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 2004/05 Results and Segmental Performance

Profit attributable to shareholders

The Group reported a profit attributable to Shareholders of HK$1,743.0 million for the year ended 31 March 2005, increased by HK$689.3 million from HK$1,053.7 million for the previous year. Earnings per share were 84.2 cents (2004: 50.9 cents).

The significant improvement in profit was due to the inclusion in the results for the year under review of a write-back of attributable provisions totalling HK$844.3 million (2004: HK$15.1 million) principally for certain Group's investment properties located both in Hong Kong and Singapore, and the Bellagio, a joint venture development project in Hong Kong held by an associate. By excluding the non-recurring write-back in both years, the Group's net profit would only be HK$898.7 million in 2004/05, a decrease of HK$139.9 million or 13.5% from HK$1,038.6 million in 2003/04. The reduction was mainly a result of lower profit contribution from sale of Parc Palais and Sorrento units undertaken by associates.

Wheelock Properties (Singapore) Limited group ("WPSL") contributed a higher property development profit of HK$284.6 million compared to HK$159.7 million in the previous year, for more Grange Residences units in Singapore had been sold.

Group turnover

The Group's turnover for the year was HK$2,128.8 million against HK$1,602.3 million recorded in 2003/04, an increase of HK$526.5 million or 32.9%.

Property sale for the year under review was HK$1,669.7 million (2004: HK$1,153.9 million), out of which HK$1,416.2 million was recognised by WPSL in respect of its sale of 92 Grange Residences units. Other property sales during the year under review covered the industrial units at Metro Loft and certain residential units at The Astrid, Palm Cove and The Regalia.

The Property Investment segment reported an increase in rental revenue of HK$18.5 million to HK$279.4 million (2004: HK$260.9 million) largely because of additional rental revenue generated from the Oakwood Residence, a serviced apartment building in Japan acquired by WPSL during the year. Wheelock House and Fitfort, a retail mall, in Hong Kong as well as Wheelock Place in Singapore were approximately 95% leased at satisfactory rental rates, while the Oakwood Residence in Japan was over 90% occupied.

Group operating profit

The Group's operating profit before borrowing costs and write-back of provision for properties was HK$802.4 million, an increase of HK$268.2 million or 50.2% from HK$534.2 million reported in 2003/04. This increase was principally caused by the better results of the Property Development segment and Investment and Others segment.

The Property Development segment reported a profit of HK$353.2 million, an increase of HK$172.8 million as compared to HK$180.4 million achieved in the previous year. As mentioned above, the sale of Grange Residences units by WPSL is the major positive factor.

The operating profit of the Property Investment segment increased slightly by HK$7.1 million to HK$190.8 million, benefiting from the additional rental income from the newly acquired Oakwood Residence by WPSL.

Investment income for the year amounted to HK$267.2 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 were profits earned by WPSL of HK$89.3 million on disposal of certain listed securities and HK$9.5 million on disposal of an associate with hotel interests in Mainland China to a related party.

Borrowing costs

Borrowing costs charged to the profit and loss account were HK$26.4 million, representing a decline of 48.7% from HK$51.5 million in the previous year. The borrowing costs before capitalisation as development cost amounted to HK$58.3 million (2004: HK$62.3 million). For the year under review, the Group's effective borrowing interest rate was approximately 2.2% per annum, increased marginally from 2.0% per annum for 2003/04.

Write back of provision for properties

Included in the Group's results was a write-back of property provisions aggregating HK$468.2 million (or HK$397.6 million after minority interests) following a valuation review at 31 March 2005. The amount written back comprised provisions of HK$454.0 million and HK$14.2 million for the Group's investment properties and other properties respectively. Investment property revaluation surplus for the year under review amounted to HK$657.3 million of which HK$203.3 million was accounted for as reserves and HK$454.0 million was credited to the profit and loss account according to the Group's accounting policies. The revaluation deficits of the Group's investment properties charged to the profit and loss account in prior years had effectively been written back in full as at 31 March 2005.

Share of profits less losses of associates

The share of profit of associates amounted to HK$765.6 million (2004: HK$712.5 million), which included an attributable provision write-back of HK$446.7 million mainly for the Group's one-third owned Bellagio project. Based on the achieved selling price of the Bellagio Phases III and IV, which was launched in September 2004, and the prevailing residential property market conditions, the property provision of HK$1,327.0 million (HK$442.3 million attributed to the Group) previously made by the associate undertaking the project was considered no longer required and had been fully written back in its accounts. The share of associates' results also included profits derived from sale of Parc Palais, Bellagio and Sorrento units.

