WINSOR

WINSOR PROPERTIES HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability

南聯地產控股有限公司

開曼群島註冊成立之有限公司

(Stock Code: 1036)

Results Announcement for the year ended 31 March 2007

RESULTS: The Company's consolidated income statement for the year ended 31 March 2007 and consolidated balance sheet as at 31 March 2007 are set out below:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2007

	Note	**2007 HK$'000**	2006 HK$'000
Revenue	*3*	**304,103**	933,163
Cost of sales		**(167,229)**	(728,458)
Gross profit		**136,874**	204,705
Other income	*3*	**23,814**	94,617
Selling expenses		**(3,119)**	(7,616)
Administrative expenses		**(34,122)**	(34,741)
Increase in fair value of investment properties		**608,344**	672,460
Other gains, net	*4*	**10,051**	5,367
Other operating expenses		**(1,444)**	(2,952)
		740,398	931,840
Finance income	*5*	**23,451**	14,361
Finance costs	*5*	**(4,225)**	(4,033)
Operating profit	*6*	**759,624**	942,168
Share of profits less losses of associated companies		**173,822**	993
Profit before taxation		**933,446**	943,161
Taxation	*7*	**(116,689)**	(124,103)
Profit for the year		**816,757**	819,058
Attributable to:			
Shareholders of the Company		**803,636**	816,627
Minority interests		**13,121**	2,431
		816,757	819,058
		HK$	HK$
Earnings per share	*8*	**3.09**	3.14
		HK$'000	HK$'000
Dividends	*9*	**103,874**	72,712

CONSOLIDATED BALANCE SHEET

As at 31 March 2007

	Note	**2007 HK$'000**	2006 HK$'000
Non-current assets			
Property, plant and equipment		**31,638**	32,091
Investment properties		**4,665,300**	4,023,360
Associated companies		**409,821**	240,426
Available-for-sale financial assets		**490,448**	213,926
Loans and receivables		**16**	155,313
Deferred tax assets		**1,597**	3,191
		5,598,820	4,668,307
Current assets			
Trade and other receivables	*10*	**13,726**	15,506
Financial assets at fair value through profit or loss		**35,743**	—
Derivative financial instruments		**—**	1,863
Bank balances and cash		**601,627**	429,790
		651,096	447,159
Current liabilities			
Trade and other payables and accruals	*11*	**66,687**	35,162
Derivative financial instruments		**3,983**	—
Bank loans and overdrafts		**171**	2,409
Tax payable		**40,638**	59,982
		111,479	97,553
Net current assets		**539,617**	349,606
Total assets less current liabilities		**6,138,437**	5,017,913
Non-current liabilities			
Long term bank loans		**100,381**	37,154
Other long term loans		**35,308**	35,378
Deferred tax liabilities		**629,475**	524,435
		765,164	596,967
Net assets		**5,373,273**	4,420,946
Share capital		**2,596**	2,596
Other reserves		**1,126,133**	914,233
Retained earnings		**4,152,108**	3,452,346
Proposed final dividend		**77,905**	49,340
Equity attributable to shareholders of the Company		**5,358,742**	4,418,515
Minority interests		**14,531**	2,431
Total equity		**5,373,273**	4,420,946

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") under the historical cost convention except that investment properties, available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments are carried at fair values and certain buildings are carried at valuation as at 31 March 2005 less accumulated depreciation and impairment losses.

2. Adoption of new and revised HKFRSs

The HKICPA has issued certain new and revised HKFRSs which are mandatory for the Group's accounting periods beginning on or after 1 April 2006. Except for the change in the accounting policy in respect of financial guarantees, the adoption of the new and revised HKFRSs in this year did not result in any significant changes to the Group's significant accounting policies and the presentation of the Group's financial statements. Details of the change in the accounting policy in respect of financial guarantees are as follows:

In prior years, financial guarantees issued by the Group were only disclosed as contingent liabilities and no provisions were made in respect of these guarantees unless it was more likely than not that the guarantees would be called upon. Upon the adoption of the Amendments to Hong Kong Accounting Standard ("HKAS") 39 and HKFRS 4 "Financial Guarantee Contracts" (the "Amendments"), financial guarantees are accounted for as financial liabilities under HKAS 39 "Financial Instruments: Recognition and Measurement" and measured initially at fair value and subsequently stated at the higher of (i) the amount initially recognised less accumulated amortisation; and (ii) the amount of the provision, if any, that should be recognised in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The adoption of the Amendments did not have any material impact on the Group's financial statements for the years ended 31 March 2007 and 2006.

