

HENDERSON LAND DEVELOPMENT COMPANY LIMITED

Interim Results and Dividend

The Board of Directors announces that for the six months ended 31st December, 2005, the unaudited consolidated net profit of the Group attributable to equity shareholders amounted to HK\$7,649 million and earnings per share was HK\$4.22. This profit figure included a revaluation surplus on investment properties net of deferred tax of HK\$5,300 million and represents an increase of HK\$5,861 million or 328% over the restated consolidated net profit for the same period in the previous financial year.

If the revaluation surplus on investment properties net of deferred tax were not to be taken into account, the underlying net profit for the period would be HK\$2,358 million, showing an increase of HK\$1,072 million over the restated underlying net profit of HK\$1,286 million for the same period in the previous financial year. Underlying earnings per share was HK\$1.29, representing an increase of 83% over that for the same period in the previous financial year. The increase was mainly attributed to the completion of the entire "Grand Promenade" development project during the period under review which accounted for an after-tax profit of HK\$600 million and the net non-operating income of HK\$651 million from the privatisation of Henderson China and Henderson Cyber.

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 26th April, 2006.

Closing of Register of Members

The Register of Members of the Company will be closed from Monday, 24th April, 2006 to Wednesday, 26th April, 2006, 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, 21st April, 2006. Warrants for the interim dividend will be sent to shareholders on or before Friday, 28th April, 2006.

Management Discussion and Analysis

BUSINESS REVIEW

Property Sales

The Hong Kong economy continued to perform well leading to notable improvement in local employment and robust retail trade as well as a boost in consumer spending and home buyers' confidence. In the local property market, sales turnover remained active. For the six months ended 31st December, 2005, the Group sold and pre-sold a total of approximately 600 residential units generating sales revenues of approximately HK\$2,800 million attributable to the Group. In particular, the launch of the Group's development projects, namely, "CentreStage" on Hollywood Road, "Royal Green — Block 3" on Ching Hiu Road and "Royal Terrace" in North Point all recorded satisfactory results.

During the period under review, property turnover totalling HK\$403 million was recorded in respect of the sales of the completed units of "Royal Terrace", "9 Durham Road" and "Metro Harbour View". Coupled with full completion of the "Grand Promenade" which is a large-scale waterfront joint venture development project, this resulted in an increase in the total sales revenue recorded by the Group during the period under review as compared to that reported in the same period of the previous financial year.

The following development projects were completed in the period under review:

Location	Site Area (sq.ft.)	Gross Floor Area (sq.ft.)	Land-Use Purpose	Group's Interest (%)	Gross Floor Area (sq.ft.)
1. 38 Tai Hong Street, Sai Wan Ho (Grand Promenade - Towers 1 & 6)	131,321 (Note)	564,375	Residential	63.82	360,184
2. 51 Man Tung Road, Tung Chung (Novotel Citygate)	358,560	236,720	Hotel	20.00	47,344
					<hr style="width: 100%; border: 0.5px solid black;"/> 407,528 <hr style="width: 100%; border: 0.5px solid black;"/>

Note: The site area for the whole of Grand Promenade is 131,321 sq.ft.

Pre-sale/sale of completed properties and projects under construction:

Location	Site Area (sq.ft.)	Gross Floor Area (sq.ft.)	Land-Use Purpose	Group's Interest (%)	No. of Residential Units Unsold & Pending Sale as at Period End	Approximate Gross Area of Remaining Unsold Units (sq.ft.)
(1) Completed property units pending sale:						
1. 28 Lo Fai Road, Tai Po (Casa Marina I)	283,200	226,561	Residential	100.00	48	164,667
2. 1 Lo Ping Road, Tai Po (Casa Marina II)	228,154	182,545	Residential	100.00	48	145,849
3. 1-98 King's Park Hill Road (King's Park Hill)	168,392	241,113	Residential	62.44	38	89,771
4. 3 Seymour Road (Palatial Crest)	17,636	185,295	Commercial/ Residential	63.35	24	29,715
5. 8 Hung Lai Road (Royal Peninsula)	162,246	1,478,552	Residential	50.00	39	48,501
6. 99 Tai Tong Road, Yuen Long (Sereno Verde & La Pradera)	380,335	1,141,407	Residential	44.00	14	12,355
7. 933 King's Road (Royal Terrace)	16,744	138,373	Commercial/ Residential	100.00	24	19,795
8. Tseung Kwan O Town Lot Nos. 57 and 66 (Park Central - Phases 1 & 2)	359,883	2,932,813	Commercial/ Residential	24.63	56	46,461
9. 8 Fuk Lee Street (Metro Harbour View - Phases 1 & 2)	228,595	1,714,463	Residential	73.02	300	170,773
10. 3 Kwong Wa Street (Paradise Square)	17,297	159,212	Commercial/ Residential	100.00	58	37,128
11. 38 Tai Hong Street, Sai Wan Ho (Grand Promenade)	131,321	1,410,629	Residential	63.82	559	579,767

