

Notes on the Condensed Interim Financial Statements (unaudited)**1 BASIS OF PREPARATION**

These condensed interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), except that they have only reviewed the figures in respect of the six months ended 31st December, 2004, and did not review the comparatives for the six months ended 31st December, 2003. KPMG's independent review report to the Board of Directors is included on page 48.

These condensed interim financial statements have been prepared in accordance with the Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the HKICPA and the disclosure requirements set out in Appendix 16 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are the same as those used in the Group's audited accounts for the year ended 30th June, 2004, except as described below:

In prior years, amortisation of toll highway operation rights and depreciation of bridges of the Group are provided on the basis of sinking fund method. With effect from 1st July, 2004, in order to comply with SSAP Interpretation 22 "The Appropriate Accounting Policies for Infrastructure Facilities" issued by the HKICPA, the Group adopted a new policy for amortisation and depreciation of infrastructure facilities, such that the amortisation of toll highway operation rights and depreciation of bridges of the Group are provided on a straight-line basis.

The new accounting policy has been adopted retrospectively. As a result of the change in this accounting policy, the opening balance of retained profits as at 1st July, 2004 has been decreased by HK\$29,201,000 (1st July, 2003: HK\$32,477,000) and the balance of the Group's other fixed assets, minority interests and deferred tax liabilities at 30th June, 2004 has been decreased by HK\$100,846,000, HK\$48,562,000 and HK\$23,083,000 respectively. The change has resulted in a decrease in the net profit for the period by HK\$7,470,000 (six months ended 31st December, 2003: increased by HK\$5,866,000).

3 RECENTLY ISSUED ACCOUNTING STANDARDS

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005.

The Group has not early adopted these new HKFRSs in the condensed interim financial statements for the six months ended 31st December, 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

Notes on the Condensed Interim Financial Statements (unaudited)
4 SEGMENTAL INFORMATION

The analysis of the Group's revenue and results by business segment during the periods are as follows:

Business segments:

Property development	—	development and sale of properties
Property leasing	—	leasing of properties
Finance	—	provision of financing
Building construction	—	construction of building works
Infrastructure	—	investment in infrastructure projects
Hotel operation	—	hotel operations and management
Department store operation	—	department store operations and management
Others	—	investment holding, project management, property management, agency services, provision of cleaning and security guard services and provision of information technology services

For the six months ended 31st December, 2004

	Property development HK\$'000	Property leasing HK\$'000	Finance HK\$'000	Building construction HK\$'000	Infra- structure HK\$'000	Hotel operation HK\$'000	Department store operation HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Turnover	569,070	1,025,123	47,071	296,310	152,851	66,100	64,800	340,491	—	2,561,816
Other revenue (excluding bank interest income)	—	2,795	1,396	974	979	—	755	13,091	—	19,990
External revenue	569,070	1,027,918	48,467	297,284	153,830	66,100	65,555	353,582	—	2,581,806
Inter-segment revenue	—	84,843	837	106,546	—	—	—	13,111	(205,337)	—
Total revenue	569,070	1,112,761	49,304	403,830	153,830	66,100	65,555	366,693	(205,337)	2,581,806
Segment results	102,282	703,878	43,017	77,937	107,243	5,736	4,429	60,581	—	1,105,103
Inter-segment transactions	16,801	(34,318)	(837)	(22,215)	—	24,910	8,311	5,420	—	(1,928)
Contribution from operations	119,083	669,560	42,180	55,722	107,243	30,646	12,740	66,001	—	1,103,175
Bank interest income	—	—	—	—	—	—	—	—	—	13,859
Unallocated operating expenses net of income	—	—	—	—	—	—	—	—	—	(154,459)
Profit from operations	—	—	—	—	—	—	—	—	—	962,575
Finance costs	—	—	—	—	—	—	—	—	—	(34,167)
Non-operating income	—	—	—	—	—	—	—	—	—	38
	—	—	—	—	—	—	—	—	—	928,446
Share of profits less losses of associates and jointly controlled entities	—	—	—	—	—	—	—	—	—	931,558
Income tax	—	—	—	—	—	—	—	—	—	(273,678)
Minority interests	—	—	—	—	—	—	—	—	—	(290,479)
Profit attributable to shareholders	—	—	—	—	—	—	—	—	—	1,295,847