The HKICPA has also issued certain new or revised HKFRSs and interpretations which are not yet effective for the year ended 31 March 2007 and may be relevant to the Group's operations. The Group will adopt such new or revised HKFRSs and interpretations in accordance with their respective effective dates, but such adoption is not expected to have any significant financial impact on the Group's financial statements except that additional disclosures will be required.

Notes:

3. Revenue, income and segment information

The Group is principally engaged in property investment, development and management, warehousing and investment holding.

Revenue (representing turnover of the Group) and other income recognised during the year are as follows:

	2007 HK$'000	2006 HK$'000
Revenue		
Sale of investment properties and properties for sale	**152,473**	772,116
Rental and property management	**116,031**	129,605
Warehousing	**35,599**	31,442
	304,103	933,163
Other income		
Dividend income from		
– an unlisted investment	—	72,436
– a listed real estate investment trust	**8,437**	7,047
Interest income on loans to		
– an investee company	**196**	2,192
– associated companies	**13,541**	6,479
Others	**1,640**	6,463
	23,814	94,617
	327,917	1,027,780

Notes:

3. Revenue, income and segment information *(continued)*

An analysis of revenue, results, assets, liabilities and other information by business and geographical segments is as follows:

Primary reporting format – business segments

	Sale of properties HK$'000	Rental and property management HK$'000	Warehousing HK$'000	Investment HK$'000	Total HK$'000
Year ended 31 March 2007					
Revenue	152,473	116,031	35,599	—	304,103
Segment results before change in fair value of investment properties	32,447	87,112	7,825	13,255	140,639
Increase in fair value of investment properties	—	608,344	—	—	608,344
Segment results	32,447	695,456	7,825	13,255	748,983
Unallocated income less expenses					(8,585)
Operating profit before finance income and costs					740,398
Finance income					23,451
Finance costs					(4,225)
Operating profit					759,624
Share of profits less losses of associated companies	147,837	25,985	—	—	173,822
Profit before taxation					933,446
Taxation					(116,689)
Profit for the year					816,757
Capital expenditure	—	150,835	875	—	151,710
Depreciation	—	696	2,833	—	3,529
As at 31 March 2007					
Segment assets	—	4,976,486	70,882	791,130	5,838,498
Associated companies	291,228	118,593	—	—	409,821
Unallocated assets					1,597
Total assets					6,249,916
Segment liabilities	—	94,458	5,435	1,946	101,839
Unallocated liabilities					774,804
Total liabilities					876,643

Notes:

3. Revenue, income and segment information *(continued)*

Primary reporting format – business segments *(continued)*

	Sale of properties HK$'000	Rental and property management HK$'000	Warehousing HK$'000	Investment HK$'000	Total HK$'000
Year ended 31 March 2006					
Revenue	772,116	129,605	31,442	—	933,163
Segment results before change in fair value of investment properties	93,640	93,326	6,055	78,717	271,738
Increase in fair value of investment properties	—	672,460	—	—	672,460
Segment results	93,640	765,786	6,055	78,717	944,198
Unallocated income less expenses					(12,358)
Operating profit before finance income and costs					931,840
Finance income					14,361
Finance costs					(4,033)
Operating profit					942,168
Share of profits less losses of associated companies	(651)	1,644	—	—	993
Profit before taxation					943,161
Taxation					(124,103)
Profit for the year					819,058
Capital expenditure	—	68,340	2,167	—	70,507
Depreciation	—	768	2,644	—	3,412
Non-cash expenses other than depreciation	—	—	—	1,711	1,711
As at 31 March 2006					
Segment assets	—	4,294,807	65,038	510,141	4,869,986
Associated companies	48,630	191,796	—	—	240,426
Unallocated assets					5,054
Total assets					5,115,466
Segment liabilities	—	60,585	6,141	3,231	69,957
Unallocated liabilities					624,563
Total liabilities					694,520