Location	Site Area (sq.ft.)	Gross Floor Area (sq.ft.)	Land-Use Purpose	Group's Interest (%)	No. of Residential Units Unsold & Pending Sale as at Period End	Approximate Gross Area of Remaining Unsold Units (sq.ft.)
12. 39 Taikoo Shing Road (Splendid Place)	10,405	86,023	Commercial/ Residential	75.00	15	10,180
13. Park Central - Phase 3 (Central Heights)	39,148	319,066	Residential	25.00	218	197,020
14. 18 Ching Hiu Road, Sheung Shui (Royal Green - Phase 1)	97,133 (Note)	320,262	Residential	45.00	211	144,669
					1,652	1,696,651
				No. of Units:		

Location	Site Area (sq.ft.)	Gross Floor Area (sq.ft.)	Land-Use Purpose	Group's Interest (%)	No. of Residential Units included	Approximate Gross Area (sq.ft.)
(2) Projects under construction offered for pre-sale and projects pending sale:						
(A) Projects under construction offered for pre-sale						
1. 108 Hollywood Road and 1-17 Bridges Street (CentreStage)	26,903	276,846	Commercial/ Residential	100.00	60	89,902
2. 18 Ching Hiu Road, Sheung Shui (Royal Green — Phase 2)	97,133 (Note)	165,405	Residential	45.00	187	152,712
(B) Projects pending sale						
3. 250 Shau Kei Wan Road (Scenic Horizon)	6,808	54,810	Commercial/ Residential	18.13	100	54,810
4. 1 High Street	7,958	63,633	Residential	100.00	95	63,633
5. 38 San Ma Tau Street, To Kwa Wan (Grand Waterfront)	130,523	1,109,412	Commercial/ Residential	47.18	1,782	1,109,412
6. 8 Fuk Hang Tsuen Road, Tuen Mun (The Sherwood)	396,434	836,868	Commercial/ Residential	100.00	1,576	836,868
7. Tai Po Town Lot No. 161 sea view villas	982,194	1,164,111	Residential	90.10	535	1,164,111
8. 50 Tan Kwai Tsuen, Yuen Long	54,487	54,487	Residential	100.00	119	54,487
				No. of Units:	4,454	3,525,935
				Total Saleable Units:	6,106	5,222,586

Note: The total site area for the whole of Phase 1 and Phase 2 of the "Royal Green" is 97,133 sq.ft.

Landbank

The Group seeks to replenish its land bank through various means. During the interim period under review, a number of agricultural land lots in the New Territories were acquired which amounted to a total site area of approximately 1.6 million sq.ft. In addition, the Group purchased a property site located at Nos. 14-30 King Wah Road, North Point and application has been made for development of this site into a residential-cum-retail project amounting to 254,000 sq.ft. in total gross floor area.

In addition, the Group continued its efforts to actively negotiate with the Government in connection with land use conversion and in the fixing of land-use conversion premium. In respect of the agricultural land plots located at Fanling Sheung Shui Town Lot No. 229, Ng Uk Tsuen, discussion is being held with the Government regarding the conversion premium for increasing the total gross residential floor area of this site to approximately 230,000 sq.ft. in total gross floor area attributable to the Group. Further, the Group has reached an agreement with the Government this month on the land premium for the hotel development site at Nos. 165-167 Wai Yip Street, Kwun Tong which will, upon completion, produce a total gross floor area of 241,000 sq.ft.

As at the end of the period under review, the total development land bank attributable to the Group amounted to approximately 18.2 million sq.ft. in gross floor area and the Group also held agricultural land lots of approximately 28.4 million sq.ft. in total land area.

