

INTERIM DIVIDENDS

The Board has resolved to pay an interim dividend of HK\$0.10 per share in respect of the year ending 30th June, 2005. The Board has also resolved to pay a special dividend of HK\$0.50 per share in respect of the year ending 30th June, 2005. The aggregate dividend of HK\$0.60 per share will be paid to shareholders whose names appear in the Company's register of members at the close of business on 15th April, 2005.

Dividend warrants will be posted to shareholders on or about 23rd May, 2005.

CLOSURE OF REGISTER

The register of members will be closed from 14th April, 2005 to 15th April, 2005 (both days inclusive) during which period no share transfer will be effected.

REVIEW OF OPERATIONS

The unaudited profit attributable to shareholders for the six months ended 31st December, 2004 was HK\$134.96 million, an increase of 60% over the profit of the same period of the previous year. The increase in profit was mainly attributable to a substantial write-back of revaluation deficit in respect of the investment properties held by the Group and the Group's jointly controlled entities which offset the fall in rental income included in turnover.

HIGHLIGHTS OF PROPERTY DEVELOPMENT AND INVESTMENTS ARE SUMMARIZED BELOW: -

The Remaining Portion of Kowloon Inland Lot No. 1300 (No. 3 Jordan Road, Kowloon)

The site of approximately 2,906 sq.ft. is being developed into a 26-storey building comprising 48 furnished apartments and retail accommodation with a total gross floor area of approximately 29,880 sq.ft. The building and furnishing work has been substantially completed and leasing of the retail units and furnished apartment units is continuing.

Inland Lot 7105, Kam Hong Street, North Point

The property, which is wholly-owned by the Company, has a site area of approximately 17,870 sq.ft. The Government Lease under which the site is held was granted for the construction of housing for the employees of the Company. Your Company is currently at an advanced stage of negotiation with Government on the modification to the Government Lease. An offer of premium for such modification has been received but is considered to be excessive. An appeal to reduce the premium has therefore been submitted. Upon

agreement of the premium, the site can be developed into a commercial and residential complex with car parking space. Demolition of the existing building on the site has been completed. The General Building Plans for the redevelopment have also recently been approved.

Inland Lot 88, No. 391 Chai Wan Road, Chai Wan

The property, which is wholly-owned by the Company, has a site area of approximately 102,420 sq.ft. In May 2001, the site was rezoned and designated as a Comprehensive Development Area. In February 2002, the Town Planning Board approved, subject to a number of planning conditions, the Company's application under Section 16 of the Town Planning Ordinance for permission to redevelop the site into a residential and commercial complex. Planning approval was extended in January 2005 for a further three years subject to the same conditions. Your Company has initiated discussions with Government to negotiate the necessary modification to the Government Lease, including the premium for such modification. Following the recent completion of a tenancy on the property, the Company is endeavouring to maximise short term returns from the property before redevelopment commences.

UK Properties

The Group's commercial properties in London, namely Albany House, Thanet House and Scorpio House were fully let throughout the period under review and continue to perform well.

Outlook

The Group is proceeding with its plans for the redevelopment of its own land in Hong Kong. Upon agreement of the premium with the Government, the site at Inland Lot 7105, Kam Hong Street, North Point will be redeveloped into a commercial and residential complex with car parking space.

With its strong financial position, the Group intends to seize any sound property investment opportunity overseas and to pursue other investment opportunities promising attractive returns. In the meantime, the rising trend in interest rates in Hong Kong as well as worldwide should result in an increase in the interest income of the Company which had been in decline for the past few years owing to the extremely low interest rates environment.