

I am very pleased to advise you that 2004 was a year of record results for the Group. There was an improvement in both the local property and financial markets in the year under review. Accordingly, the year end valuation of the Hong Kong properties of Allied Properties (H.K.) Limited ("Allied Properties") and its subsidiaries has caused revaluation surpluses and a reversal of impairment losses to be credited to the income statement. The Group's financial services operations also provided increased profitable contributions to the results for the year.

## FINANCIAL RESULTS

For the year ended 31st December, 2004, the Group's turnover increased to HK\$1,911.0 million, an increase of 18.7% from 2003. Profit attributable to shareholders for the year increased from HK\$486.5 million in 2003 to HK\$760.0 million, representing an increase of 56.2%.

## DIVIDEND

The Directors have proposed a final dividend of HK10 cents per share (2003: Nil) payable to shareholders whose names appear on the register of members of the Company on 3rd June, 2005. It should also be noted that the Company continued to repurchase its shares during the year at an aggregate consideration of HK\$35.3 million. The effect of these share repurchases in 2003 and 2004 is evident in the results for 2004. Earnings per share rose by 88.9% over 2003, compared to a corresponding increase of only 56.2% in total earnings. The Company will continue to use surplus cash to repurchase its shares for cancellation.

## CLOSURE OF REGISTER

The register of members of the Company will be closed from 30th May, 2005 to 3rd June, 2005, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 27th May, 2005.

Subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company, dividend warrants are expected to be despatched on 4th July, 2005.

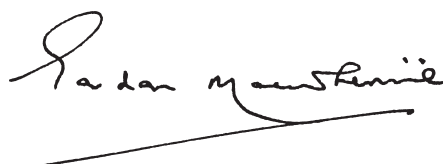
The Annual General Meeting will be held on 3rd June, 2005.

## FUTURE PROSPECTS

The Review of Operations by the Chief Executive, which immediately follows this statement includes the Group's outlook for the future.

## APPRECIATION

I would like to thank my fellow Directors and all the staff for their diligence, dedication and contributions in achieving the commendable results for 2004. I would also like to express my appreciation to the shareholders for their continual support.



**Sir Gordon Macwhinnie**

*Chairman*

Hong Kong, 14th April, 2005