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 2003/04 Results and Segmental Performance

Profit/loss attributable to shareholders

The Group reported a profit attributable to Shareholders of HK$1,053.7 million for the year ended 31 March 2004 against a loss of HK$792.9 million for the previous year. Earnings per share were 50.9 cents (2003: loss per share 38.3 cents).

Included in the loss for 2002/03 are attributable impairment provisions totalling HK$1,377.4 million for properties, including the Bellagio and Sorrento development projects held through associates. A net write-back of provisions totalling HK$15.1 million was taken up in the accounts for the year under review. Excluding the above-mentioned provisions and write-back in the respective years, the Group's net profit would be HK$1,038.6 million for the current financial year, an increase of 77.7% compared to HK$584.5 million in 2002/03.

The improvement in the results in 2003/04 is partly attributable to the increase in the Group's share of profits from the sale of units at Sorrento and Parc Palais by the associates undertaking the respective developments.

Group turnover

The Group's turnover for the year was HK$1,602.3 million against HK$1,999.0 million recorded in 2002/03, a decrease of HK$396.7 million or 19.8%. The reduction was chiefly caused by lower property sales achieved in Hong Kong, compared to 2002/03 when 80% or 210 units of Palm Cove were sold.

Property sales for the year under review totalled HK$1,153.9 million (2003: HK$1,436.2 million), recognised mostly by the Marco Polo Developments group ("MPDL") in respect of its sale of 61 units at Grange Residences (out of the total 164 units) in Singapore. Other property sales during the year covered residential units at Palm Cove, The Astrid, Forest Hill, The Regalia and industrial units at Metro Loft. Metro Loft was launched in August 2003 resulting in 99 units (out of the total 255 units) sold as at 31 March 2004.

Despite a steady recovery in the business environment following subsidence of the SARS impact in mid-2003, the office leasing market remained very competitive due to the new supply of offices in Hong Kong. Chiefly as a result of the fall in rental levels, the Property Investment segment reported a decrease of HK$14.4 million or 5.2% in revenue from HK$275.3 million achieved in the previous year. Wheelock House was approximately 83% occupied while Fitfort, a retail mall, and Wheelock Place in Singapore were over 95% leased at satisfactory rental rates.

Group operating profit

The Group's operating profit before borrowing costs and write-back of property provisions was HK$534.2 million, a decrease of HK$221.5 million or 29.3% from that reported in 2002/03. The reduction in operating profit was largely caused by the decreased contributions recorded by the Property Development and Investment segments.

The Property Development segment reported a profit of HK$180.4 million, a decrease of HK$106.2 million as compared to HK$286.6 million achieved in the previous year. The decrease was mainly attributable to a drop in MPDL's contribution by HK$155.2 million, following the full recognition of Ardmore Park's profit in the previous financial years. MPDL's contribution for the year mainly came from the sale of units at Grange Residences.

The operating profit of the Property Investment segment decreased by HK$15.3 million to HK$183.7 million for the year given the soft office leasing market in Hong Kong as mentioned above.

Investment income for the year amounted to HK$174.9 million, comprising mainly recurring dividend income generated from the Group's long-term investment portfolio and interest earned. Included in the Investment and Others segment results is a net profit of HK$10.0 million on disposal of certain non-trading equity securities, an impairment loss of HK$41.4 million for the diminution in value of certain non-trading equity securities and a profit of HK$63.8 million on realisation of a portion of negative goodwill, which arose from the privatisation of the Realty Development Corporation group ("RDC") in March 2003, in accordance with the Group's accounting policies.

Borrowing costs

Borrowing costs charged to the profit and loss account were HK$51.5 million, representing a substantial decline of 49.9% from HK$102.8 million in the previous year. This was mainly due to the persistent low interest rate environment and reduction in the Group's net debt which resulted from cash inflows from the sale of Sorrento and Bellagio units distributed by the project companies among their shareholders in proportion to their equity interests in the respective projects. For the year under review, the Group's effective borrowing rate was approximately 2.0% per annum, reduced from 2.6% per annum for 2002/03.

