

HENDERSON INVESTMENT 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\$868 million, representing an increase of 5% as compared with the restated net profit recorded in the corresponding period of the previous financial year. Earnings per share was HK\$0.31.

The Board has resolved to pay an interim dividend of HK\$0.13 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, Standard Registrars Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, 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 Thursday, 21st April, 2005.

Management Discussion and Analysis

BUSINESS REVIEW

Property Rental

Against the background of the local economy on the track of recovery and an active improving property market, the average occupancy rate of the rental properties of the Group was recorded at 96%, showing an increase of 2% when compared with that recorded in the corresponding period of the previous financial year. During the period under review, the Group recorded total rental income of approximately HK\$325 million, representing steady improvement over the corresponding period of the previous financial year.

As the core rental property portfolio of the Group mainly comprises retail shopping properties located in the populous new towns, tenants and patronage have always been stable. Benefiting from the implementation of the Individual Visit Scheme by the Central Government, local retail spending by incoming tourists from Mainland China continued on an increasing trend and the rental rates as well as rental income of retail properties both recorded noticeable growth as a result, with double-digit increase in rental observed in respect of some of the retail rental properties of the Group. As at the end of the period under review, the rental property portfolio of the Group amounted to 1.9 million sq.ft. in total gross floor area.

Hotel & Department Store Operations

The Newton Hotel Hong Kong and the Newton Hotel Kowloon of the Group recorded an average occupancy level of approximately 90%, with slight increase also registered in room tariff rates during the period under review. Benefiting from the Individual Visit Scheme and the Closer Economic Partnership Arrangement ("CEPA") policies which were initiated by the Central Government, the retailing business of the 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.