Notes:

3. Revenue, income and segment information *(continued)*

Secondary reporting format – geographical segments

	Year ended 31 March 2007			Year ended 31 March 2006		
	Revenue HK$'000	**Segment results HK$'000**	**Segment assets HK$'000**	Revenue HK$'000	Segment results HK$'000	Segment assets HK$'000
Hong Kong	**188,510**	**715,630**	**5,299,565**	913,113	857,967	4,364,380
Singapore	**96,455**	**25,751**	**464,867**	3,180	81,883	443,302
Mainland China	**19,138**	**7,602**	**74,066**	16,870	4,348	62,304
	304,103	**748,983**	**5,838,498**	933,163	944,198	4,869,986

4. Other gains, net

	2007 HK$'000	2006 HK$'000
Financial assets at fair value through profit or loss		
– realized gains	**4,700**	446
– fair value gains	**331**	—
Net foreign exchange gain	**8,517**	1,981
Derivative financial instruments		
– realized loss	**(262)**	—
– fair value (loss)/gain	**(5,383)**	3,230
Gain on disposal of plant and equipment	**271**	50
Others	**1,877**	(340)
	10,051	5,367

5. Finance income and costs

	2007 HK$'000	2006 HK$'000
Finance income		
Interest income on bank deposits and balances	**23,451**	14,361
Finance costs		
Interest expenses on bank loans and overdrafts	**(4,621)**	(4,033)
Less: amount capitalized in investment properties	**396**	—
	(4,225)	(4,033)
Finance income, net	**19,226**	10,328

Notes:

6. Operating profit

Operating profit is stated after crediting and charging the following:

	2007 HK$'000	2006 HK$'000
Crediting:		
Gross rental income from investment properties	**109,882**	123,078
Net gain on disposal of investment properties and properties for sale	**32,447**	93,640
Charging:		
Auditor's remuneration	**845**	762
Depreciation of property, plant and equipment	**3,529**	3,412
Outgoings in respect of investment properties	**26,877**	35,439
Operating lease rentals in respect of land and buildings	**6,908**	6,465
Provision for		
– impairment of trade receivables	**367**	—
– available-for-sale financial assets	—	70
Staff costs (including Directors' emoluments)	**32,961**	34,744

7. Taxation

Hong Kong profits tax has been provided at the rate of 17.5% *(2006: 17.5%)* on the estimated assessable profits for the year. Overseas taxation has been provided on the estimated assessable profits at rates prevailing in the countries in which the subsidiaries operate.

The amount of taxation charged to the consolidated income statement represents:

	2007 HK$'000	2006 HK$'000
Current taxation		
Hong Kong profits tax	**(9,836)**	(54,525)
Overseas taxation	**(414)**	(698)
Over/(under) provisions in prior years	**195**	(5,654)
	(10,055)	(60,877)
Deferred taxation charge	**(106,634)**	(63,226)
Taxation charges	**(116,689)**	(124,103)

8. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company of HK$803,636,000 *(2006: HK$816,627,000)* and 259,685,288 *(2006: 259,685,288)* shares in issue during the year.

Diluted earnings per share is not presented as the Company had no dilutive potential shares as at 31 March 2007 *(2006: Nil)*.

Notes:

9. Dividends

	2007	2006
	HK$'000	HK$'000
Interim dividend, paid, of HK$0.10 per share *(2006: HK$0.09 per share)*	**25,969**	23,372
Final dividend, proposed, of HK$0.30 per share *(2006: HK$0.19 per share)*	**77,905**	49,340
	103,874	72,712

At a meeting held on 19 July 2007, the Directors recommended a final dividend of HK$0.30 per share. This proposed dividend is not reflected as a dividend payable in the Group's financial statements until it has been approved by shareholders of the Company, and will be reflected as an appropriation of reserves in the coming year.

