



加拿大置地有限公司
CANADA LAND LIMITED

6/F., 14/F., & 15/F., YAT CHAU BUILDING,
262 DES VOEUX ROAD C., HONG KONG.

Telephone: 2854 4333
Fax: 2541 0389, 2545 0529

(ARBN 065 191 782)



CDL000028

June 9, 1999

The Company Announcements Office
Australian Stock Exchange

Directors' Comments on the Financial Results for the Year Ended March 31, 1999.

During the period under review, the Group incurred a loss after taxation of A\$3,486,000 (HK\$16,967,000), representing a reversal from the profit of A\$690,841 (HK\$3,536,000) in the previous year. A significant part of this loss was caused by the drop in the current selling prices of the Company's Canview Building which is now completed.

Offsetting the loss is the profit now being earned from the Wong Tai Sin Temple which opened in February 1999 and which has already begun to contribute to the Company's earnings in the current financial year. Sales of the memorial plates to be placed in the Temple started in April with over 150 being sold before the end of May without any advertising or promotion. Sales are expected this to increase steadily as the public's knowledge of their availability grows. The Company is in the process of finalising its marketing strategy for the sale of the memorial plates. A Marketing Manager will be appointed shortly as part of this strategy. Since opening the Temple has attracted an average of 2,600 visitors per day, and many more on festivals and specific days in the Chinese calendar.

In common with Hong Kong the property market in China has remained weak throughout the last twelve months. However the Company was able to negotiate the sale of 112 residential units in the Canview Building to the Guangzhou Post Office in August 1998. While the selling price on these units was below the market average at that time, cash flows were boosted by the transaction. There are signs that the property market is at last beginning to recover both in Hong Kong and in Guangzhou, but this is not expected to be a rapid process. Your Company is in a strong cash position and the positive impact of Wong Tai Sin will continue to improve this in the coming months. There will be no need to sell further Canview units at reduced prices.



加拿大置地有限公司
CANADA LAND LIMITED

6/F., 14/F., & 15/F., YAT CHAU BUILDING,
262 DES VOEUX ROAD C., HONG KONG.

Telephone: 2854 4333
Fax: 2541 0389, 2545 0529

CANADA LAND PROJECTS

The Canada Land Group has a total of five projects in the PRC, either completed or in progress, namely Regent House, Yi Fang Estate, Canview Building, Wong Tai Sin Temple and Fangcun Metro Station West. All of these projects are situated within the transportation hub of Guangzhou, the last four projects in particular being close to the subway line scheduled to open fully to the public on June 28, 1999. This first line will link Fangcun across Guangzhou to the main Tianhe railway station in the north east of the city. The experience of Hong Kong and other major cities in the world has shown that the completion of such vital transportation links is quickly followed by an increase in the value of property located adjacent to transportation. Accordingly the Directors are optimistic that the value of the Company's interest in the Canview Building and Wong Tai Sin will continue to improve from now on.

The Company opened the Wong Tai Sin Temple in February 1999, just before Chinese New Year. The impact on the area where the Temple is located was felt immediately and what was previously just a steadily growing suburb of Guangzhou is now bustling with people visiting the Temple. Local businesses have benefitted from this increased activity, in particular the many restaurants in the area. As mentioned above, now that the busy Chinese New Year period is past the number of visitors to the Temple has averaged 2,600 per day and more than 10,000 on specific days in the Chinese lunar calendar, public holidays and weekends. The Company has recently opened a number of small shops of its own at the Temple and will be establishing a vegetarian restaurant on site this autumn. The restaurant operation will be franchised out to an experienced restaurant operator in Guangzhou and the Company will draw rent and royalties from the business.

The Group continues to own a significant land bank in Guangzhou, China. This assures the Company's future profitability as China becomes one of the leading economies of the world and this status is reflected in the continued growth of its property market.

Canada Land Limited

Appendix 4B (equity accounted)

Half yearly/preliminary final report

Introduced 1/12/97. Origin: Appendices 3, 4. Amended 1/7/98.

Name of entity

CANADA LAND LIMITED

ACN, ARBN or ARSN

Half yearly
(tick)

Preliminary
final (tick)

Half year/financial year ended ('current
period')

065 191 782

X

March 31, 1999

Equity accounted results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

SA'000

Sales (or equivalent operating) revenue (item 1.1)	up/down 59 % to	772
Abnormal items after tax attributable to members (item 2.5)	gain (loss) of	N/A
*Operating profit (loss) after tax (before amortisation of goodwill) attributable to members (item 1.26)	up/down % to	(3,486)
*Operating profit (loss) after tax attributable to members (item 1.10)	up/down % to	(3,486)
Extraordinary items after tax attributable to members (item 1.13)	gain (loss) of	N/A
*Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up/down % to	(3,486)
Dividends (distributions)	Amount per security	Franked amount per security at 36% tax
Final dividend (Preliminary final report only - item 15.4) Interim dividend (Half yearly report only - item 15.6)	N/A ¢	N/A ¢
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)	N/A ¢	N/A ¢
*Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)	N/A	
Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:		

+ See chapter 19 for defined terms.

