

**HENDERSON LAND DEVELOPMENT COMPANY LIMITED****Interim Results and Dividend**

The Board of Directors announces that for the six months ended 31st December, 2004, the unaudited consolidated net profit of the Group after taxation and minority interests amounted to HK\$1,296 million, representing an increase of 22% as compared with the restated net profit recorded in the corresponding period of the previous financial year. Earnings per share was HK\$0.71. As there was no development project completed during the period under review, profit from the pre-sales of units will be accounted for upon completion of projects in the second half of the current financial year.

The Board has resolved to pay an interim dividend of HK\$0.40 per share to shareholders whose names appear on the Register of Members of the Company on 20th April, 2005.

**Closing of Register of Members**

The Register of Members of the Company will be closed from Monday, 18th April, 2005 to Wednesday, 20th April, 2005, both days inclusive, during which period no requests for the transfer of shares will be accepted. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 15th April, 2005. Warrants for the interim dividend will be sent to shareholders on or before Friday, 22nd April, 2005.

**Management Discussion and Analysis****BUSINESS REVIEW****Property Sales**

During the period under review, the local economy made a marked recovery. Also, Mainland China continued to record strong economic growth. Foreign establishments as well as domestic businesses in Hong Kong both expanded their operations locally and also increased their local capital investments. The local employment market has been beneficiary of these positive developments. Consumer spending by Hong Kong citizens have shown an increase and these developments have also led to a boost in confidence for consumer spending and home purchase by local residents. Property sales activities were maintained at a brisk pace and significant improvements were recorded in sales prices, particularly for luxurious residential properties. Pre-sale of the Grand Promenade development of the Group which is situated at the eastern part of Hong Kong recorded satisfactory results. During the six-month period that ended on 31st December, 2004, approximately 1,700 completed units and pre-sale units were sold by the Group which included approximately 1,000 units that are attributable to the Group. Sales proceeds of these units, of which around 600 units were pre-sold, amounted to approximately HK\$4.8 billion attributable to the Group.

The Group has commenced pre-sale or sale of the following major development projects which are under construction or have been completed:

Location of Properties	Name of Building	Group's Interest (%)	Gross Floor Area of the project attributable to the Group (sq. ft.)
<b>Hong Kong</b>			
1. 28 Lo Fai Road Tai Po	Casa Marina I	100.00	226,561
2. 1 Lo Ping Road Tai Po	Casa Marina II	100.00	182,545
3. 1-98 King's Park Hill Road	King's Park Hill	62.20	149,972
4. 3 Seymour Road	Palatial Crest	63.35	117,384
5. 8 Hung Lai Road	Royal Peninsula	50.00	739,276
6. 99 Tai Tong Road Yuen Long	Sereno Verde - Phases 1 & 2 - Phases 3 & 4 (La Pradera)	44.00	502,219
7. 933 King's Road	Royal Terrace	100.00	138,373
8. Tseung Kwan O Town Lot Nos. 57 & 66	Park Central - Phases 1 & 2	24.63	722,352
9. 8 Fuk Lee Street	Metro Harbour View - Phases 1 & 2 (Residential)	73.02	1,054,567
10. 3 Kwong Wa Street	Paradise Square	100.00	159,212
11. 38 Tai Hong Street Sai Wan Ho	Grand Promenade	63.56	913,727
12. 39 Taikoo Shing Road (16 Shipyard Lane / 39 Taikoo Shing Road)	Splendid Place	75.00	64,517
13. Tseung Kwan O Town Lot No. 74	Park Central - Phase 3 (Central Heights)	25.00	79,766

## Landbank

The Group focused on making applications for land-use conversion of its agricultural land sites and continuing negotiations with the Government in connection with fixing land premium for certain agricultural land conversion sites of the Group, with a view to acquiring property development sites at relatively low costs. During the period under review, the Group also actively sought for acquisition of agricultural lands with great development potential. Recently, the Group acquired various agricultural land lots amounting to over 4 million sq. ft. which can be converted to development land in the near term.