Notes on the Condensed Interim Financial Statements (unaudited)
4 SEGMENTAL INFORMATION (cont'd)

For the six months ended 31st December, 2003 (restated)

	Property development	Property leasing	Finance	Building construction	Infra- structure	Hotel operation	Department store operation	Others	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	1,483,973	997,857	55,903	487,206	98,450	57,614	62,470	256,089	—	3,499,562
Other revenue (excluding bank interest income)	60	1,223	3,068	725	6,566	—	375	33,568	—	45,585
External revenue	1,484,033	999,080	58,971	487,931	105,016	57,614	62,845	289,657	—	3,545,147
Inter-segment revenue	—	96,592	1,158	282,225	—	—	—	15,126	(395,101)	—
Total revenue	1,484,033	1,095,672	60,129	770,156	105,016	57,614	62,845	304,783	(395,101)	3,545,147
Segment results	10,039	687,769	51,254	38,340	58,607	(3,577)	2,485	42,650		887,567
Inter-segment transactions	6,591	(45,004)	(1,158)	(13,157)	—	24,906	8,196	(6,780)		(26,406)
Contribution from operations	16,630	642,765	50,096	25,183	58,607	21,329	10,681	35,870		861,161
Bank interest income										5,275
Unallocated operating expenses net of income										(72,012)
Profit from operations										794,424
Finance costs										(20,042)
Non-operating income										112,334
										886,716
Share of profits less losses of associates and jointly controlled entities										690,820
Income tax										(244,283)
Minority interests										(275,185)
Profit attributable to shareholders										1,058,068

Notes on the Condensed Interim Financial Statements (unaudited)

6 OTHER OPERATING EXPENSES

	For the six months ended 31st December,	
	2004	2003
	HK\$'000	HK\$'000
Bad debts written off	10,750	6,794
Others	19,538	37,908
	<u>30,288</u>	<u>44,702</u>

7 NON-OPERATING INCOME

	For the six months ended 31st December,	
	2004	2003
	HK\$'000	restated HK\$'000
Surplus on revaluation of investments in securities	24,056	132,988
Impairment loss on other fixed assets	—	(435)
Amortisation of goodwill	(24,344)	(21,363)
Others	326	1,144
	<u>38</u>	<u>112,334</u>

Notes on the Condensed Interim Financial Statements (unaudited)

8 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

The consolidated profit from ordinary activities before taxation for the period is arrived at after charging:

(a) Finance costs:

	For the six months ended 31st December,	
	2004 HK\$'000	2003 HK\$'000
Interest on borrowings	87,625	132,291
Other borrowing costs	42,220	23,556
	129,845	155,847
Less: Amount capitalised*		
- interest	(58,456)	(114,036)
- other borrowing costs	(37,222)	(21,769)
	34,167	20,042

* The borrowing costs have been capitalised at rates ranging from 1.28% to 1.68% (2003: from 1.36% to 1.75%) per annum.