Other items

A taxation charge of HK$76.9 million was provided for the year against HK$103.5 million for the previous year.

Profit accrued to minority interests rose to HK$189.9 million from HK$62.2 million reported in 2003/04, which was attributable to WPSL's profit increase.

Results of WPSL, a Singapore listed subsidiary (already consolidated in the above results)

WPSL reported a profit attributable to its shareholders of S$198.1 million (about HK$925 million) for the year ended 31 March 2005, compared to S$89.8 million (about HK$406 million) achieved in the previous year. The increase in WPSL's profit for the year was mainly attributable to the sale of 92 Grange Residences units and a write-back of property provision charged to the profit and loss account in prior years in respect of Wheelock Place. At 31 March 2005, cumulative sales of Grange Residences reached 153 units or 93% (out of the total 164 units).

For the year under review, total cash dividends received from WPSL was HK$65.0 million.

(II) Liquidity and Financial Resources

Shareholders' funds

At 31 March 2005, the Group's shareholders' funds totalled HK$15,005.8 million or HK$7.25 per share, against HK$12,543.4 million or HK$6.06 per share at 31 March 2004. The improvement was chiefly due to the increase in an attributable investment revaluation surplus aggregating HK$619.1 million in the investment revaluation reserves as explained below.

Net cash / debt and gearing

At 31 March 2005, the Group had net cash of HK$369.6 million, comprising total debts of HK$3,114.9 million less deposits and cash of HK$3,484.5 million, against a net debt of HK$112.2 million at 31 March 2004. WPSL's net debt increased to HK$729.3 million at 31 March 2005 compared to net cash of HK$158.4 million at 31 March 2004 following the acquisition of properties – China Airlines apartments, Scotts Shopping Centre and The Ascott Singapore at No. 6 Scotts Road in Singapore and Oakwood Residence in Japan. Excluding WPSL's net debt, the Company and its subsidiaries together had a net cash of HK$1,098.9 million. For the year under review, net cash inflow of HK$3.4 billion generated from the sale of Sorrento, Bellagio and Parc Palais units 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$932 million from those associates.

Committed and uncommitted facilities

(a) The Group's committed and uncommitted loan facilities amounted to HK$4.2 billion and HK$0.5 billion respectively. The debt maturity profile of the Group at 31 March 2005 was analysed as follows:

	2005	2004
	HK$ Million	HK$ Million
Repayable within 1 year	–	230.0
Repayable after 2 years, but within 5 years	**3,114.9**	1,864.1
	3,114.9	2,094.1
Undrawn facilities	**1,600.0**	1,700.0

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

	2005	2004
	HK$ Million	HK$ Million
Investment properties	**474.5**	1,658.9
Properties under development for sale	**2,284.2**	1,827.1
	2,758.7	3,486.0

(c) At 31 March 2005, WPSL's borrowings are primarily denominated in Singapore dollars and Japanese yens for financing its properties in Singapore and Japan, respectively. Forward exchange contracts are entered into by WPSL for hedging its foreign currency deposits and investments. The Group has no other significant exposure to foreign exchange fluctuation except for its net investments in Singapore subsidiaries.

Long-term investments

At 31 March 2005, the Group maintained a portfolio of long-term investments with market value of HK$5,701.2 million (2004: HK$5,165.8 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, the 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 2005, such reserves account had an attributable accumulated surplus of HK$1,504.6 million, representing an increase of HK$596.6 million from HK$908.0 million at 31 March 2004. The performance of the portfolio was in line with the stock markets.

(III) Major Property Development Projects

Development Projects Undertaken by Associates

Bellagio

Pre-sale of Bellagio Phases III and IV undertaken by an associate, 1/3-owned by the Group, was first launched in September 2004 with an encouraging market response. For the year under review, 14 units in Phases I and II were sold and 752 units in Phases III and IV were pre-sold. At 31 March 2005, cumulative sales reached 1,691 units (or 99%) for Phases I and II and 752 units (or 44%) for Phases III and IV, generating a total revenue of about HK$6.8 billion.

At 31 March 2005, the cash deposits in stakeholders' account of Bellagio amounted to HK$0.4 billion, which would be sufficient to fully cover its outstanding construction costs for completion of the project. The project company did not have any external borrowings at 31 March 2005.