10. Trade and other receivables

Trade receivables represent mainly rent receivables from tenants of the Group's properties. The Group maintains a defined policy in respect of rent collection. Reminders are issued half-monthly when rents are overdue for 15 days, and legal actions will be taken when rents are overdue for two months. The ageing analysis of trade receivables (net of provisions) is as follows:

	2007	2006
	HK$'000	HK$'000
Trade receivables		
Current – 45 days	**4,828**	4,826
46 – 90 days	**1,046**	1,541
Over 90 days	**406**	736
	6,280	7,103
Other receivables, deposits and prepayments	**7,446**	8,403
	13,726	15,506

Notes:

11. Trade and other payables and accruals

The ageing analysis of trade payables is as follows:

	2007	2006
	HK$'000	HK$'000
Trade payables		
Current – 45 days	**35,950**	1,514
46 – 90 days	**427**	143
	36,377	1,657
Other payables, accruals and deposits received	**30,310**	33,505
	66,687	35,162

The financial figures above in respect of this results announcement for the year ended 31 March 2007 (the "Announcement") have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's financial statements for the year ended 31 March 2007. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Investments by the Group over the past few years in property development joint ventures are now reaping profit, starting from the recognition of the profit attributable to the Group's 10% interest in *The Grandville* luxury residential development in Shatin which was completed in July 2006. The initial profit from *The Grandville* recognised by the Group was HK$147.9 million after tax, a healthy supplement to the Group's results for the year ended 31 March 2007 in which sales of investment properties by the Group did not rival the sales in the prior year and the special distributions received from Suntec City Development Pte. Ltd., Singapore in the prior year was also not repeated.

The Group's revenue for the year ended 31 March 2007 was HK$304.1 million, as compared to HK$933.2 million for the previous year. The decrease was mainly attributable to the sale of the lower portion of Global Gateway (Hong Kong) in Tsuen Wan for HK$750 million on 31 August 2005 and the rental income of the said property for the 5 months then ended.

In the preceding year, the Group changed certain accounting policies to comply with the Hong Kong Financial Reporting Standards and the increase in fair value of investment properties as at 31 March 2006 in the sum of HK$672.5 million was recognised as a gain in the Group's income statement. The Group's investment properties continued to report an increase in fair value, but the gain was reduced to HK$608.3 million this year. Investment properties held by an associated company also reported a fair value increase this year. Profit for the year attributable to shareholders of the Company after taking such fair value gains and the related deferred taxation into account was therefore HK$803.6 million, a small decrease of 1.6% compared to HK$816.6 million for the previous year. Earnings per share for this year was HK$3.09, compared to HK$3.14 for the previous year. The profit components are quite different for the two years in comparison and are analysed below.

BUSINESS REVIEW:

Sale of Properties: The 9th floor of Office Tower 2 in Suntec City, Singapore with a gross floor area of about 17,100 sq.ft. and certain units at the Regent Centre in Kwai Chung, Hong Kong with an aggregate gross floor area of about 44,300 sq.ft. were sold during this year. These sales generated revenue of HK$152.5 million and a segment profit of HK$32.4 million.

In comparison, sale of the lower portion of Global Gateway (Hong Kong) in Tsuen Wan, Hong Kong and other units at the Regent Centre aggregating about 593,000 sq.ft. in gross floor area in the previous year resulted in revenue of HK$772.1 million, and a segment profit of HK$93.6 million.

Rental and Property Management: Revenue and segment profit (excluding the increase in fair value of investment properties) of the rental and property management segment for the year were HK$116.0 million and HK$87.1 million respectively. The corresponding revenue and segment profit for the previous year in the respective sums of HK$129.6 million and HK$93.3 million included contribution from the lower portion of Global Gateway (Hong Kong) for 5 months before it was sold at the end of August 2005. Segregating this effect, the revenue and segment profit of this segment have improved by 9.3% and 16.6% respectively year on year. As at 31 March 2007, the overall occupancy rate of the Group's investment properties was 95.1%.

