

HENDERSON CHINA HOLDINGS LIMITED**Interim Results and Dividend**

The Board of Directors announces that for the six months ended 31st December, 2004, the unaudited consolidated net loss of the Group after taxation and minority interests amounted to HK\$12 million, as compared with the net loss of HK\$32 million recorded in the corresponding period of the previous financial year. Loss per share was HK\$0.02.

The Board has resolved to pay an interim dividend of HK\$0.03 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 Branch Share Registrars in Hong Kong, 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, 15th April, 2005. Warrants for the interim dividend will be sent to shareholders on Thursday, 21st April, 2005.

Management Discussion and Analysis**BUSINESS REVIEW**

During the period under review, turnover of the Group amounted to HK\$35 million, showing a decrease of 34% when compared to the HK\$52 million figure which was recorded in the corresponding period of the previous financial year. Mainly as a result of the sale of a relatively small number of completed property units during this period, the Group incurred a loss of HK\$12 million.

Property Market

Continual growth in gross domestic product and increasing inflow of foreign capital were sustained in Mainland China. Household income of residents in the major cities have shown marked improvement in recent years. These have resulted in growth in spending power and stimulated strong urge for property ownership amongst the domestic citizens. The residential property segment showed significant improvement as property sales were kept active. In addition, as demand from foreign enterprises and certain domestic companies for quality office properties also showed a rising trend, property markets in major cities in Mainland China recorded satisfactory performance.

Property Development

During the period under review, the remaining units of the previously completed development projects of the Group were put up for sale and these mainly included the Heng Bao Garden in Guangzhou, the Everwin Garden in Shanghai as well as the Group's joint venture development project of Lexi New City Phase VIII – Luotao South Zone Villa and Phase IX – Green Island House located in Panyu, Guangdong Province. All of the residential units in Phase IX of the Lexi New City project were sold during the period under review. The residential units in Phase VIII of this project and those of Heng Bao Garden were almost completely sold towards the end of the period under review.

As the Group has increased its shareholding interests in the project site located at No. 2 Guan Dong Dian, Chao Yang District in Beijing (the old Beijing Lightbulb Factory site) to 100%, it will be in a position to capitalise on the maximum potential of this project. Located at the heart of the commercial district in Beijing city, this site is planned to be developed into a sizeable mixed-use property project that amounts to approximately 2.71 million sq.ft. in gross floor area.

Construction work being undertaken at the Group's wholly-owned Office Tower II of The Grand Gateway in Shanghai, which is 42 storeys in total height and amounts to approximately 720,000 sq.ft. in total gross floor area, had made satisfactory progress. This project is expected to be completed in mid-2005 as scheduled. Preparation in respect of leasing of this project is presently underway. Also, foundation work on the Group's project site located at 210 Fangcun Avenue, Fangcun District in Guangzhou (the old Guangzhou Preservation Fruit Factory site) is currently in progress. This site will be developed into a project of over 2.6 million sq.ft. in gross floor area. Being primarily residential in nature with ancillary retail shopping premises provided, this project will, upon completion, become a residential estate set in a pleasant surrounding.

Property Rental

During the period under review, the shopping arcade in the Henderson Centre in Beijing has been undergoing large-scale leasing activities upon completion of renovation. At the same time, leasing of the commercial podium of the Heng Bao Garden located right above Changshou Road Station of the Guangzhou Metro Line also continued. Further, rental of the shopping podium at the Skycity and the Everwin Garden in Shanghai remained stable and the rental performance of both projects continued to be satisfactory.

PROSPECTS

The economy of Mainland China has continued to show notable growth. Significant increase in inflow of foreign capital and the growth in domestic household income compounded to contribute positively to the overall performance of the domestic property market. The Group holds plentiful development land bank in major cities in Mainland China and satisfactory progress has been made in respect of those property sites that have been planned for development.

In respect of property leasing, strong demand for Grade A office building space in Shanghai will be beneficial to leasing of Office Tower II of The Grand Gateway which is located right above the Shanghai Metro Line station right at the centre of a busy commercial district in Shanghai where the density of population is traditionally high. It is anticipated that this office property will be much sought after by potential tenants and it will, upon completion, contribute significant recurrent rental income to the Group. Further, the Group entered into a cooperative agreement with HOBA Home Furnishings Chains Enterprise Co. Ltd. whereby the "Meten" household brand could be leveraged to attract leasing tenants and this new cooperative partner will also manage the basement portion of the retail shopping arcade at the Henderson Centre in Beijing. It is envisaged that upon its re-opening, this will project a fresh image for the shopping arcade of the Henderson Centre.

The Group will review its land bank from time to time and will, as suitable opportunities arise, adjust the portfolio mix of its land holdings. Apart from taking active steps on the development front, efforts will also be made to expand the source of recurrent rental income for the Group as well as to seek for investment opportunities with good return in order to enhance the overall income of the Group and pave the way for future development in the long term interest of the Group.