Sorrento

Sale of Sorrento, 40%-owned by the Group, was continuing with 40 Phase II units sold in 2004/05. At 31 March 2005, cumulative sales reached 2,111 units (all 1,272 Phase I units and 839 (98%) Phase II units), generating a total revenue of approximately HK$12.0 billion.

At 31 March 2005, the cash deposits in stakeholders' account of Sorrento for meeting the outstanding construction costs amounted to HK$0.3 billion. The project company did not have any external borrowings at 31 March 2005.

Parc Palais

Sale of the Parc Palais, 20%-owned by the Group, was continuing with good progress. For the year under review, 116 units were sold. At 31 March 2005, cumulative sales reached 607 units or 86% of the entire 700 units, generating a total revenue of approximately HK$5.8 billion.

A sufficient balance of sale proceeds received by the project company was held as deposits in stakeholders' account for meeting the outstanding construction costs and other liabilities of the project. Surplus cash was distributed to the shareholders of the project company in proportion to their equity interests in the project. The project company did not have any borrowings at 31 March 2005.

Development Projects Undertaken by WPSL

Grange Residences

Sale of Grange Residences undertaken by WPSL was continuing with good progress. For the year under review, 92 units were sold making the cumulative sales up to 31 March 2005 reach 153 units or 93% of the total 164 units.

The Cosmopolitan / The Sea View / Ardmore Vue

The redevelopment of other development projects undertaken by WPSL, including The Cosmopolitan, The Sea View and Ardmore Vue, are progressing according to plan. A private pre-launch for The Cosmopolitan was organised in March 2005 with encouraging market response. The Sea View is expected to be marketed in 2005.

(IV) Contingent Liabilities

At 31 March 2005, there was no guarantee given by the Group in respect of banking facilities available to associates (2004: HK$63.2 million).

(V) Acquisition/Disposal of Properties/Subsidiaries

China Airlines apartments

WPSL completed in May 2004 the acquisition in Singapore of China Airlines apartments comprising 30 units, which are adjacent to the Sea View Hotel site previously acquired by WPSL, at a consideration of S$35 million (about HK$160 million). This site is amalgamated with the Sea View Hotel site for a residential condominium development of 546 apartments, The Sea View.

Scotts Shopping Centre ("SSC") and The Ascott Singapore ("TAS")

WPSL completed in September 2004 the acquisition of SSC and TAS in Singapore at a total consideration of S$345 million (about HK$1,576 million). The intention is to redevelop it when all prevailing leases and the property management agreement expire towards the end of 2006.

Oakwood Residence Azabujuban ("Oakwood")

WPSL completed in September 2004 the acquisition of Oakwood in Japan for JPY5.5 billion (about HK$383 million). WPSL intends to hold the property as investment till the expiry of the existing management contract in respect of the serviced apartment in year 2012.

Angullia View

WPSL completed in April 2005 the acquisition of the Angullia View at a consideration of S$43.8 million (about HK$209 million). WPSL has planned to redevelop it into a luxury apartment.

No. 2 Heung Yip Road / others properties acquisition in Hong Kong

In May 2005, the Group entered into an agreement to acquire a property, known as No. 2 Heung Yip Road, in Hong Kong through a private tender at a total consideration of approximately HK$455 million. The acquisition is expected to be completed in June 2005.

The Group also acquired some office properties in Hong Kong at a total consideration of approximately HK$220 million.

Kim Realty Investment Pte Ltd ("KRI")

WPSL completed in July 2004 the disposal to The Wharf (Holdings) Limited of its 30% equity interest in KRI which owns a 50% interest in a 4-star hotel in Xiamen, The Marco Polo Xiamen, for a total consideration of S$2.04 million (equal to HK$9.5 million).

Hamptons Group Limited ("Hamptons")

On 14 March 2005, WPSL entered into an agreement to acquire 2,424,310 shares in Hamptons, a UK-based estate agency company which was originally 32.4% owned by WPSL, at a purchase price of £3.12 per share payable by cash. The acquisition of such Hamptons shares was completed in April 2005. As this increased WPSL's shareholding interest in Hamptons beyond 35%, a general offer (described as a tag along procedure under the articles of association of Hamptons) was triggered. All other shareholders of Hamptons accepted the offer with the result that Hamptons became a wholly-owned subsidiary of WPSL. The total consideration paid by WPSL amounted to approximately £23.8 million (about HK$357 million).