Warehousing: Both the Group's warehousing operation in Hong Kong and the cold storage operation in Shekou reported satisfactory results this year. The combined revenue was HK$35.6 million, an improvement of 13.2%, and segment result improved by 29.2% to HK$7.8 million.

Investments: The segment profit for the year of the Group's investment activities was HK$13.3 million, compared to HK$78.7 million for the previous year. The special dividends aggregating HK$72.4 million recognised in the preceding year in respect of the Group's 5.14% interest in Suntec City Development Pte. Ltd., Singapore were not repeated. On the other hand, unit distribution of the Suntec REIT has been improving continuously and the Group further increased its holding therein by 8 million units in October 2006 to about 31.5 million units. Total income received from the Group's investment in the Suntec REIT therefore increased from HK$7.0 million to HK$8.4 million this year. Investments under the Group's treasury activities also contributed realized and unrealized gains aggregating HK$5.0 million in this year.

Valuation of investment properties: The aggregate professional valuation of the Group's investment properties at 31 March 2007 was HK$4,665.3 million, of which about 70% was attributable to the office development at 102 How Ming Street, Kowloon East now known as *Landmark East*. The resulting total valuation increase of HK$608.3 million and the related deferred taxation in the sum of HK$106.5 million have been recognised in the Group's income statement in accordance with Hong Kong Accounting Standard 40. The comparable amounts recognised in the preceding year were higher at HK$672.5 million and HK$117.7 million respectively.

Finance income and finance costs: The Group has been maintaining a net cash surplus since the end of August 2005. Finance income (not including interest income on loans to related parties) less finance costs of the Group this year was a net income of HK$19.2 million, compared to a net income of HK$10.3 million for the previous year. In respect of interest rate swap contracts held by the Group, fair value loss and realized loss aggregating HK$5.6 million were charged to the income statement for this year.

The Group also earned interest income on loans to associated companies and an investee company. The income recognised during the year was HK$13.7 million, compared to HK$8.7 million for the previous year.

Contribution of Associated Companies: For this year, the Group's share of profits less losses after tax of the associated companies was a profit of HK$173.8 million, compared to the Group's share of profit of HK$1.0 million for the previous year. The Group's share of profit in this year was mainly contributed by the 20% owned Universal Plus Ltd. through which the Group's 10% interest in *The Grandville* development is held. The remaining increase is attributable to the Group's share of the fair value (net of tax) of investment properties held by an associated company.

Change in Group Structure: Apart from the acquisition of two shelf companies in Hong Kong to serve as the Group's investment vehicles for future projects, there were no other changes to the Group's structure during this year.

PROJECT PROGRESS:

"Landmark East", Hong Kong: This twin-tower office development will provide about 1.2 million sq.ft. of grade A office space upon its scheduled completion in the second half of the year 2008. Construction of the super-structure has reached the 11th floor as at the date of this announcement. It is the Group's intention to hold the developed property for rental income upon completion. Marketing was launched in March 2007.

"The Grandville", Hong Kong: The Group has a 10% indirect interest in this luxurious residential development at No. 2 Lok Kwai Path, Shatin. The certificate of compliance for this project was issued in July 2006. Recognition of profit on those units sold by 31 March 2007 has been stated above. Those units remaining unsold as at 31 March 2007 and having an aggregate gross floor area of about 27,000 sq.ft. have all been sold in April 2007.

No. 157 Argyle Street, Hong Kong: The Group has a 20% interest in this residential development located in Kowloon's traditional luxury residential area. After extensive negotiations, the joint venture company accepted Government's revised offer of the premium for a lease modification in January 2007 to allow a high-rise residential development providing gross floor area of about 90,000 sq.ft. Project financing is in place, and site planning and building approval submissions are underway.