Land-use modification premium in respect of the Group's site that is situate at 223-231 Wai Yip Street in Kwun Tong has already been paid. This site is now modified to office-cum-retail development usage with attributable permitted development floor area of approximately 1 million sq. ft. The Group is presently making preparation for the development plan of this project and this development will, upon completion, become a landmark project in the Kwun Tong District. During the period under review, the Group acquired certain agricultural land lots near Fanling Sheung Shui Town Lot No. 229, Ng Uk Tsuen, Fanling. After payment of the land-use conversion premium, the gross residential floor area of this development attributable to the Group will be increased to approximately 220,000 sq. ft. Also, for another agricultural land plot that is situate in Ng Uk Tsuen, Fanling known as Fanling Sheung Shui Town Lot No. 189, land-use conversion premium was paid in full in July of last year and the attributable residential development footage for this site is now increased to approximately 220,000 sq. ft.

During the period under review, the Group acquired a site located at 33 Lai Chi Kok Road, Kowloon that can be developed into a residential-cum-retail project of approximately 84,000 sq. ft. in total gross floor area. Also, the Group acquired the residential site situate at 590-596 Canton Road, Kowloon and this site will be combined with an existing site of the Group, being 598-600 Canton Road, to develop into a project of approximately 34,000 sq. ft. in total gross floor area. Further, during the period under review, four floors of an office building located at 9 Queen's Road, Central totally of 55,000 sq. ft. in gross floor area were acquired by the Group.

As at the end of the period under review, the total development land bank attributable to the Group amounted to approximately 19 million sq. ft. in gross floor area and the Group also held agricultural land lots of approximately 22.5 million sq. ft. in terms of total site area.

Subsequent to the period under review, agreement has been reached with the Government on fixing the land modification premium in respect of the two sites situate at 712 Prince Edward Road East / 112 King Fuk Street and 9-11 Sheung Hei Street both in San Po Kong that can be developed for hotel or commercial usage with a total gross floor area of approximately 340,000 sq. ft. attributable to the Group.

## West Kowloon Cultural District Project

In the middle of 2004, the Group on its own as a proponent submitted a proposal to the Hong Kong Government for development of the West Kowloon Cultural District Project. Various professional group forums and community public consultation sessions were held in respect of the proposals received by the Government on this project and the Group also participated in all of such meetings. The Government further provided premises in Kowloon as well as in Hong Kong Island for the exhibition of the project models related to the proposals for public viewing purposes. In addition, the public consultation period for the West Kowloon Cultural District project which already commenced in the fourth quarter of 2004 is aimed at seeking suggestions and comments from the general public on this project.

Under the proposal submitted by the Group, 3.45 million sq. ft. in development gross floor area of the project will be dedicated for cultural and arts purposes whereas commercial and residential development will amount to 7.35 million sq. ft. in gross floor area. The total development gross floor area proposed for the project thus amount to 10.8 million sq. ft. which equates to a plot ratio of 2.5 times. The mission is to create connectivity economically between culture and commerce, and socially between artists and the general public. Focusing on the notion "People is our priority", it aims to encourage Hong Kong citizens to participate actively in cultural and arts activities and promote Hong Kong as the cultural metropolis of Asia.

### Property Rental

During the period under review, the total rental income of the Group amounted to approximately \$1,113 million, which represented stable improvement as compared with the corresponding period of the previous financial year. Average occupancy level of the core rental properties has increased steadily to 96% during the first half of the current financial year, representing an increase of 2% as compared with the corresponding period of the previous financial year.

Following the continual expansion of those regions in Mainland China which are granted the Individual Visit Scheme status permitting residents of Mainland China to come to visit Hong Kong, visitors generating from this source continued to show unabated increase. The economy of Hong Kong embarked on a recovery path and rental rates of retail properties of the Group recorded a steady growth as a result, with double-digit increase in rental recorded in some of the Group's rental properties. The office portfolio of the Group also saw occupancy levels and rental rates on the rise, as the economy picked up in the second half of last year. Redecoration and refurbishment work on the Miramar Shopping Centre to be undertaken in stages had already commenced. Also, work on reconfiguration of part of the Shatin Plaza for improving tenancy mix had already commenced, aiming to bring about increase in unit rental for the premises in this shopping centre.

The Group and its listed associate, The Hong Kong and China Gas Company Limited, together own 47.5% of the International Finance Centre project which is located at the Airport Railway Hong Kong Station. As at the end of the period under review, both the shopping mall and office towers of this project were almost completely leased out and this project has already become a new landmark in Hong Kong.