(VI) **New Accounting Interpretation for the Recognition of Revenue arising from Pre-sale of Properties**

Prior to 1 January 2005, profit on pre-sale of properties is recognised over the course of development and is calculated each year as a proportion of the total estimated profit to completion. With the introduction of HK Interpretation 3 "Revenue – Pre-Completion contracts for the sale of development properties" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the Group now recognises revenue arising from pre-sale of properties upon completion of development of the property. The Group has relied on the transitional provisions set out in the Interpretation such that the Group will continue to adopt the stage of completion method to recognise revenue arising from pre-sale contracts entered into before 1 January 2005 while the completion method is adopted for pre-sale contracts entered into on or after 1 January 2005. This change has no significant financial impact on the Group.

(VII) **Future Changes in Accounting Policies**

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively, "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The Group has not early adopted these new HKFRSs in the accounts for the year ended 31 March 2005 and has made a preliminary assessment of the impact of these new HKFRSs. The Group has so far concluded that the adoption of Hong Kong Accounting Standards 40 "Investment Property", Hong Kong Financial Reporting Standards 3 "Business Combinations" and HK(SIC) Interpretation 21 "Income taxes – recovery of revalued non-depreciable assets" will have certain impacts on its consolidated accounts as detailed in Note 31 to the Accounts.

The Group will be continuing with the assessment of the impact of the other new HKFRSs and other significant changes may be identified as a result.

(VIII) **Employees**

The Group has 95 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 2005 amounted to HK$42.1 million.

(B) BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGERS ETC.

(I) Directors

Gonzaga W. J. LI, Chairman (Age: 76)

Mr. Li has been the Chairman and a Director of the Company since 1997. He is also the senior deputy chairman of Wheelock and Company Limited ("WCL") and The Wharf (Holdings) Limited ("Wharf"), the chairman of Harbour Centre Development Limited ("HCDL"), Wheelock Properties (Singapore) Limited ("WPSL") in Singapore and Wheelock Corporate Services Limited ("WCSL"), and also the chairman and chief executive officer of Wharf China Limited. Furthermore, he is a director of Joyce Boutique Holdings Limited ("Joyce") and Modern Terminals Limited ("MTL").

Joseph M. K. CHOW, OBE, JP, Director (Age: 64)

Dr. Chow has been a Director of the Company since 2003. He also serves as a member of the Company's Audit Committee. Dr. Chow is the chairman of Joseph Chow & Partners Limited as well as an independent non-executive director of the publicly-listed Chevalier International Holdings Limited, Build King Holdings Limited and Paul Y. - ITC Construction Holdings Limited.

Herald L. F. LAU, Director (Age: 64)

Mr. Lau has been an independent Non-executive Director of the Company since 1 September 2004. He also serves as a member of the Company's Audit Committee. Mr. Lau has been practicing as a certified public accountant in Hong Kong for over 30 years and has extensive experience in auditing, finance, taxation and management. He was formerly a partner of a professional accountants firm PricewaterhouseCoopers, Hong Kong, until his retirement from the firm in June 2001. He is also an independent non-executive director of Fairwood Holdings Limited, Kerry Properties Limited and China World Trade Center Company Limited. Mr. Lau is a fellow member of The Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

David J. LAWRENCE, Director (Age: 59)

Mr. Lawrence has been a Director of the Company since 27 January 2005. He is also an executive director of WCL. Mr. Lawrence joined Wharf in 1992. In 1993, he took up a board appointment with WPSL of which he is now the chief executive officer and managing director. He is a fellow member of The Hong Kong Institute of Surveyors, the Royal Institute of Chartered Surveyors, the Singapore Institute of Surveyors and Valuers, the Singapore Institute of Directors and The Hong Kong Institute of Directors.

David T. C. LIE-A-CHEONG, Director (Age: 45)

Mr. Lie-A-Cheong has been an independent Non-executive Director of the Company since 30 September 2004. He is also the executive chairman of Newpower International (Holdings) Company, Limited, and China Concept Consulting Limited, the chairman of the China Committee of The Hong Kong General Chamber of Commerce, the North Asia Area chair of The Young Presidents' Organisation, a member of the Hong Kong Committee for Pacific Economic Cooperation and a member of The National Committee of the 8th, 9th and 10th Chinese People's Political Consultative Conference since 1993. He also holds a number of other public offices. In December 2004, he also became the Honorary Consul of The Hashemite Kingdom of Jordan in Hong Kong SAR.