Nos. 314-324 Hennessy Road, Hong Kong: The Group has a 30% interest in this commercial/office building with a total gross floor area of about 114,000 sq.ft. The joint venture company is renovating the building to create a new landmark in the area providing both grade A office and upscale retail space. Renovation is expected to be completed towards the end of 2007.

"Draycott 8", Singapore: The Group has a 15% interest in this prime residential development having a total saleable floor area of about 334,000 sq.ft. over 136 units, each having a saleable floor area ranging from 1,200 sq.ft. to 4,200 sq.ft. approximately. The development was fully sold by May 2007. The profit from this development project is better than expected and the Group is expecting to recognize profit in the coming year depending on the distributions actually received from the joint venture company.

“Kovan Melody”, Singapore: The Group has a 12% indirect interest in this condominium apartment development with a total saleable floor area of about 957,000 sq.ft. The development was also fully sold by May 2007. Profit attributable to the Group will be recognised according to completion of the relevant sale and purchase contracts commencing from April 2007.

Former “Belle Vue” site, Singapore: The Group has a 30% interest in this luxury residential development at the former *Belle Vue* site at 15-23 Oxley Walk, Singapore, having a site area of about 244,000 sq.ft. and a maximum allowable gross floor area of about 341,000 sq.ft. Building approval submissions are in progress and completion is now scheduled for the first half of the year 2010.

EMPLOYEES:

As at 31 March 2007, the Group employed a total of 194 employees of which 54 were based in Mainland China. Most of the employees in Hong Kong are engaged in estate management. All eligible employees in Hong Kong are enrolled to a defined contribution mandatory provident fund scheme. Other benefits are awarded at the discretion of the Group. Staff training is provided as and when required.

FINANCIAL REVIEW:

All the Group’s financing and treasury operations are centrally managed and controlled at the corporate level.

Liquidity: During this year, investment returns exceeded investment outlays and the Group’s liquidity and financial position have been further strengthened. As at 31 March 2007, the Group carried a net cash surplus of HK$465.8 million, after netting off total debts of HK$135.8 million from the bank balances and cash of HK$601.6 million. As part of the Group’s treasury operations, the Group also carried short term investments with a fair value of HK$35.7 million as at 31 March 2007. In comparison, the Group held a net cash surplus of HK$354.8 million and did not hold any short term investments as at 31March 2006.

Bank Borrowings: The term loan having an outstanding balance of HK$39.5 million as at 31 March 2006 was repaid in full during the year upon sale of the 9th floor of Office Tower 2 in Suntec City, Singapore. Total bank borrowings as at 31 March 2007 comprised a small overdraft balance and an amount of HK$100.4 million drawn down by that date under the construction loan facility for the *Landmark East* development.

The Group’s bank borrowings and other unutilized banking facilities are secured by certain investment properties and listed securities with a total carrying amount of HK$4,684.3 million as at 31 March 2007. Interest of the bank borrowings is calculated on a floating rate basis. Interest rate swap contracts for an aggregate notional principal amount of HK$1,050 million were in effect as at 31 March 2007. Apart from a contract for HK$50 million carried forward from prior years, the other contracts were all forward-start contracts expiring in years 2014 and 2015 entered into during this year in respect of the projected borrowings for the construction costs of *Landmark East*. According to Hong Kong Financial Reporting Standards, these contracts are carried as derivative financial instruments at fair value in the Group's balance sheet. The net carrying amount as at 31 March 2007 was HK$4.0 million under current liabilities, and a net expense of HK$5.6 million was charged to the Group's income statement for this year.

Other Borrowings: The Group also carried other long term loans amounting to HK$35.3 million at 31 March 2007, being unsecured interest-free loans with no fixed terms of repayment from minority shareholders of two subsidiaries. A sum of HK$70,000 was repaid during the year.

Capital Commitments: The Group's capital commitments in respect of investment properties amounted to HK$1,429.2 million as at 31 March 2007 and were all in relation to the *Landmark East* development.