Property provision/provision written back

Included in the Group's results is a provision written back of HK$24.2 million following a valuation review at 31 March 2004. The provision of HK$1,159.4 million made in the previous year comprised HK$773.3 million made for the properties held by RDC, mainly for farm land, and HK$386.1 million made by MPDL, mainly for Wheelock Place in Singapore.

Share of profits less losses of associates

The share of profit of associates was HK$712.5 million as opposed to a loss of HK$456.6 million for 2002/03. The profit for the year comprised mainly the share of attributable profit from the sale of units at Sorrento and Parc Palais. Included in the loss for the previous year is the attributable charge for the impairment in value of the Bellagio and the Sorrento projects.

Other items

Taxation charge for this year was HK$103.5 million covering mainly the attributed taxation charges provided by the project companies of the Parc Palais and the Sorrento projects. Included in the taxation of 2002/03 is a write-back of a tax provision for the Ardmore Park project of HK$102.7 million subsequent to a reduction of the Singapore income tax rate from 24.5% to 22.0%.

Profit shared by minority interests amounted to HK$62.2 million, mainly attributable to MPDL's profit. This compared to net loss shared by minority interests in the previous year of HK$170.3 million, which was mainly attributable to the loss incurred by RDC.

Results of MPDL, a Singapore listed subsidiary (Already consolidated in the above results)

MPDL reported a profit attributable to shareholders of S$90 million for the year ended 31 March 2004, compared to S$45.6 million achieved in 2002/03. MPDL's profit for the year was mainly derived from the sale of 61 units at Grange Residences. Its profit for the previous year was largely contributed by the sale of units at Ardmore Park though there was a property provision totalling S$84 million principally made for Wheelock Place. All units at Ardmore Park were sold and the remaining profit of the project was finally recognised in 2002/03.

(II) Liquidity and Financial Resources

Shareholders' funds

At 31 March 2004, the Group's shareholders' funds totalled HK$12,543.4 million or HK$6.06 per share, against HK$9,673.0 million or HK$4.67 per share at 31 March 2003. The improvement was chiefly due to the attributable surplus aggregating HK$1,725.2 million in the investment revaluation reserves as explained below.

Net debt and gearing

At 31 March 2004, the Group's net debt amounted to HK$112.2 million, comprising total debts of HK$2,094.1 million less deposits and cash of HK$1,981.9 million, as compared with a net debt of HK$1,010.5 million at 31 March 2003. Excluding the net cash of HK$158.4 million held by MPDL, the Company and its subsidiaries together had a net debt of HK$270.6 million. For the year under review, net cash inflows of HK$5.9 billion generated from the sale of units at Sorrento and Bellagio were distributed by the project companies among their shareholders in proportion to their equity interests in the respective projects and the Group hence had received HK$2.2 billion from those associates. During the second half of the year, MPDL completed the acquisition of the Sea View Hotel and the Times House sites in Singapore at a total consideration of approximately S$410 million (equivalent to about HK$1.9 billion).

At 31 March 2004, the ratio of the Group's net debt to shareholders' equity was 0.9% (2003: 10.4%), while the ratio of net debt to total assets was 0.8% (2003: 7.8%).

Committed and uncommitted facilities

(a) The Group's committed and uncommitted loan facilities amounted to HK$3.3 billion and HK$0.5 billion respectively. The debt maturity profile of the Group at 31 March 2004 is analysed as follows:

	2004	2003
	HK$ Million	HK$ Million
Repayable within 1 year	**230.0**	1,470.0
Repayable after 1 year, but within 2 years	**–**	700.0
Repayable after 2 years, but within 5 years	**1,864.1**	1,635.7
	2,094.1	3,805.7
Undrawn facilities	**1,700.0**	1,800.0

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

	2004	2003
	HK$ Million	HK$ Million
Investment properties	**1,658.9**	2,407.4
Properties under development for sale	**1,827.1**	1,499.9
Long-term investments	**–**	1,901.0
	3,486.0	5,808.3

(c) To minimise exposure to 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 other significant exposure to foreign exchange fluctuations except for its net investments in Singapore subsidiaries. Forward exchange contracts are entered into by MPDL for hedging its foreign currency deposits and investments.