1/7/98*

Appendix 4B (equity accounted)
Half yearly/preliminary final report

Consolidated profit and loss account

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Sales (or equivalent operating) revenue	772	1,905
1.2 Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	(2,384)	---
	---	852
1.3 Other revenue	---	---
1.4 *Operating profit (loss) before abnormal items and tax	(3,424)	902
1.5 Abnormal items before tax (detail in item 2.4)	---	---
1.6 *Operating profit (loss) before tax (items 1.4 + 1.5)	(3,424)	902
1.7 Less tax	(62)	(212)
1.8 *Operating profit (loss) after tax but before outside *equity interests	(3,486)	690
1.9 Less outside *equity interests	---	---
1.10 *Operating profit (loss) after tax attributable to members	(3,486)	690
1.11 Extraordinary items after tax (detail in item 2.6)	---	---
1.12 Less outside *equity interests	---	---
1.13 Extraordinary items after tax attributable to members	---	---
1.14 Total *operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)	(3,486)	690
1.15 *Operating profit (loss) and extraordinary items after tax attributable to outside *equity interests (items 1.9 + 1.12)	---	---
1.16 *Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)	(3,486)	690
1.17 Retained profits (accumulated losses) at beginning of financial period	*589	261
1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)	---	---
1.19 Aggregate of amounts transferred from reserves	---	---
1.20 Total available for appropriation (carried forward)	(2,897)	951

* The Appendix 4B prepared as of March 31, 1998, showed this item as A\$560 (See Page 3). The change is caused by the fluctuation in exchange rates.

+ See chapter 19 for defined terms.

Consolidated profit and loss account continued

1.20	Total available for appropriation (brought forward)	(2,897)	951
1.21	Dividends provided for or paid	---	(391)
1.22	Aggregate of amounts transferred to reserves		
1.23	Retained profits (accumulated losses) at end of financial period	(2,897)	560

Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
1.24 *Operating profit (loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill	(3,485)	690
1.25 Less (plus) outside *equity interests	---	---
1.26 *Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	(3,485)	690

Intangible, abnormal and extraordinary items

	Consolidated - current period			
	Before tax \$A'000	Related tax \$A'000	Related outside *equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1 Amortisation of goodwill				
2.2 Amortisation of other intangibles				
2.3 Total amortisation of Intangibles	N/A	N/A	N/A	N/A
2.4 Abnormal items				
2.5 Total abnormal items	N/A	N/A	N/A	N/A
2.6 Extraordinary items				
2.7 Total extraordinary items	N/A	N/A	N/A	N/A

Comparison of half year profits
(Preliminary final report only)

	Current year - \$A'000	Previous year - \$A'000
3.1 Consolidated *operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly report)	(410)	672
3.2 Consolidated *operating profit (loss) after tax attributable to members for the 2nd half year	(3,076)	18

+ See chapter 19 for defined terms.

Appendix 4B (equity accounted)
Half yearly/preliminary final report

Consolidated balance sheet (See note 5)		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	2,789	2,177	2,422
4.2	Receivables	25	111	49
4.3	Investments	---	---	---
4.4	Inventories	---	---	---
4.5	Other (provide details if material)	---	---	---
4.6	Total current assets	2,814	2,288	2,471
Non-current assets				
4.7	Receivables	---	---	---
4.8	Investments in associates	63,149	71,661	77,644
4.9	Other investments	---	---	134
4.10	Inventories	---	---	---
4.11	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	---	---	---
4.12	Development properties (*mining entities)	---	---	---
4.13	Other property, plant and equipment (net)	6,613	6,573	6,911
4.14	Intangibles (net)	---	---	---
4.15	Other (provide details if material)	---	---	---
4.16	Total non-current assets	69,762	78,234	84,689
4.17	Total assets	72,576	80,522	87,160
Current liabilities				
4.18	Bank overdraft	1,277	---	1,301
	Accounts payable	2,637	519	1,001
4.19	Borrowings	---	---	52
4.20	Provisions	903	988	947
4.21	Other (provide details if material)	---	---	---
4.22	Total current liabilities	3,327	1,507	3,301
Non-current liabilities				
4.23	Accounts payable	---	---	---
4.24	Borrowings	753	785	812
4.25	Provisions	---	---	---
4.26	Other (provide details if material)	---	---	---
4.27	Total non-current liabilities	753	785	812
4.28	Total liabilities	4,080	2,292	4,113
4.29	Net assets	68,496	78,230	83,047

+ See chapter 19 for defined terms.