.4 million or HK$5.93 per share at 31 March 2001 which was mainly due to the downward revaluation of Group's investment properties and long-term investments.

(b) At 31 March 2002, the Group's total net debts amounted to HK$850.5 million (2001– HK$3,192.7 million), representing total debts of HK$3,830.8 million less deposits and cash of HK$2,980.3 million. Accordingly, the Group's net debts represented 5.1% of its total assets as compared to 13.2% at 31 March 2001. The reduction in the Group's net debts was mainly due to substantial sale proceeds from sales of Ardmore Park units received by MPDL during the year under review.

The debt maturity profile of the Group at 31 March 2002 is analysed as follows:

	2002	2001
	HK$ Million	HK$ Million
Repayable within 1 year	**501.8**	287.3
Repayable after 1 year, but within 2 years	**1,800.0**	1,255.9
Repayable after 2 years, but within 5 years	**576.0**	2,518.0
Repayable after 5 years	**953.0**	–
	3,830.8	4,061.2

(c) The following assets of the Group have been pledged for securing bank loan facilities:

	2002	2001
	HK$ Million	HK$ Million
Investment properties	**2,857.5**	3,859.6
Long-term investments	**2,339.8**	2,400.9
Properties under development for sale	**1,734.2**	–
	6,931.5	6,260.5

Some of the pledges relating to long-term investments and properties under development for sale as included above representing a total amount of HK$924.4 million have been discharged subsequent to 31 March 2002.

(d) To minimise exposure on foreign exchange fluctuations, the Group's borrowings are primarily denominated in Hong Kong dollars except that the borrowings for financing Singapore assets are denominated in Singapore dollars. The Group has no significant exposure to foreign exchange fluctuation.

(e) At 31 March 2002, the Group maintained a portfolio of long-term investments of HK$4,467.8 million which primarily comprises blue chip securities with a market value of HK$4,405.8 million (2001–HK$4,655.9 million). The investment revaluation deficit at 31 March 2002 was HK$120.0 million, while there was a surplus of HK$334.0 million at 31 March 2001. The performance of the investment portfolio is basically in line with the general market trend of the stock markets.

(f) During the financial year, high liquidity was sustained in the banking market. The Group arranged a total of HK$2.8 billion committed banking facilities, to refinance its loan facilities with a substantial reduction in interest costs and on more favourable terms such as longer maturities, more lenient covenants and the inclusion of revolving condition. In addition, Salisburgh Company Limited, in which the Group has a one-third interest, also completed a project finance facility of HK$3.8 billion to finance the development of the Bellagio project.

(III) Contingent Liabilities

(a) Guarantees given by the Group in respect of banking facilities available to associates amounted to HK$2,459.2 million (2001–HK$1,936.1 million) of which HK$552.8 million (2001–HK$311.7 million) had been drawn at the balance sheet date.

(b) The Company, a non wholly-owned subsidiary and the ultimate holding company together with its two associates have jointly and severally guaranteed the performance and observance of the terms under an agreement for the development of the Sorrento (Kowloon Station Package II) project.

(IV) Employees

The Group has approximately 60 employees. Employees are remunerated according to nature of the job and market trends, with a built-in merit component incorporated in the annual increment to reward and motivate individual performance. The Group also sponsors external training programmes that are complementary to certain job functions. Total staff costs for the year ended 31 March 2002 amounted to HK$50.6 million.

(B) BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGERS

(I) Directors

Gonzaga W. J. LI, Chairman (Age: 73)

Mr. Li was appointed Chairman and a Director of the Company in 1997. He is also the senior deputy chairman of Wheelock and Company Limited ("Wheelock") which is deemed under the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance. Furthermore, he is the senior deputy chairman of The Wharf (Holdings) Limited ("Wharf"), the chairman of Harbour Centre Development Limited ("HCDL") and Marco Polo Developments Limited ("MPDL") in Singapore and a director of Joyce Boutique Holdings Limited ("Joyce").

C. C. HAUNG, Director (Age: 79)

Mr. Haung was appointed a Director of the Company on 3 June 2002. He was formerly a Director of the Company during the years 1994 and 1995 and had been the chairman of The World-Wide Investment Company Limited from 1989 to 1991. He is now the chairman of the advisory board of The World-Wide Investment Company Limited and a director/member of certain charitable institutions.

