

2005|06

HENDERSON INVESTMENT 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\$1,802 million and earnings per share was HK\$0.64. This profit figure included a revaluation surplus on investment properties net of deferred tax of HK\$856 million and represents an increase of HK\$854 million or 90% 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\$946 million, showing an increase of HK\$100 million over the restated underlying net profit of HK\$846 million for the same period in the previous financial year. Underlying earnings per share was HK\$0.34, representing an increase of 12% over that for the same period in the previous financial year.

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 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, Standard Registrars Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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 Thursday, 27th April, 2006.

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

The rental property market in Hong Kong has shown gradual recovery. During the period under review, total rental income of the Group amounted to approximately HK\$335 million. This showed an increase of 3% as compared with the corresponding period of the previous financial year. As at the end of the period under review, the rental property portfolio of the Group amounted to approximately 1.9 million sq.ft. in total attributable gross floor area, with average occupancy standing high at 94%.

Hotel & Department Store Operations

With the official opening of the Hong Kong Disneyland and the holding of WTO Ministerial Conference in the second half of 2005, tourist arrivals to Hong Kong continue to be on the rise. However, 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 the 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.