As at the end of the period under review, the rental property portfolio of the Group totally amounted to 7.9 million sq. ft.

### Construction and Property Management

Four construction arms of the Group, namely, E Man, Heng Tat, Heng Shung and Heng Lai, with their rich experience and high efficiency, had completed the majority of the development projects of the Group. Besides professional cost and quality control, a lot of efforts had been made on environmental protection and safety, and remarkable progress had been achieved. While the site accident rate had hugely been reduced to a level significantly below the industrial average, the superb performances of the companies were also recognized by the industry and it was substantiated by the various industrial awards received. They included the "Considerate Contractors Award" and "Site Cleanliness and Tidiness Grand Award" from Works Bureau as well as the "Meritorious Award in Site Team" and "Meritorious Award in Building Site (Privates Sector)" from Labour Department and Occupational Safety & Health Council. In addition, the Two International Finance Centre construction project, completed jointly by E Man, has received the most prestigious "Quality Building Award". Based on its success in private development, E Man is proactively tendering for large-scale government projects and is ready to widely provide its unparalleled high quality construction services to the Hong Kong community.

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Hang Yick and Well Born, wholly-owned subsidiaries of the Group, provide high-quality property management services for residential estates, offices, factories, industrial buildings, shopping arcades and car parks developed by the Group, and units of Housing Authority. They have already been successfully accredited with certificates of ISO9001, ISO14001 and OHSAS18001. To maintain the management quality and efficiency, the Integrated Management System (IMS) has also been adopted. Furthermore, estates managed by Well Born have obtained Q-Mark certificates. By the activities of vocational training, volunteer, environmental protection, occupational health and safety and the like, the two subsidiaries have demonstrated continuous improvement on the quality of staff, service performance and social commitments. Devoted endeavor to serve the underprivileged was also committed. From July to December 2004, they were awarded a total of 74 public awards, which include "Good People Management Award", "The 2003 Champion of Highest Service Hour Award", "2004 Hong Kong Eco-Business Awards – Green Innovative Practice Award on Environmental Education (Gold Award)" and four consecutive years of "Employers Gold Star Award – Platinum Award" and so on. Following the successful implementation of the "Year of Team Spirit", the 2005 "Year of Integrity" will intensify the propagation of the Group's traditional image on clean and moral standards.

### Henderson Club

In August 2004, Henderson Club was launched by the Group to enhance communication between the Group and its customers. Alongside with the establishment of the Henderson Club, the Henderson Club Credit Card was launched in the form of Visa credit card co-branded with The Bank of East Asia, Limited, offering privileges and bonus points to the members of the Henderson Club. Following a series of promotional programmes on membership application put in place by the Group, these initiatives were met with good market response, with membership numbers continuing to show an increase. In addition, Henderson Club will review its offerings on a regular basis with a view to delivering more offerings and activities to its members for allowing the development of closer relationship with its members, thereby offering better services to the various customers of the Group.

### Henderson Investment Limited

The consolidated profit of this group for the six months ended 31st December, 2004 amounted to HK\$868 million, representing an increase of 5% over that recorded in the corresponding period of the previous financial year. During the period under review, the total rental income of this group amounted to approximately HK\$325 million which showed steady improvement over the corresponding period of the previous financial year. Average occupancy level of the core rental properties increased steadily to 96% during the first half of the current financial year, representing an increase of 2% as compared with that recorded in the corresponding period of the previous financial year. As at the end of the period under review, the rental property portfolio of this group totally amounted to 1.9 million sq. ft. The Newton Hotel Hong Kong and the Newton Hotel Kowloon of this group recorded an average occupancy level of approximately 90%, with slight increase in room tariff rates seen during the period under review. Benefiting from the Individual Visit Scheme and Closer Economic Partnership Arrangement ("CEPA") policies which were initiated by the Central Government, the retailing business of this group that is operated under its Citistore outlets recorded an increase in turnover during the period under review as compared to that recorded in the corresponding period of the previous financial year.

Megastrength Security Services Company Limited is wholly-owned by this group and provides professional "One-Stop Shop" for security services including the provision of security guards to commercial, residential and construction sites, event security services, security systems design and installation, 24-hour alarm monitoring services, patrol services and security consultancy services covering crisis management, contingency planning and technical surveillance counter measures. Megastrength currently offers quality professional securing services both to Group and non-Group customers. The operational performance as well as business reputation of this subsidiary continues to show satisfactory improvement.