West Kowloon Cultural District Project

In 2004, the Group, through a wholly-owned subsidiary World City Culture Park Limited, submitted a proposal to the Hong Kong Government for the development of the West Kowloon Cultural District Project. As the Government had subsequently imposed additional conditions on all the proponents, the Group considered that the viability was adversely affected and expressed its view to the Government. With the Government's recent decision to review the mode of development for the entire project, the Group will follow closely the outcome of the review.

Property Rental

During the period under review, total gross rental income of the Group including attributable contributions from rental properties of subsidiaries and jointly controlled entities amounted to approximately HK\$1,293 million, showing an increase of 6.5% as compared with the corresponding period of the previous financial year. As at the end of the period under review, the total attributable gross floor area of the Group's rental portfolio amounted to approximately 8 million sq.ft. Average occupancy level of the core rental properties stood at 96% during the first half of the current financial year.

The improvement in employment rate and anticipated general salary increase have strengthened consumer confidence. The opening of Disneyland has led to continued increases in tourist arrivals from the Mainland and further boosted the demand for retail shop spaces. As a result, the Group recorded satisfactory increase both in rental and occupancy rates of its core retail properties. To capture higher rental yield, the Group will continue to renovate and upgrade the tenant mix of its shopping arcades. Renovation work for one of these properties, namely, the Shatin Plaza, was completed and this has led to increase recorded both in pedestrian flow as well as in sales turnovers of the tenants. It is anticipated that upward adjustment in rental rate for this shopping plaza will continue.

Following the completion of the Four Seasons Hotel and the luxurious serviced suites of Four Seasons Place, development of the entire International Finance Centre project was completed in September 2005 and the project has become a new landmark in Hong Kong. The period under review recorded great demand for Grade A offices due to expansion of business by investment banks and firms offering professional services. Demand for prime quality retail shops also increased as many retail businesses targeting high-spending customers seek more retail space. The office towers and the shopping arcade of the International Finance Centre became almost fully let as a result. In addition, the newly completed Four Seasons Hotel and Four Seasons Place which provide 399 and 519 luxury suites respectively will generate a diversified source of income to the Group.

Construction and Property Management

Due to the completion of construction contracts undertaken by the construction arm of the Group during the period under review relating to large-scale development projects, namely, the Grand Promenade in Sai Wan Ho and the Novotel Citygate in Tung Chung, turnover of this business segment of the Group amounted to HK\$741 million, representing a substantial increase of 150% over the turnover figure of HK\$296 million recorded for the corresponding period in the previous financial year.

The Group has received numerous awards for its construction projects and was also awarded the Tien-Yow Jeme Civil Engineering Awards for the Two International Finance Centre of 88 storeys in height. This latter-mentioned award is endorsed by the Ministry of Science and Technology as well as the Ministry of Construction in the Mainland and is the highest award granted in the Mainland for outstanding construction work undertaken in the civil engineering field.

Subsidiaries of the Group, Hang Yick and Well Born, are dedicated to deliver sophisticated property management services and at the same time also perform its part in taking up corporate social responsibility. Further, in October 2005, Well Born became the first company in Asia to be certified with ISO 10002 by the Hong Kong Quality Assurance Agency for the complaints handling management system established by the company.

Business in Mainland China

The Group is carrying out construction works of its various development sites in three major cities, namely, Beijing, Shanghai and Guangzhou. Rental income generated from investment properties of the Group continued to show an increase.

Foundation work on the development site owned by the Group known as No.2 Guan Dong Dian, Chao Yang Road, Chao Yang District located at the heart of the commercial district of Beijing City has already commenced. The site is going to be developed into a sizeable development complex with a total gross floor area of 2.71 million sq.ft. In Shanghai, construction work for the Group's development located at 130-2 Heng Feng Road, Zhabei District has also commenced. The site will be developed as an office building with a total gross floor area of approximately 510,000 sq.ft. In Guangzhou, construction work for the substructure of the Group's project located at 210 Fangcun Avenue in Fangcun District is currently in progress. The site is going to be developed into a project with nine high-rise residential buildings and retail shopping premises that will amount to approximately 2.52 million sq.ft. in total gross floor area.