K. H. LEUNG, Director (Age: 57)

Mr. Leung has been a Director of the Company since 1990. He is also the finance director of Wheelock and a director of Wharf. Furthermore, he is a director of Myers Investments Limited and Wheelock Properties Limited ("Wheelock Properties"), which, as well as Wheelock, are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

T. Y. NG, Director (Age: 54)

Mr. Ng has been a Director of the Company since 1998. He is also a director of Wheelock, Wharf, HCDL, Joyce, Realty Development Corporation Limited and MPDL. Furthermore, he is a director of Wheelock Properties, which, as well as Wheelock, are each deemed under the SDI Ordinance to have an interest in the share capital of the Company discloseable to the Company under the provisions of Part II of the SDI Ordinance.

C. L. PAN, JP, Director (Age: 85)

Mr. Pan has been a Director of the Company since 1985. He is also a director of HCDL.

(II) **Senior Managers**

During the financial year, the senior management responsibilities of the Group were vested with the General Managers of the Company, namely, Wheelock Properties (as referred to in the Report of the Directors under the section headed "Management Contracts" on page 17), and none of the employees of the Group are regarded as Senior Managers.

(C) PENSION SCHEME

During the financial year, no pension scheme was operated by the Group. The retirement benefit schemes in which the Group's employees participated were the Central Provident Fund in Singapore and schemes operated by subsidiaries of Wharf.

The total employers' pension cost in respect of the above schemes for the year ended 31 March 2002 amounted to HK$2.5 million, of which HK$2.0 million was charged to the profit and loss account.

(D) MAJOR CUSTOMERS & SUPPLIERS

For the financial year ended 31 March 2002:

(a) the aggregate amount of purchases (not including the purchases of items which are of a capital nature) attributable to the Group's five largest suppliers represented 71% of the Group's total purchases;

(b) the amount of purchases attributable to the Group's largest supplier represented 36% of the Group's total purchases;

(c) none of the Directors of the Company or their associates holds, nor does any shareholder owning (to the knowledge of the Directors) more than 5% of the Company's equity capital hold, any interests in any of the Group's five largest suppliers; and

(d) the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover.

(E) DISCLOSURE UNDER PRACTICE NOTE 19

In relation to the provision of financial assistance by the Company and/or its subsidiaries to certain associates of the Company, namely, Diamond Hill Development Holdings Limited ("DHDHL"), Hopfield Holdings Limited ("Hopfield") and Grace Sign Limited ("Grace Sign") and/or their respective wholly-owned subsidiaries (together, the "Borrowers"), all of which were as previously disclosed in the Company's interim report for the six months period ended 30 September 2001, obligations in relation to the aforesaid financial assistance by the Group continued to exist as at 31 March 2002.

Set out below is a proforma combined balance sheet of the Borrowers as at 31 May 2002 (being the latest practicable date for determining the relevant figures) required to be disclosed under Practice Note 19 of the Listing Rules:

Proforma Combined Balance Sheet of Borrowers
as at 31 May 2002

	HK$ Million
Properties under development	16,316.2
Stakeholders' deposits	1,066.4
Deposits from sale of properties	(3,233.3)
Other net current liabilities	(181.2)
Bank loans	(1,612.0)
	12,356.1
Shareholders' loans	(14,128.1)
Shareholders' deficit	(1,772.0)

Financial assistance given by the Group is made up as follows:

		Guaranteed Bank Facilities		
	Loan advances HK$ Million	Amount drawn HK$ Million	Not yet drawn HK$ Million	Total HK$ Million
The Company and/or its wholly-owned subsidiary(ies)	3,613.0	64.5	1,313.3	4,990.8
Realty Development Corporation Limited and/or its wholly-owned subsidiary(ies) (72% owned by the Group)	1,215.5	322.4	422.9	1,960.8
	4,828.5	386.9	1,736.2	6,951.6

Note: The Group's attributable interests in DHDHL, Hopfield and Grace Sign were 33%, 35% and 15% respectively as at 31 May 2002.

Terms of the Financial Assistance:

Funding for DHDHL

Loan in the amount of HK$2,683.5 million made to DHDHL bears interest at such rate as may be agreed from time to time among DHDHL's shareholders. At present, that loan is interest-free (also applicable to all the loans made to DHDHL by all other DHDHL's shareholders). The loan is not repayable for so long as any borrowings under the abovementioned guaranteed bank facilities remain outstanding, except under certain circumstances as permitted under the relevant agreement for those bank facilities. No security is provided to the Group for the loan.