China Investment Group Limited, a 64%-owned subsidiary of Henderson Investment Limited that is engaged in the toll-bridge and toll-road joint venture operations in Mainland China, continued to make contributions to this group's recurrent income stream. Operations relating to the infrastructure segment made approximately HK\$107.2 million in profit contribution to this group during the six-month period which ended on 31st December, 2004.

### Associated Companies

*The Hong Kong and China Gas Company Limited* recorded profit attributable to shareholders that amounted to HK\$3,052 million in the financial year ended 31st December, 2004, representing an increase of HK\$0.8 million as compared to that recorded in the previous financial year. As at the end of 2004, the number of customers reached 1,562,278, an increase of 42,112 customers over the previous year. Since the fourth quarter of 2003, the West-to-East gas pipeline project has been supplying natural gas to eastern China. In late 2004, the Sichuan-to-Wuhan gas pipeline project was completed. This has resulted in an ample supply of natural gas to surrounding areas and has facilitated the rapid growth of gas consumption markets. This group's development of city piped-gas business on the Mainland has been making good progress since 2004 with new projects successfully concluded in the Shunde District of Foshan in Guangdong Province, Danyang in Jiangsu Province, Beijing Economic-Technological Development Area, Anqing in Anhui Province, Huzhou in Zhejiang Province and Jilin City in Jilin Province. Overall, this group now has joint ventures in 30 Mainland cities across Guangdong, eastern China, Shandong, central China, northern China and northeastern China. This group was rated as one of the top ten companies in Yazhou Zhoukan's 2004 Chinese Business 500 listing and was ranked fourth for Hong Kong.

In Hong Kong, several substantial pipelaying projects are at the planning stage or currently under way. Construction of a transmission pipeline in the eastern New Territories is progressing smoothly. The trunk main which will supply gas to the international theme park in Lantau Island was completed in April 2004. On the property development front, this group has a 15% interest in the Airport Railway Hong Kong Station property development project. The shopping mall and office tower of Two International Finance Centre are almost fully let. The project's six-star hotel tower and suite hotel tower, both to be managed by Four Seasons Hotels and Resorts, are expected to commence operations in September 2005. Pre-sale of the Grand Promenade, Sai Wan Ho property development project in which this group has a 50% interest commenced in early August 2004, and is progressing well with good response. On completion in 2005, this project will provide 2,020 units, with a total floor area of approximately 1.7 million sq. ft., and is expected to yield substantial returns. On the other hand, the Ma Tau Kok south plant site is being developed into five residential apartment buildings, providing approximately 1,800 units, with a residential floor area of about 980,000 sq. ft. Including the commercial area, the total floor area of this project will be around 1.1 million sq. ft. This project is due for completion in 2006.

*Hong Kong Ferry (Holdings) Company Limited* reported a consolidated profit after taxation for the year ended 31st December, 2004 amounting to HK\$393 million, representing an increase of 48.5% as compared to that recorded in 2003. This group's profit for the year was mainly generated from the sale of the residential units of Metro Harbour View and the write back of previous revaluation deficit on the investment properties of this group. During the year under review, a total of about 600 residential units of Metro Harbour View were sold and this group recorded an operating profit of approximately HK\$304 million from the units sold. The occupancy rate in respect of the commercial arcade of this project, taking into account of the committed tenancies, stood at 91% at the end of the year under review. The land exchange of the development site at No. 222 Tai Kok Tsui Road has been completed. The site will be developed into a residential-cum-commercial property with a total gross floor area of approximately 320,000 sq. ft. and foundation works will commence in due course. As for the development of Nos. 43-51A Tong Mi Road, pre-sale will be launched in mid 2005 and project completion is scheduled for 2006. The lease modification of No. 6 Cho Yuen Street, Yau Tong has been completed and will be developed into a residential-cum-commercial property with a total gross floor area of approximately 150,000 sq. ft., with completion to be scheduled for 2007. The Ferry, Shipyard and Related Operations recorded an operating loss of approximately HK\$5 million, representing a significant improvement from the loss in last year. It is expected that the sale of the remaining units of Metro Harbour View will remain the primary source of income for this group in the coming year.