On the property leasing front, the "Meten Living Design" retail store located at Basement Level One and Basement Level Two of the retail shopping arcade of Henderson Centre in Beijing recorded 80% occupancy in the fourth quarter of 2005. In addition, the Group's wholly-owned Office Tower II of The Grand Gateway in Shanghai which amounts to approximately 688,000 sq.ft. in total gross floor area was completed in the fourth quarter of 2005. As the property is located in the busiest area of Xuhui District, this has attracted the interest of a number of foreign and Mainland enterprises and it is anticipated that both the occupancy rate as well as the rental rate for this property will show satisfactory growth. Further, leasing of the shopping podium at the Skycity and the Everwin Garden in Shanghai had been satisfactory.

Henderson Investment Limited

The consolidated profit of this group attributable to equity shareholders for the six months ended 31st December, 2005 amounted to HK\$1,802 million, showing an increase of HK\$854 million over the restated consolidated net profit for the same period in the previous financial year. If the revaluation surplus on completed investment properties net of deferred tax were not to be taken into account, the underlying net profit for the period would be HK\$946 million, showing an increase of HK\$100 million or 12% over the restated underlying net profit of HK\$846 million for the same period in the previous financial year. During the period under review, total rental income of this group amounted to approximately HK\$335 million which showed a slight increase over the figure 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 amounted to approximately 1.9 million sq.ft. in total attributable gross floor area, with average occupancy standing high at 94%. In view of the increase in the supply of hotel rooms in Hong Kong, competition in the local hotel industry has increased. Nevertheless, during the period under review, notwithstanding that the average occupancy level of the Newton Hotel Hong Kong and the Newton Hotel Kowloon showed a slight decrease, substantial increase was recorded in room tariff rates. Benefiting from the recovery in local consumer spending and the relaxation policy of the central government in Mainland China that brought about increasing tourists under the "Individual Visit Scheme", the retailing business of this group operated under its Citistore outlets recorded a moderate increase in turnover as compared to that of the corresponding period in the previous financial year.

China Investment Group Limited, a 64%-owned subsidiary of Henderson Investment Limited, is engaged in the toll-bridge and toll-road joint venture operations in the Mainland. Owing to the repair work undertaken for the Hang Zhou Qiangjiang Third Bridge, turnover from the infrastructural business of this group reduced substantially by 40%. Henderson Cyber Limited, which is 78.69% held by this group, is engaged in the provision of "iCare" broadband service, merchandising as well as data centre and intelligent building network installation services.

Associated Companies

The Hong Kong and China Gas Company Limited recorded profit after taxation attributable to shareholders amounted to HK\$5,281 million in the financial year ended 31st December, 2005. As at the end of 2005, the number of customers was 1,597,273, an increase of 34,995 over 2004. This group concluded a joint venture piped gas project in Xi'an, Shaanxi Province in early 2006, which is its largest gas investment project on the Mainland to date, and has laid a foundation for its future move into northwestern China, a huge market noted for its rapid economic growth. Altogether, this group now has city piped gas joint venture projects in 31 mainland cities across various districts. This group successfully entered the Mainland's water sector after concluding three water projects in 2005.

In Hong Kong, this group continues to expand its gas supply network. Town gas supply has been extended to the international theme park at Penny's Bay on Lantau Island last year. Construction of a transmission pipeline in the eastern New Territories is progressing smoothly. In order to receive natural gas from the Guangdong Liquefied Natural Gas Terminal, this group is laying a twin submarine pipeline from Chengtougiao in Shenzhen to Tai Po gas production plant in Hong Kong. By the fourth quarter of 2006, the Guangdong LNG Terminal should be supplying natural gas to Hong Kong which will then be used to partially replace naphtha as feedstock for the production of town gas. On the property development front, this group has a 15.79% interest (15% interest at the end of 2005) in the International Finance Centre and 50% interest in the Grand Promenade, both of which were entirely completed during the period under review. The Ma Tau Kok south plant site is being developed into five residential apartment buildings. This project has been named the Grand Waterfront and, with the inclusion of the commercial area, will provide a total gross floor area of approximately 1.11 million sq.ft. The project is due for completion by the end of 2006.