The Group's *pro rata* share of its financial obligation in respect of the bank facilities available to DHDHL amounted to HK$1,133.3 million. Such bank facilities are obtained upon normal commercial terms and at interest rates prevailing in the lending market. No security is provided to the Group by DHDHL against the issue of the relevant guarantee by the Group.

Funding for Hopfield

Loans in the amount of HK$1,859.0 million made to Hopfield bear interest at such rate as may be agreed from time to time among all Hopfield's shareholders, with reference to interest rates prevailing in the lending market, currently being fixed at 3.5% per annum (also applicable to all the loans made to Hopfield by all other Hopfield's shareholders). The loans are not repayable for so long as any borrowings under the abovementioned guaranteed bank facilities remain outstanding, except under certain circumstances as permitted under the relevant agreement for those bank facilities. No security is provided to the Group for the loans.

The Group's *pro rata* share of its financial obligation in respect of the bank facilities available to Hopfield amounted to HK$489.0 million of which HK$129.0 million has been drawn. Such bank facilities are obtained upon normal commercial terms and at interest rates prevailing in the lending market. No security is provided to the Group by Hopfield against the issue of the relevant guarantee by the Group.

Funding for Grace Sign

Loan in the amount of HK$286.0 million made to Grace Sign bears interest at such rate as may from time to time be agreed among Grace Sign's shareholders. At present, the interest rate of the loan have yet to be agreed by the shareholders of Grace Sign. Repayment of the loan will be subject to, *inter alia*, all borrowings under the abovementioned guaranteed bank facilities having been fully repaid, except under certain circumstances as permitted under the relevant agreement for those bank facilities. No security is provided to the Group for the loan.

The Group's *pro rata* share of its financial obligation in respect of the bank facilities available to Grace Sign amounted to HK$500.8 million of which HK$257.9 million has been drawn. Such banking facilities are obtained upon normal commercial terms and at interest rates prevailing in the lending market. No security is provided to the Group by Grace Sign against the issue of the relevant guarantee by the Group.

(F) DIRECTORS' INTERESTS IN COMPETING BUSINESS

Set out below is information disclosed pursuant to paragraph 8.10 of the Listing Rules of the Stock Exchange.

Three Directors of the Company, namely, Messrs. G. W. J. Li, K. H. Leung and T. Y. Ng, being also directors of the Company's parent company, namely, Wheelock and/or certain subsidiaries of Wheelock, are considered as having an interest in Wheelock under paragraph 8.10 of the Listing Rules.

The ownership of commercial premises by Wheelock group for rental purposes is considered as competing with the commercial premises owned by the Group for letting. Since the Group's commercial premises are not in close proximity to those owned by the Wheelock group and the customers and tenants for the Group's properties are somewhat different from those for the properties owned by the Wheelock group, the Group considers that its interest regarding the business of owning and letting of commercial premises is adequately safeguarded.

For safeguarding the interests of the Group, the independent non-executive Directors and the Audit Committee of the Company would on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's property leasing business is and continues to be run on the basis that it is independent of, and at arm's length from, that of the Wheelock group.

(G) CONNECTED TRANSACTION

There existed during the financial year a tenancy agreement between a non wholly-owned subsidiary of the Company as the landlord and a wholly-owned subsidiary of Wheelock as the tenant in respect of certain retail premises known as Shops C1 & C2 at Ground Floor, Wheelock House, with a total lettable area of 3,313 square feet for a term of three years from 1 July 2000 to 30 June 2003 at a monthly rental of HK$532,610.

Since the Company is a 74%-owned subsidiary of Wheelock, the tenancy agreement constitutes an on-going connected transaction for the Company. Details of this connected transaction were previously disclosed in a press announcement dated 20 July 2000.

The annual rent, exclusive of rates, air-conditioning charges and management fees received or receivable by the abovementioned landlord under the tenancy agreement during the year ended 31 March 2002 represented more than 0.03% but less than 3% of the latest audited consolidated net tangible asset value of the Group.

(H) COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied throughout the financial year the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Stock Exchange.