*Miramar Hotel and Investment Company, Limited* recorded HK\$159 million in unaudited profit attributable to shareholders for the six months ended 30th September, 2004, representing an increase of 64% over that recorded in the corresponding period of the previous financial year. With improvement in the world economy, coupled with supportive policies towards Hong Kong from the Central Government, the job market in Hong Kong has stabilised and consumer confidence has improved. Under the circumstances, this group was provided with a more favourable operating environment. For the period under review, Hotel Miramar recorded an average occupancy rate of 90% with increase in its average room rates in line with market level, and achieved a satisfactory increase in its operating profits compared with the same period last year. The average occupancy rates of the Miramar Shopping Centre and the Grade A offices of the Miramar Tower increased to 93% and 95% respectively, but rental income of these properties experienced a slight drop. As the property market continues to improve, it is expected that over time, rental income will also improve. Nearly 80% of the Knutsford Steps complex has been leased. The property market in California, USA remained positive. During the financial period under review, this group successfully sold approximately 96 acres of residential land and 16 acres of commercial land in Placer County at satisfactory prices, which generated meaningful profit contribution to this group. The property market in Shanghai has been healthy. Almost all the Shang-Mira Garden retail shops and all office units were successfully leased out. In addition, some of the leased office units were sold during the period under review. The food and beverage operations of this group showed a satisfactory performance during the period, registering increases in both profit and turnover as compared to the corresponding period of the previous year. Benefiting from the strengthening consumer confidence, revenues of cruise business, air ticket and hotel packages and commercial travel sectors increased satisfactorily compared to the same period last year.

### **Henderson China Holdings Limited**

For the six months ended 31st December, 2004, the unaudited consolidated net loss of this group after taxation and minority interests amounted to HK\$12 million as compared to a net loss of HK\$32 million that was recorded in the corresponding period of the previous financial year. Continual increase in gross domestic product and increasing inflow of foreign capital were sustained in Mainland China. Household income of residents in the major cities have shown marked improvement in recent years. These have resulted in growth in spending power and stimulated strong urge for property ownership amongst the domestic citizens. Property markets in major cities in Mainland China recorded satisfactory performance. In addition, demand from foreign enterprises and certain domestic companies for quality office properties also showed a rising trend. The residential property segment showed significant improvement as property sales were kept active. In the period under review, the joint venture development project of Lexi New City Phase IX had been sold out.

Construction work of Office Tower II of The Grand Gateway project in Shanghai had made satisfactory progress during the period under review and it is expected to be completed in mid-2005 as scheduled. Preparation in respect of leasing of this project is currently underway. This group is actively pursuing with the preparation of development plans for various sites including the large-scale mixed development project at Chao Yang District in Beijing as well as the commercial-residential project at No. 210 Fangcun Avenue, Fangcun District in Guangzhou, and foundation work in respect of the latter project is in progress.

### **Henderson Cyber Limited**

Henderson Cyber Limited reported loss attributable to shareholders of approximately HK\$4 million for the six months ended 31st December, 2004 as compared with HK\$11 million loss that was recorded for the corresponding period of the previous financial year. During the period under review, this group actively implemented its marketing strategy to continue to expand the iCare broadband and Internet services, IDD and retail businesses. With users and registered subscribers of the various services by this group growing to a total of 430,000 as at the end of December 2004, these business operations represent the major source of income for this group.

### **Corporate Finance**

The Group has always adhered to prudent financial management principles. In view of the historically low interest rate environment in Hong Kong, the Group capitalized on the prevailing favourable local loan market conditions to sign up in mid-September, 2004 jointly with Henderson Investment Limited a HK\$10 billion syndicated loan facility fixed at extremely attractive interest margins that consists of a 5-year tranche and a 7-year tranche in equal amounts, aiming to substantially increase banking facility limits available to the Group and also to lengthen its loan maturity profile. Taking the form of a revolving credit, this sizeable financing transaction will offer optimal flexibility to facilitate the funding of future major investments and business expansion of the Group. The syndicated loan facility was participated by 23 international banks from Hong Kong as well as from nine countries and its successful conclusion fully demonstrated the support and confidence that the banking community has placed in the Group. In addition, the Group has an abundant amount of bilateral banking facilities in place, which are predominately denominated in Hong Kong Dollars. As a result, the Group's exposure to foreign exchange risk is therefore extremely low. Other than hedging the foreign exchange rate risk or interest rate risk of the Group, the Group does not make use of any derivative instruments for speculative purpose.