Hong Kong Ferry (Holdings) Company Limited reported a consolidated profit after taxation for the year ended 31st December, 2005 amounting to HK\$243 million, representing a decrease of 26% as compared to that recorded in 2004. During the year, this group recorded an operating profit of approximately HK\$192 million from the sale of approximately 350 residential units of Metro Harbour View, with a value of approximately HK\$420 million. Rental income from the commercial arcade, Metro Harbour Plaza, amounted to HK\$15.5 million for the year. The occupancy rate as at the end of the year was approximately 96% after taking into account the committed tenancies. In respect of the development site at No. 222 Tai Kok Tsui Road, foundation work had been completed and construction of the superstructure was in good progress. The site is being developed into a residential-cum-commercial property of a total gross floor area of approximately 320,000 sq.ft. The target date for completion of the project is late 2008. Construction work in respect of Nos. 43-51A Tong Mi Road had been substantially finished and this project will be ready for sale in the first half of this year. The demolition work for No. 6 Cho Yuen Street, Yau Tong had been completed and construction work is expected to commence in the second half of 2006. The site will be developed into a residential-cum-commercial property with a total gross floor area of approximately 165,000 sq.ft. The substantial increase of fuel oil price led to a deficit of HK\$4 million in Ferry, Shipyard and Related Operations for the year. The operating results of the Travel and Hotel Operations turned from a surplus to a deficit of HK\$2.6 million during the year. It is anticipated that the proceeds from the sales of the properties and the rental from commercial arcade will continue to be the primary source of income for this group in the coming year.

Miramar Hotel and Investment Company, Limited recorded HK\$328 million in unaudited profit attributable to shareholders for the six months ended 30th September, 2005, representing an increase of 115% over the restated profit for the corresponding period of the previous financial year. This group adopted the new accounting policies as stipulated by Hong Kong Institute of Certified Public Accountants, in relation to investment properties and hotels, which led to a reported increase in net profit amounting to HK\$179 million. Benefiting from the continuous growth in the local economy, there were improvements in consumer confidence along with healthy growth in the business and leisure travels sectors. Hotel Miramar experienced a respectable growth in its operating results, achieving an average occupancy of 88%, while average room rate improved by almost 20% as compared to that of the previous period. The overall average occupancy rate of the Miramar Shopping Centre and the Hotel Miramar Shopping Arcade reached 87% with only a moderate increase in total rental income. The Miramar Shopping Centre and the Hotel Miramar Shopping Arcade successfully reorganized the tenant mix and upgraded the market position. Average rental for new retail tenants occupying approximately 60,000 sq.ft. of rental area increased by 47% as compared to rentals for previous tenants. For the office market, the Miramar Tower recorded over 95% average occupancy rate. During the period under review, this group sold approximately 20 acres of commercial land in Placer County, California (FY2004: 16 acres of commercial land and 280 residential lots) that contributed to this group's profit. During the period under review, the food and beverage business remained stable, whereas turnover of its travel business increased slightly compared to the same period last year.

Privatisation Schemes

Henderson Cyber

The Company, Henderson Investment, Hong Kong and China Gas and Henderson Cyber jointly announced in August 2005 the privatisation proposal of Henderson Cyber by Henderson Investment and Hong Kong and China Gas by way of a scheme of arrangement involving the cancellation and extinguishment of the scheme shares in Henderson Cyber at the cancellation price of HK\$0.42 in cash per scheme share. The scheme was approved by a majority of 99.96% of the independent shareholders present and voting at the court meeting. The scheme took effect in December 2005 and the listing of the shares in Henderson Cyber on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited was withdrawn. Upon completion of the privatisation, Henderson Investment's interest in Henderson Cyber was increased to approximately 78.69%. The aggregate amount of cancellation price paid by Henderson Investment was HK\$252.53 million.

Henderson Investment

In November 2002, the Company announced a privatisation proposal of Henderson Investment at the cancellation price of HK\$7.60 in cash per scheme share in Henderson Investment. According to the "The Code on Takeovers and Mergers", one of the conditions to the proposal is that the scheme is not disapproved by more than 10% in value of all the shares held by independent minority shareholders of Henderson Investment (the "10% Threshold"). At the court meeting held on 2nd January, 2003, up to 85.6% of the independent minority shareholders of Henderson Investment present voted in favour of the scheme. However, as the votes that cast against the scheme marginally exceeded the 10% Threshold, the scheme could not take effect and hence lapsed.