The Group's capital commitments in respect of investments in associated companies aggregated HK$679.0 million as at 31 March 2007. Such amount was calculated as the Group's attributable share of the acquisition costs and development costs committed by the relevant associated companies in relation to the *157 Argyle Street*, *Nos. 314-324 Hennessy Road* and the former *Belle Vue* site projects respectively, less amounts already paid by Group. Since these associated companies have all arranged bank facilities to finance those parts of the said costs not funded by their shareholders, it is not expected that the Group will be called up on these capital commitments to any significant extent during the subsistence of the bank facilities.

Financial Guarantees: The face value of financial guarantees issued by the Group as at 31 March 2007 amounted to HK$651.5 million, being the aggregate amount of guarantees, completion undertakings and indemnities provided by the Group on a several basis and in proportion to the Group's respective equity interest to secure banking facilities granted towards the *Nos. 314-324 Hennessy Road*, *Kovan Melody* and the former *Belle Vue* site projects. In April 2007, financial guarantees to the extent of HK$116.4 million were also issued by the Group in respect of bank facilities granted to the *157 Argyle Street* project.

OUTLOOK:

Sale of investment properties by the Group is initiated by interested buyers and can not be predicted. There have been no sales for the coming year to date. Supported by the economic outlook, the results of the Group's rental segment in the coming year should at least be maintained. Results of the cold storage operation in Shekou may be adversely affected by the recent food shortage in the Mainland. The remaining contribution from *The Grandville* and returns from *Draycott 8* and *Kovan Melody* in the coming year, together, should match the initial contribution from *The Grandville* recognised in this year. *Nos. 314-324 Hennessy Road* is also expected to provide income as from the year 2008. Although presale of the former *Belle Vue* site redevelopment is expected to commence in the coming year, its contribution, as well as the contribution from *No. 157 Argyle Street*, will only be recognised upon delivery of the completed units to purchasers.

While focusing resources on the *Landmark East* development, the Group is continuing its search for investment opportunities both in and outside Hong Kong. With the oncoming completion of the *Landmark East* and in view of its asset size and income base, the Group is in a position to widen its investment criteria. Barring unforeseen circumstances, the Directors are cautiously optimistic in respect of the Group's prospects.

DIVIDEND AND CLOSE OF REGISTER

The Directors have recommended a final dividend of HK$0.30 per share for the year ended 31 March 2007, compared with HK$0.19 per share for the previous year. Subject to approval of the Annual General Meeting to be held on 23 August 2007, total dividend for the year ended 31 March 2007 will amount to HK$0.40 per share, compared with HK$0.28 per share for the previous year. The final dividend will be payable on 5 September 2007 to all shareholders on register as at 23 August 2007. The Register of Members and the Transfer Books of the Company will be closed from 20 August 2007 to 23 August 2007, both days inclusive.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has observed the principles and complied with all code provisions and, to the extent possible having regard to circumstances pertaining to the Company, the recommended best practices of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited throughout the year ended 31 March 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the Group's results for the year ended 31 March 2007, the accounting polices and practices adopted by the Group and discussed internal controls and financial reporting matters in respect of the annual report including a review of the consolidated financial statements of the Company for the year ended 31 March 2007.

MODEL CODE FOR SECUERITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by Directors of the Company.

The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year ended 31 March 2007, and received confirmation from all Directors that they had fully complied with the required standard set out in the Model Code throughout the year ended 31 March 2007.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31 March 2007. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 March 2007.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises twelve Directors as follows :-

Executive Directors	Non-Executive Directors	Independent Non-Executive Directors
Mr. Chow Wai Wai, John	Mr. Cheng Wai Chee, Christopher	Lord Sandberg
Mr. Lam Woon Bun	Mr. Cheng Wai Sun, Edward	Mr. Christopher Patrick Langley
Mrs. Chen Chou Mei Mei, Vivien	Mr. Tang Ming Chien, Manning	Mr. Ho Fook Hong, Ferdinand
Mr. Chung Hon Sing, John		Dr. Lo Ka Shui
		Mr. Haider Hatam Tyebjee Barma

On behalf of the Board
Cheng Wai Chee, Christopher
Chairman

Hong Kong, 19 July 2007.