T. Y. NG, Director (Age: 57)

Mr. Ng has been a Director of the Company since 1998. He is also a director of Wharf, HCDL, Joyce, MTL, WCSL and WPSL. Mr. Ng is an associate member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

Paul Y. C. TSUI, Director (Age: 58)

Mr. Tsui has been a Director of the Company since 27 January 2005. He is also an executive director of WCL and a director of Joyce and WPSL. Furthermore, he is the senior deputy managing director of WCSL and a director of Myers Investments Limited ("Myers"). Mr. Tsui is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants.

Glenn S. YEE, Director (Age: 54)

Mr. Yee has been an independent Non-executive Director of the Company since 2003. He also serves as a member and the chairman of the Company's Audit Committee. Mr. Yee is the managing director of Pacific Can Company Limited.

Notes: (1) WCL, WCSL and Myers (of which Mr. G. W. J. Li, Mr. D. J. Lawrence, Mr. T. Y. Ng and/or Mr. P. Y. C. Tsui is/are director(s)) have interests in the share capital of the Company discloseable to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO").

(2) The Company has received from each independent Non-executive Director an annual confirmation of his independence pursuant to the Listing Rules, and the Company still considers the independent Non-executive Directors to be independent.

(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 22), and none of the employees of the Group are regarded as Senior Managers.

(C) DIRECTORS' INTERESTS IN SHARES

At 31 March 2005, 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, WCL, a subsidiary of the Company, namely, WPSL, and an associate of WCL, namely, Wharf, and the percentages which the shares represented to the issued share capital of the Company, WCL, WPSL and Wharf respectively are also set out below:

	No. of Ordinary Shares (percentage of issued capital)
The Company	
G. W. J. Li	2,900 (0.0001%)
WCL	
G. W. J. Li	1,486,491 (0.0732%)
T. Y. Ng	70,000 (0.0034%)
WPSL	
D. J. Lawrence	250,000 (0.0627%)
Wharf	
G. W. J. Li	686,549 (0.0281%)
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 2005 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 as at 31 March 2005, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the "Register") 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	1,536,058,277 (74.22%)
(iii)	Wheelock and Company Limited	1,536,058,277 (74.22%)
(iv)	HSBC Trustee (Guernsey) Limited	1,536,058,277 (74.22%)

Notes: (1) *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.*

(2) *Due to the amalgamation of Bermuda Trust (Guernsey) Limited with HSBC Trustee (Guernsey) Limited into one company known as HSBC Trustee (Guernsey) Limited with effect from 1 January 2005, the name of Bermuda Trust (Guernsey) Limited, which appeared in the Register prior to 1 January 2005, has been accordingly amended to become HSBC Trustee (Guernsey) Limited.*

All the interests stated above represented long positions and as at 31 March 2005, there were no short positions recorded in the 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 2005 in respect of the above retirement benefit scheme amounted to HK$1.9 million.

(F) MAJOR CUSTOMERS & SUPPLIERS

For the financial year ended 31 March 2005:

(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 93% of the Group's total purchases;

(b) the largest supplier accounted for 79% 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 AN AFFILIATED COMPANY

In relation to the provision of financial assistance by the Company and/or its subsidiaries to an associate of the Company, namely, Diamond Hill Development Holdings Limited ("DHDHL") and/or its wholly-owned subsidiaries, which was previously disclosed in the Company's interim report for the six-month period ended 30 September 2004, obligations in relation to the aforesaid financial assistance by the Group continued to exist as at 31 March 2005.

Set out below is a proforma consolidated balance sheet of DHDHL as at 31 May 2005 (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:

Proforma Consolidated Balance Sheet of DHDHL
at 31 May 2005

	HK$ Million
Properties under development/for sale	5,338.3
Stakeholders' deposits	367.0
Deposits from sale of properties	(2,251.5)
Other net liabilities	(159.2)
	3,294.6
Shareholders' loans	(3,988.1)
Shareholders' deficit	(693.5)

Note: At 31 May 2005, the Group's attributable interests in DHDHL was 33-1/3%.

Terms of the Financial Assistance:

A loan in the amount of HK$1,329.4 million made to a subsidiary of 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 this subsidiary by all other DHDHL's shareholders). 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 Rule 8.10 of the Listing Rules.