(b) Items other than those separately disclosed in notes 4 to 8(a):

	For the six months ended 31st December,	
	2004 HK\$'000	2003 restated HK\$'000
Amortisation and depreciation	59,312	55,610
Less: Amount capitalised	(13)	(12)
	59,299	55,598
Staff cost	407,955	371,455
Less: Amount capitalised	(16,164)	(10,036)
	391,791	361,419
Cost of sales		
- completed properties for sale	380,289	1,343,064
- inventories	68,412	69,555

Notes on the Condensed Interim Financial Statements (unaudited)

9 INCOME TAX

Income tax in the consolidated profit and loss account represents:

	For the six months ended 31st December,	
	2004	2003
	HK\$'000	restated HK\$'000
Current tax		
- Provision for Hong Kong Profits Tax	114,391	75,446
- Provision for taxation outside Hong Kong	19,379	8,477
Deferred tax		
- Origination and reversal of temporary differences	(19,213)	23,280
Share of associates' taxation	149,195	135,186
Share of jointly controlled entities' taxation	9,926	1,894
	<u>273,678</u>	<u>244,283</u>

Provision for Hong Kong Profits Tax has been made at 17.5% (2003: 17.5%) on the estimated assessable profits for the period.

Provision for taxation outside Hong Kong is provided for at the applicable rates of taxation for the period on the estimated assessable profits arising in the relevant foreign tax jurisdictions during the period.

Notes on the Condensed Interim Financial Statements (unaudited)

10 DIVIDENDS

(a) Dividends attributable to the interim period:

	For the six months ended 31st December,	
	2004	2003
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of HK\$0.40 per share (2003 : HK\$0.35 per share)	<u>725,832</u>	<u>635,103</u>

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end.

(b) Dividends attributable to the previous financial year, approved and paid during the interim period:

	For the six months ended 31st December,	
	2004	2003
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period of HK\$0.55 per share (2003 : HK\$0.45 per share)	<u>998,019</u>	<u>816,561</u>

11 EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$1,295,847,000 (2003 (restated): HK\$1,058,068,000) and on 1,814,580,000 ordinary shares (2003: the weighted average number of 1,758,814,565 ordinary shares) in issue during the period. Diluted earnings per share for the period is not presented because the existence of outstanding guaranteed convertible notes during the six months ended 31st December, 2004 has an anti-dilutive effect on the calculation of diluted earnings per share for the period. There was no potential dilution of earnings per share for 2003.

Notes on the Condensed Interim Financial Statements (unaudited)
12 FIXED ASSETS

	Investment properties HK\$'000	Other fixed assets HK\$'000	Total HK\$'000
Cost or valuation:			
At 1st July, 2004	32,394,678	7,867,598	40,262,276
Additions			
- acquisition of subsidiaries	10,446	—	10,446
- others	550,665	247,254	797,919
Disposals	(47,864)	(19,023)	(66,887)
Surplus on revaluation	593,241	—	593,241
At 31st December, 2004	<u>33,501,166</u>	<u>8,095,829</u>	<u>41,596,995</u>
Depreciation, amortisation and impairment:			
At 1st July, 2004 (restated)	—	988,437	988,437
Charge for the period	—	59,312	59,312
Written back on disposals	—	(17,820)	(17,820)
At 31st December, 2004	<u>—</u>	<u>1,029,929</u>	<u>1,029,929</u>
Net book value :			
At 31st December, 2004	<u>33,501,166</u>	<u>7,065,900</u>	<u>40,567,066</u>
At 30th June, 2004 (restated)	<u>32,394,678</u>	<u>6,879,161</u>	<u>39,273,839</u>

The Group's properties were reviewed as at 31st December, 2004 by the Group's internal valuer using relevant market indices. In the opinion of the Directors, all significant changes in the value of the Group's fixed assets during the period have been reflected in the condensed interim financial statements.

The Group's toll highway operation rights are pledged as securities for certain bank loans.

Notes on the Condensed Interim Financial Statements (unaudited)

13 INSTALMENTS RECEIVABLE

- (a) This represents the principal content of instalments receivable from the sale of flats after twelve months from the balance sheet date. The amounts receivable within twelve months from the balance sheet date are included under current assets.
- (b) The ageing analysis of instalments receivable within twelve months from the balance sheet date (net of provision for bad debts) is as follows:

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Under 1 month overdue	260,500	228,492
More than 1 month overdue and up to 3 months overdue	2,412	4,225
More than 3 months overdue and up to 6 months overdue	1,765	3,190
More than 6 months overdue	22,604	21,973
	<u>287,281</u>	<u>257,880</u>

14 COMPLETED PROPERTIES FOR SALE

The completed properties for sale include properties of HK\$1,364,069,000 (at 30th June, 2004: HK\$1,528,643,000) carried at net realisable value.