Long-term investments

At 31 March 2004, the Group maintained a portfolio of long-term investments with a market value of HK$5,165.8 million (2003: HK$3,307.0 million) which primarily comprised a 7% interest in The Wharf (Holdings) Limited and other blue chip securities.

In accordance with the Group's accounting policies, non-trading securities classified as long-term investments are stated in the balance sheet at fair value. Changes in fair value are recognised in the investment revaluation reserves until the security is sold. At 31 March 2004, there was attributable surplus of HK$908.0 million on revaluation of the Group's long-term investments compared to a deficit of HK$888.0 million at 31 March 2003. The performance of the investment portfolio was generally in line with the stock markets.

(III) Major Property Projects Undertaken by Associates

Sorrento and Bellagio

Sales of Sorrento and Bellagio projects undertaken by associates, 40%-owned and 1/3-owned by the Group, respectively, are continuing with good progress. For the year under review, 721 units at the Sorrento and 384 units at the Bellagio were sold. At 31 March 2004, the 1,272 Phase I units of Sorrento were all sold and 799 units or 93% of Phase II were sold. The accumulated sales of Bellagio reached 1,677 units or 98% of the 1,704 Phase I and II units.

At 31 March 2004, the cash deposits in the stakeholders' account of Sorrento amounted to HK$0.4 billion, which would be sufficient to fully cover the outstanding construction costs for completion of the whole project. Following the completion of the Phase I and II units, the cash deposits of HK$1.2 billion kept in stakeholders' account of Bellagio at 31 March 2003 were distributed in April 2003 to the shareholders of the project company, namely, the Group, Wheelock and Wharf, in proportion to their equity interests in the project. Construction works for Bellagio Phases III and IV are underway in accordance with schedule and the estimated outstanding costs for completion of these phases are approximately HK$0.9 billion. The two project companies did not have any bank borrowings at 31 March 2004.

Parc Palais

Pre-sale of the Parc Palais, 20%-owned by the Group, was first launched in August 2003 with a good market response. At 31 March 2004, sales accumulated to 491 units or 70% of the entire 700 units.

At 31 March 2004, sale proceeds received by the project company were partially used for full repayment of the project loan and placing of deposits in the stakeholders' account for meeting the outstanding construction costs of the project, with the surplus cash distributed to the shareholders of the project company in proportion to their equity interests in the project.

(IV) Contingent Liabilities

(a) Guarantees given by the Group in respect of banking facilities available to associates amounted to HK$63.2 million (2003: HK$697.6 million) of which HK$55.8 million (2003: HK$349.9 million) had been drawn at the balance sheet date.

(b) The Company, a 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 project.

(V) Acquisition of Properties

Sea View Hotel sites

MPDL completed the acquisition of the Sea View Hotel site in Singapore at a purchase price of S$255 million in December 2003. In addition, MPDL also acquired the 30 China Airlines apartments which are adjacent to the Sea View Hotel site for S$35 million. These sites will be amalgamated for a proposed residential condominium development of approximately 546 apartments.

Times House site

MPDL completed the acquisition of the Times House site in Singapore for S$119 million in March 2004. The site has been acquired for a proposed residential condominium development of 228 apartments.

No. 6 Scotts Road

On 7 June 2004, MPDL entered into a sale and purchase agreement to acquire a property known as No. 6 Scotts Road, Singapore at a total consideration of S$345 million. A 10% deposit of the purchase price or S$34.5 million was paid. The property is proposed to be redeveloped into a new residential and commercial development. The residential segment of the new development will be for sale while the commercial segment will be held by MPDL as an investment property for leasing. The acquisition is expected to complete by September 2004.

(VI) Employees

The Group has 59 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 2004 amounted to HK$22.9 million.