## PROSPECTS

The implementation of the various measures initiated by the Central Government which include the Closer Economic Partnership Arrangement ("CEPA"), Individual Visit Scheme as well as the recent implementation of policies by the Central Government to facilitate outward investment by enterprises of the Mainland to invest in Hong Kong have led to a faster pace of economic development in Hong Kong. It is anticipated that the global economy will maintain its steady growth and the macro-economic measures adopted by the Central Government to regulate its domestic economy will also enable healthy economic development in Mainland China to be sustained. These will contribute to continuing economic growth in Hong Kong. Coupled with further clarification of the land policy by the Government, these will all benefit the overall property market of Hong Kong.

The Group will have a number of developments to be put up for sale. These include the large-scale luxurious waterfront residential project of its listed associate, The Hong Kong and China Gas Company Limited, located at 38 San Ma Tau Street in Kowloon which will provide a total of 1,800 flats. In addition, the residential project situate at Tai Po Town Lot No. 161 neighbouring the waterfront will provide 500 luxurious sea-view villas. Also, the Group will plan to launch the sale of the neighbouring development situate at 8 Fuk Hang Tsuen Road in Lam Tei, Tuen Mun at the time of commissioning of the Deep Bay Link towards the end of this year. This project will provide approximately 1,600 quality residential units in total. As for the Grand Promenade project situate in Hong Kong Island, results of pre-sale has been satisfactory after the public viewing of the new show flats of this project. Furthermore, pre-sale of another project of the Group that is located in the same district situate at Taikoo Shing Road known as the Splendid Place was met with very good response at the time of launch during the Chinese New Year period and all of the residential units as well as the shop units, except for those penthouse units which were specifically kept on reserve, were sold out within a short time span, thereby reflecting the strong demand for quality residential units in the urban area. Further, completed units at the Metro Harbour View project situate in Kowloon were also put up for sale. Since most of these projects are of relatively low development cost, it is anticipated that sale of these projects will bring substantial profit to the Group.

In respect of land replenishment, the Group has recently acquired several agricultural land plots situate in the New Territories which amount to over 4 million sq. ft. in land area in aggregate. These land plots will be converted into development land in the near term. The Group will take necessary steps to make application of land-use change in connection with future development of these sites. Furthermore, recent increase in land supply on the part of the Government will provide opportunities for the Group to expand its land bank. At the same time, the Group will also continue with its efforts to negotiate with the Government on proposals relating to change in land use as well as for fixing of land premium for modification and conversion of land use in respect of project sites owned by the Group. In addition, the Group will participate actively in land acquisition proposals such as that for the West Kowloon Cultural District.

As for the property rental market, rental and occupancy rates of the retail shopping properties and office properties of the Group have both registered steady improvement amidst growth recorded in the local economy. The Group will refurbish its core rental properties from time to time and will enhance the tenancy mix of these projects in order to improve the quality and enhance the rental income of these properties. The office towers and shopping mall of the International Finance Centre project which is located in the core central area of Hong Kong has become home to local operations of major global financial institutions and foreign enterprises. The office towers as well as the shopping mall of this project is now almost completely leased and the suite hotel of this project known as the Four Seasons Place is also scheduled to be open for business in September of this year. The Group possesses a rental property portfolio of close to 8 million sq. ft. and these properties will bring stable growth in rental income to the Group.

It is anticipated that demand for local residential properties will continue to increase and residential property prices will record satisfactory increase. This will result in growth in income in respect of property sales of the Group. With the anticipated gradual completion of the Grand Promenade, the Fuk Hang Tsuen project in Lam Tei and the Royal Green in Fanling in the second half of this financial year, profits from the pre-sales of units will be accounted for accordingly. Added with stable recurrent income generating from the Group's rental property portfolio and also steady profit contributions from the listed associated companies of the Group, it is anticipated that, in the absence of unforeseen circumstances, performance of the Group will show satisfactory growth in the current financial year.