Notes on the Condensed Interim Financial Statements (unaudited)

15 DEBTORS, PREPAYMENTS AND DEPOSITS

The Group maintains a defined credit policy. Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Monthly rents in respect of leasing properties are payable in advance by tenants. Housing instalment and other trade debtors settle their accounts according to the payment terms as stated in the contracts. An ageing analysis of trade debtors is prepared on a regular basis and is closely monitored to minimise any credit risk associated with receivables.

The ageing analysis of trade debtors (net of provision for bad debts) is as follows:

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Under 1 month overdue	226,910	120,413
More than 1 month overdue and up to 3 months overdue	65,708	29,149
More than 3 months overdue and up to 6 months overdue	23,606	14,716
More than 6 months overdue	130,184	115,651
	<u>446,408</u>	<u>279,929</u>
Prepayments, deposits and other receivables	801,686	817,119
	<u>1,248,094</u>	<u>1,097,048</u>

16 CASH AND CASH EQUIVALENTS

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Deposits with banks and other financial institutions	2,901,980	3,481,601
Cash at bank and in hand	265,608	301,249
	<u>3,167,588</u>	<u>3,782,850</u>
Cash and cash equivalents in the balance sheet	3,167,588	3,782,850
Bank overdrafts	(136,191)	(229,135)
	<u>3,031,397</u>	<u>3,553,715</u>
Cash and cash equivalents in the cash flow statement	3,031,397	3,553,715

Notes on the Condensed Interim Financial Statements (unaudited)
17 CREDITORS AND ACCRUED EXPENSES

The ageing analysis of trade creditors is as follows:

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Due within 1 month and on demand	287,437	453,807
Due after 1 month but within 3 months	152,778	139,579
Due after 3 months but within 6 months	43,612	37,539
Due after 6 months	376,638	441,568
	860,465	1,072,493
Other payables and accrued expenses	632,296	574,278
	1,492,761	1,646,771

18 SHARE CAPITAL

	Number of shares		Nominal value	
	At 31st December, 2004 '000	At 30th June, 2004 '000	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Authorised				
Ordinary shares of HK\$2.00 each	<u>2,600,000</u>	<u>2,000,000</u>	<u>5,200,000</u>	<u>4,000,000</u>
Issued and fully paid				
Ordinary shares of HK\$2.00 each				
At beginning of period/year	1,814,580	1,722,140	3,629,160	3,444,280
Issue of shares	<u>—</u>	<u>92,440</u>	<u>—</u>	<u>184,880</u>
At balance sheet date	<u>1,814,580</u>	<u>1,814,580</u>	<u>3,629,160</u>	<u>3,629,160</u>

By an ordinary resolution passed at the annual general meeting of the Company held on 6th December, 2004, the Company's authorised share capital was increased to HK\$5,200,000,000 by the creation of an additional 600,000,000 ordinary shares of HK\$2 each ranking for dividend and in all other respects pari passu with the existing shares of the Company.

Notes on the Condensed Interim Financial Statements (unaudited)
19 SHARE PREMIUM

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
At beginning of period/year	11,157,446	8,387,915
Premium on issue of shares	—	2,769,595
Expenses on issue of shares	—	(64)
At balance sheet date	<u>11,157,446</u>	<u>11,157,446</u>

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

20 CAPITAL RESERVES

	Other properties revaluation reserve HK\$'000	Reserve on consolidation HK\$'000	Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Other reserve HK\$'000	Total HK\$'000
At 1st July, 2004	251,229	1,449,315	20,200	(3,925)	3,886	1,720,705
Deferred tax recognised	36	—	—	—	—	36
Transfer from profit and loss account (note 22)	—	—	—	—	705	705
At 31st December, 2004	<u>251,265</u>	<u>1,449,315</u>	<u>20,200</u>	<u>(3,925)</u>	<u>4,591</u>	<u>1,721,446</u>

The application of capital redemption reserve is governed by Section 49H of the Hong Kong Companies Ordinance.