(B) BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGERS

(I) Directors

Gonzaga W. J. LI, Chairman (Age: 75)

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”) and The Wharf (Holdings) Limited (“Wharf”). Furthermore, he is the chairman of Harbour Centre Development Limited (“HCDL”), Marco Polo Developments Limited (“MPDL”) in Singapore and Wheelock Corporate Services Limited (“WCSL”) and a director of Joyce Boutique Holdings Limited (“Joyce”).

Joseph M. K. CHOW, OBE, JP, Director (Age: 63)

Mr. Chow was appointed a Director of the Company in May 2003. He is also the managing director of JMK Consulting Engineers Limited as well as a director of the publicly-listed Chevalier International Holdings Limited.

T. Y. NG, Director (Age: 56)

Mr. Ng has been a Director of the Company since 1998. He is also a director of Wharf, HCDL, Joyce, MPDL and WCSL.

G. S. YEE, Director (Age: 53)

Mr. Yee was appointed a Director of the Company in May 2003. He is also the managing director of Pacific Can Company Limited.

Note: Both Wheelock and WCSL (formerly known as Wheelock Properties Limited) (of which Mr. G. W. J. Li and/or Mr. T. Y. Ng is/are director(s)) have interests in the share capital of the Company discloseable to the Company under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”).

(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 Corporate Services Limited (as referred to in the Report of the Directors under the section headed "Management Contracts" on page 18), and none of the employees of the Group are regarded as Senior Managers.

(C) DIRECTORS' INTERESTS IN SHARES

At 31 March 2004, Directors of the Company had the following personal beneficial interests, all being long positions, in the share capitals of the Company, the Company's parent company, namely, Wheelock and Company Limited ("Wheelock"), and an associate of Wheelock, namely, The Wharf (Holdings) Limited ("Wharf") and the percentages which the shares represented to the issued share capital of the Company, Wheelock and Wharf respectively:

	No. of Ordinary Shares (percentage of issued capital)
The Company	
Mr. G. W. J. Li	2,900 (0.0001%)
Wheelock	
Mr. G. W. J. Li	1,486,491 (0.0732%)
Mr. T. Y. Ng	70,000 (0.0034%)
Wharf	
Mr. G. W. J. Li	686,549 (0.0281%)
Mr. T. Y. Ng	178,016 (0.0073%)

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or to the Model Code for Securities Transactions by Directors of Listed Issuers:

(i) there were no interests, both long and short positions, held as at 31 March 2004 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO); and

(ii) there existed during the financial year no rights to subscribe for any shares, underlying shares or debentures of the Company which were held by any of the Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial year of any such rights by any of them.

(D) SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 31 March 2004 as recorded in the register kept by the Company under section 336 of the SFO and the percentages which the shares represented to the issued share capital of the Company:

	Names	**No. of Ordinary Shares** (percentage of issued capital)
(i)	Myers Investments Limited	1,536,058,277 (74.22%)
(ii)	Wheelock Corporate Services Limited (formerly known as Wheelock Properties Limited)	1,536,058,277 (74.22%)
(iii)	Wheelock and Company Limited	1,536,058,277 (74.22%)
(iv)	Bermuda Trust (Guernsey) Limited	1,536,058,277 (74.22%)

Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of all of the above-stated shareholdings to the extent that the shareholdings stated against parties (i) to (iv) above represent the same block of shares.

All the interests stated above represented long positions and as at 31 March 2004, there were no short positions recorded in the said register.

(E) PENSION SCHEME

During the financial year, no pension scheme of the Group was operated for any employee of the Group. The retirement benefit scheme in which the Group's employees participated was the Central Provident Fund in Singapore.

The employers' pension cost charged to the profit and loss account during the year ended 31 March 2004 in respect of the above retirement benefit scheme amounted to HK$2.1 million.

(F) MAJOR CUSTOMERS & SUPPLIERS

For the financial year ended 31 March 2004:

(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 80% of the Group's total purchases;

(b) the largest supplier accounted for 70% 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.

(G) DISCLOSURE OF FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

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 2003, obligations in relation to the aforesaid financial assistance by the Group continued to exist as at 31 March 2004.