The Company proposed the privatisation of Henderson Investment again in November 2005. As announced in December 2005, the cancellation consideration was increased to 1 share in the Company in exchange for every 2.5 scheme shares in Henderson Investment. At the court meeting held on 20th January, 2006, a majority up to 85.7% of the independent minority shareholders of Henderson Investment present voted in favour of the privatisation proposal. Again, as the votes that cast against the scheme marginally exceeded the 10% Threshold, the scheme still could not take effect and hence lapsed.

PROSPECTS

Following continued improvement shown in the local economy, the Hong Kong people have seen improvement in employment prospects and also increase in their income. After going through an earlier phase of consolidation, overall property prices have now become generally affordable. Further, as commercial banks recorded surplus in available funds, these institutions are recently keen to offer housing mortgage loans on preferential terms. At the same time, the Government extended the limit for tax deduction for home loan interest to ten years. These developments in the marketplace serve to alleviate the burden of loan servicing home buyers. Moreover, there is also a rising trend in local marriage. All these factors contribute to the increase in demand for residential properties. According to Government statistics, new residential units to be completed in the next few years will show a decline and this has led to some concern that this may gradually lead to tight supply. It is anticipated that prices of residential properties will increase by 5% this year.

The Group plans to launch the sales of a number of development projects in the near future, which include the large-scale waterfront luxury development "Grand Waterfront" situated at 38 San Ma Tau Street, Kowloon and the development project at No. 1 High Street, Hong Kong. Moreover, with the completion of the Deep Bay Link expressway in the near future, the Group's project, namely, The Sherwood, at 8 Fuk Hang Tsuen Road, Lam Tei, Tuen Mun, will stand to benefit from such infrastructural improvement. The "Grand Promenade", which was recently completed by the Group, has been highly applauded by purchasers for the quality of this development. The Group is optimistic about the prospect of sale of the sea-view units reserved on the top floors of this project in the future.

Benefiting from the Closer Economic Partnership Arrangements with the Mainland, Hong Kong has emerged as a two-way platform for businesses making entry to markets in the Mainland and the Asia Pacific region. Overseas and Mainland companies as well as investors have increased their demand for office space. However, as there will still be limited supply of newly completed quality office property units in the core commercial districts over the next two years, it is anticipated that the occupancy of office properties will continue to rise. In view of the sustained recovery in consumer confidence led by improvement in local employment as well as the increased number of tourists under the "Individual Visit Scheme", the retail business will remain buoyant with rent in retail shops continuing to show further increase.

In view of keen demand for quality office space and retail shopping properties, the Group has in recent years eagerly sought to upgrade the quality of its rental property portfolio. Early this year, the Group and The Hong Kong and China Gas Company Limited increased their interests held in the International Finance Centre project to 34.21% and 15.79% respectively. In addition, the Group will continue to refurbish its core shopping arcades in phases and improve the tenant mix of these properties, with an aim to achieve increasing rental income.

To strengthen the role of Hong Kong as a financial centre, the Government has earlier announced the abolition of estate duty as well as the exemption of offshore funds from profits tax. This will benefit the financial service and related sectors and also bring about more employment opportunities. As a result, it is anticipated that the overall property market, including office and residential properties, will show further improvement.

As announced earlier this month, the Group is exploring the possibility of selling certain properties to a real estate investment trust proposed to be established and the outcome of the study will be further announced as and when appropriate.

Following the stringent macro-economic control measures implemented by the central government in the second half of 2005, sales turnover of the property market in Mainland China has become stable. In the long run, these measures will contribute to bringing about sustained economic growth and influx of foreign investments, eventually leading to a healthier property market in the Mainland.

The Group is confident about the development of its business in the Mainland. As a result, the Group will continue to carry out its investments in the major cities and will also actively seek for investment opportunities in peripheral cities. Such planned expansion of the Group's business in the Mainland will contribute towards paving the way for establishing a firm foundation for future development of the Group's business in the long run.

Both the Group's rental income as well as contributions from the Group's listed associates provide a stable recurrent income to the Group. With the anticipated completion of the "CentreStage", profit from the pre-sale of units of this development will be accounted for in the second half of the current financial year. In the absence of unforeseen circumstances, it is anticipated that the Group will show satisfactory performance in the current financial year.