The other properties revaluation reserve, reserve on consolidation and exchange reserve have been set up and will be dealt with in accordance with the accounting policies adopted for the goodwill arising on acquisition of subsidiaries, associates and jointly controlled entities, the valuation of properties and foreign currency translation.

Other reserve represents statutory reserve set up for enterprises established in the PRC. According to the relevant PRC rules and regulations applicable to wholly foreign-owned enterprises, wholly foreign-owned enterprises are required to transfer at least 10% of their profits after taxation, as determined under PRC Accounting Regulations, to a reserve fund until the reserve fund balance reaches 50% of the relevant enterprises' registered capital.

Notes on the Condensed Interim Financial Statements (unaudited)

21 INVESTMENT PROPERTY REVALUATION RESERVE

	HK\$'000
At 1st July, 2004	12,188,345
Revaluation surpluses	542,482
Share of revaluation surpluses in associates	70,638
Realised upon disposal of properties	(7,907)
At 31st December, 2004	<u>12,793,558</u>

22 RETAINED PROFITS

	HK\$'000
At 1st July, 2004	
- as previously reported	32,540,800
- prior period adjustment arising from change in accounting policy for depreciation (note 2)	<u>(29,201)</u>
- as restated	32,511,599
Dividends approved and paid in respect of the previous year (note 10(b))	(998,019)
Profit for the period	1,295,847
Transfer to capital reserve (note 20)	<u>(705)</u>
At 31st December, 2004	<u>32,808,722</u>

Notes on the Condensed Interim Financial Statements (unaudited)

23 COMMITMENTS

At 31st December, 2004, the Group had commitments not provided for in these financial statements as follows:

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
(i) Contracted for acquisition of property and future development expenditure and the related costs of internal fixtures and fittings	66,425	92,058
(ii) Contracted obligations to fund the subsidiaries and associates established outside Hong Kong	1,783,806	1,764,234
(iii) Future development expenditure and the related costs of internal fixtures and fittings approved by the Directors but not contracted for	5,470,338	5,705,485
	<u>7,320,569</u>	<u>7,561,777</u>

Based on information available at the balance sheet date, the Directors estimate that the Group's commitments disclosed above are payable as follows:

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Within 1 year	2,409,915	2,669,710
After 1 year but within 2 years	1,725,144	2,090,280
After 2 years	3,185,510	2,801,787
	<u>7,320,569</u>	<u>7,561,777</u>

Notes on the Condensed Interim Financial Statements (unaudited)

24 SIGNIFICANT LEASING ARRANGEMENTS

At 31st December, 2004, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

(i) Building facilities

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Within 1 year	27,519	33,548
After 1 year but within 5 years	73,894	72,874
After 5 years	22,357	19,575
	<u>123,770</u>	<u>125,997</u>

(ii) Telecommunications network facilities

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
Within 1 year	1,617	2,476
After 1 year but within 5 years	—	252
	<u>1,617</u>	<u>2,728</u>

Notes on the Condensed Interim Financial Statements (unaudited)
25 CONTINGENT LIABILITIES

As at 31st December, 2004, contingent liabilities of the Group were as follows:

	At 31st December, 2004 HK\$'000	At 30th June, 2004 HK\$'000
(a) Guarantees given by the Company and its subsidiaries to financial institutions on behalf of purchasers of flats	188,851	215,576
(b) Guarantees given by the Company to banks to secure banking facilities of an associate and a jointly controlled entity	2,210,229	2,322,385
	2,399,080	2,537,961

(c) At 31st December, 2004, the Group had contingent liabilities in respect of performance bonds to guarantee for a due and proper performance of the subsidiaries' obligations amounting to HK\$69,590,000. At 30th June, 2004, the Group had no contingent liabilities in relation to the said guarantees.