Four Directors of the Company, namely, Messrs. G. W. J. Li, D. J. Lawrence, T. Y. Ng and P. Y. C. Tsui, being also directors of the Company's parent company, namely, WCL, and/or certain subsidiaries of WCL, are considered as having an interest in WCL under Rule 8.10 of the Listing Rules.

The ownership of commercial premises by WCL 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 WCL group and the customers and tenants for the Group's properties are somewhat different from those for the properties owned by the WCL 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 WCL 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 42.

(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 CONTINUING CONNECTED TRANSACTIONS

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

(I) Tenancy Agreement with Wheelock Properties (Hong Kong) Limited

On 30 August 2004, a tenancy agreement (the "Tenancy Agreement") in respect of the whole of 5th Floor, Wheelock House, 20 Pedder Street, Hong Kong for the period from 1 September 2004 to 31 August 2007 was entered into between Marnav Holdings Limited ("Marnav"), a wholly-owned subsidiary of the Company as the landlord, and Wheelock Properties (Hong Kong) Limited ("WPHK"), a wholly-owned subsidiary of WCL as the tenant.

As the Company is a 74%-owned subsidiary of WCL, the transaction constitutes a continuing connected transaction for the Company under the Listing Rules.

The rental receivable by Marnav from WPHK under the Tenancy Agreement for each of the four financial years ending 31 March 2008 would range from HK$0.8 million to HK$2.0 million.

With ownership of properties for letting being one of the Group's principal business activities, rental income is an important recurrent income source of the Group. The stable and satisfactory rental revenue to be generated from the tenancy under the Tenancy Agreement is therefore beneficial to the Group.

(II) Master Services Agreement with Wheelock and Company Limited

Under various agreements previously entered into, the Company together with some of its wholly-owned subsidiaries have appointed certain subsidiaries of WCL for the provision by the latter of general managerial and/or administrative services, including legal, secretarial, human resources, accounting and financial and information technology services (the "General Management Services"), and property management and/or leasing and other property related services (the "Property Services") (collectively, the "Services").

On 22 December 2004, a master services agreement (the "Master Services Agreement") was entered into between the Company and WCL to, among other things, provide for an annual aggregate maximum amount payable by the Group for the Services provided and to govern the entry into of any further individual agreements separately between members of the Group with members of WCL group in respect of the provision of the Services.

As the Company is a 74%-owned subsidiary of WCL, the transaction constitutes a continuing connected transaction for the Company under the Listing Rules.

Under the Master Services Agreement, the aggregate amount of remuneration payable by the Group for the General Management Services will be subject to an annual cap amount of HK$40.0 million in respect of each of the three financial years of the Company from 1 April 2004 to 31 March 2007. Furthermore, the aggregate amount of remuneration payable by the Group for the Property Services will be subject to annual cap amounts of HK$10.0 million, HK$11.5 million and HK$13.2 million respectively for those three financial years.

(III) **Confirmation from Directors etc.**

The Directors, including the independent Non-executive Directors, of the Company have reviewed the continuing connected transactions mentioned above (the "Transactions") and confirmed that the Transactions were entered into:

(a) by the Group in the ordinary and usual course of its business;

(b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms that are no less favourable than those available to or from (as appropriate) independent third parties; and

(c) in accordance with the relevant agreements governing such continuing connected transactions on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

Furthermore, the auditors of the Company have advised the following:

(1) the Transactions had been approved by the Company's Board of Directors;

(2) nothing came to the attention of the auditors of the Company that caused them to believe that the Transactions were not entered into in accordance with the terms of the related agreements governing the Transactions, or, where there was no agreement, on terms no less favourable than those for similar transactions undertaken by the Group with independent third parties where available; and

(3) the Transactions had not exceeded the cap disclosed in the previous announcements during the year ended 31 March 2005.

(L) COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied throughout the financial year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules in force prior to 1 January 2005, which remains applicable to disclosure in annual reports in respect of accounting periods commencing before 1 January 2005 under the transitional arrangements. Nevertheless, the continuing connected transactions in relation to the tenancy between Marnav and WPHK and the Master Services Agreement between the Company and WCL as described above, being matters involving conflict of interest for WCL, which is the Company's ultimate holding company, were not approved at meetings of the Company's Director in accordance with the provision of paragraph 11 of the abovementioned Code of Best Practice, but instead were duly approved by Resolutions in Writing of the Board of Directors of the Company.