Set out below is a proforma combined balance sheet of the Borrowers as at 31 May 2004 (being the latest practicable date for determining the relevant figures) required to be disclosed under Rules 13.20 and 13.22 of the Listing Rules of the Stock Exchange:

Proforma Combined Balance Sheet of the Borrowers

as at 31 May 2004

	HK$ Million
Deferred debtors	377.5
Properties under development/for sale	4,523.0
Stakeholders' deposits	804.1
Other net current liabilities	(550.4)
	5,154.2
Shareholders' loans	(6,037.8)
Shareholders' deficit	(883.6)

Financial assistance in respect of loan advances given by the Group is made up as follows:

	HK$ Million
DHDHL	1,759.7
Hopfield	119.8
Grace Sign	91.8
	1,971.3

Note: The Group's attributable interests in DHDHL, Hopfield and Grace Sign were 33-1/3%, 40% and 20% respectively as at 31 May 2004.

Terms of the financial assistance:

Funding for DHDHL

A loan in the amount of HK$1,759.7 million made to DHDHL bears interest at such rates as may from time to time be agreed among all 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 unsecured and has no fixed terms of repayment.

Funding for Hopfield

A loan in the amount of HK$119.8 million made to Hopfield bears interest at such rates as may from time to time be agreed among all Hopfield's shareholders, with reference to interest rates prevailing in the lending market, currently being fixed at 0.7% per annum (also applicable to all the loans made to Hopfield by all other Hopfield's shareholders). The loan is unsecured and has no fixed terms of repayment.

Funding for Grace Sign

A loan in the amount of HK$91.8 million made to Grace Sign bears interest at such rates as may from time to time be agreed among all Grace Sign's shareholders. At present, the interest rate of the loan has yet to be agreed by the shareholders of Grace Sign and no interest has been charged for the year ended 31 March 2004. The loan is unsecured and has no fixed terms of repayment.

(H) DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

Two Directors of the Company, namely, Messrs. G. W. J. Li 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.

(I) INTEREST CAPITALISED

The amount of interest capitalised by the Group during the financial year is set out in Note 5 to the Accounts on page 38.

(J) PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial year.

(K) DISCLOSURE OF CONNECTED TRANSACTION

Set out below is information in relation to a connected transaction involving the Company and/or its subsidiaries required under the Listing Rules of the Stock Exchange to be disclosed in the Annual Report and Accounts of the Company:

Disposal of 30% equity interest in Kim Realty Investment Pte Ltd ("KRI")

Pursuant to an agreement entered into on 11 June 2004 (the "Agreement"), Marco Polo Developments Limited ("MPDL"), which is a Singapore listed subsidiary of the Company, agreed to sell to a wholly-owned subsidiary of The Wharf (Holdings) Limited ("Wharf") a 30% equity interest (the "Sale Shares") in KRI together with certain loans it owed to MPDL (the "Shareholder's Loan").

As the Company is a 74%-owned subsidiary of Wheelock and Company Limited ("Wheelock"), and Wharf is a 48%-owned associate of Wheelock, the transaction constituted a connected transaction for both the Company and Wharf under the Listing Rules.

KRI does not carry on any business nor does it own any material assets apart from the holding of a 50% interest in Xiamen Dongfang Hotel Limited ("XDHL"). XDHL does not carry on any business nor does it own any material assets apart from being the owner of a 4-star hotel in Xiamen, Fujian Province, China, called The Marco Polo Xiamen. The disposal of the entire interest in KRI by MPDL is in line with the repositioning strategy of MPDL from hotel operations to property owner and developer and will enable MPDL to rationalise its business and to focus on its core business of property development.

The total consideration for the Sale Shares and the Shareholder's Loan amounted to S$2.04 million (equal to about HK$9.28 million). A deposit of S$204,000 (equal to about HK$928,200), representing 10% of the total consideration has been paid in cash by the Wharf group to MPDL on the signing of the Agreement. The balance of S$1.84 million (equal to about HK$8.37 million) will be fully payable in cash on completion of the Agreement which will take place one month after the signing of the Agreement.

(L) 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.