26 PENDING LITIGATION

Included in the balance of properties held for development ("PHFD"), an amount approximately of HK\$288 million is in relation to a project co-developed by a joint venture partner ("JV partner") in People's Republic of China and a subsidiary of the Group. Due to the failure of the JV partner to fulfil the terms of the joint venture agreement ("the agreement"), the subsidiary did not complete the land use right application within the time period as required by the local authority. As at 21st December, 2004, the subsidiary filed litigation against the JV partner for the breach of the agreement.

Having consulted the legal counsel, it is considered that the subsidiary had a favourable position in the above allegation and would successfully obtain the land use right. Accordingly, no provision in respect of the PHFD held by the subsidiary has been made in the condensed interim financial statements as at 31st December, 2004.

27 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with fellow subsidiaries

Details of material related party transactions between the Group and its fellow subsidiaries are as follows:

	For the six months ended 31st December,	
	2004 HK\$'000	2003 HK\$'000
Building management service income (note iii)	17,145	17,449
Rental commission income (note iii)	8,791	6,635

Notes on the Condensed Interim Financial Statements (unaudited)

27 MATERIAL RELATED PARTY TRANSACTIONS (cont'd)

(b) Transactions with associates and jointly controlled entities

Details of material related party transactions between the Group and its associates and jointly controlled entities are as follows:

	For the six months ended 31st December,	
	2004	2003
	HK\$'000	HK\$'000
Other interest income (note ii)	17,171	3,404
Building construction income (note iii)	267,736	468,888
Professional fee income (note i)	31,938	3,618
Sales commission income (note i)	125,709	1,606
Rental expenses (note i)	12,649	—

(c) Transactions with related companies

Details of material related party transactions between the Group and its related companies which represented a trust fund managed by the Directors of the Group are as follows:

	For the six months ended 31st December,	
	2004	2003
	HK\$'000	HK\$'000
Building construction income (note iii)	26,285	11,779

In addition, the Group and one of its related companies entered into a rental agreement dated 30th March, 2004 for leasing certain units of the Group's investment properties with a monthly rental charged at 8% of the tenant's monthly turnover. According to the rental agreement, the related company is entitled to a rent-free period from 1st April, 2004 to 30th September, 2004. The total rental income and receivable from the related company during the interim period and as at 31st December, 2004 is HK\$249,000.

Notes:

- (i) These transactions were carried out on normal commercial terms and in the ordinary course of business.
- (ii) Interest income is calculated on the balance of loans outstanding from time to time by reference to Hong Kong Inter-Bank Offer Rate or prime rate.
- (iii) These transactions represent cost reimbursements plus certain percentage thereon as service fees.

(d) Transactions with companies controlled by a Director of the Company

Mr. Lee Ka Kit, a director of the Company, through companies controlled or owned by him has separate interests in certain subsidiaries and associates of the Company or the Group and through which the Group holds its interest in certain development projects in the PRC. Mr. Lee through companies controlled or owned by him had provided finance in the form of advances to these subsidiaries and associates in accordance with the percentage of his equity interest in these companies. At 31st December, 2004, the advances made to these subsidiaries and associates through companies controlled or owned by Mr. Lee amounting to HK\$470,464,000 (at 30th June, 2004: HK\$470,464,000) and HK\$586,821,000 (at 30th June, 2004: HK\$586,821,000) respectively are unsecured. No interest are charged to these subsidiaries and associates by the companies controlled or owned by Mr. Lee under such arrangements during the period ended 31st December, 2003 and 2004 .

28 COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of the change in accounting policy for amortisation of toll highway operation rights and depreciation of bridges, details of which are set out in note 2.