1. Principal Accounting Policies

(a) Statement of compliance

These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which include all applicable Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the principal accounting policies adopted by the Group is set out below.

(b) Basis of preparation of the accounts

The measurement basis used in the preparation of the accounts is historical cost modified by the revaluation of investment property and hotel property, and the marking to market of investments in securities as explained in the accounting policies set out below.

(c) Basis of consolidation

(i) Subsidiaries and controlled companies

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated accounts, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Group, in which case, it is stated in the consolidated balance sheet at fair value with changes in fair value recognised in the same way as for investments in securities (see note 1(h)).

1. Principal Accounting Policies (cont'd)

(c) Basis of consolidation (cont'd)

(i) Subsidiaries and controlled companies (cont'd)

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated accounts. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(f)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company, in which case, it is stated at fair value with changes in fair value recognised in the same way as for investments in securities (see note 1(h)).

(ii) Associates

An associate is a company in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated accounts under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the Group, in which case, it is stated at fair value with changes in fair value recognised in the same way as for investments in securities (see note 1(h)). The consolidated profit and loss account reflects the Group's share of the post-acquisition results of the associates for the year, including any amortisation of positive or negative goodwill charged or credited during the year in accordance with note 1(c)(iii).

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in associates. If there is evidence of impairment in value of the assets transferred, the unrealised losses will be recognised immediately in the consolidated profit and loss account.

1. Principal Accounting Policies (cont'd)

(c) Basis of consolidation (cont'd)

(ii) Associates (cont'd)

In the Company's balance sheet, an investment in an associate is stated at cost less impairment losses (see note 1 (f)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the investor, in which case, it is stated at fair value with changes in fair value recognised in the same way as for investments in securities (see note 1(h)).

(iii) Goodwill/negative goodwill

Goodwill represents the excess/shortfall of the cost of investment over the appropriate share of the fair value of the identifiable assets and liabilities of a controlled subsidiary or associate acquired. Goodwill is recognised as an asset and is amortised to the consolidated profit and loss account on a straight-line basis over its estimated useful life. Negative goodwill which relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, is recognised in the consolidated profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated profit and loss account over the weighted average useful life of those non-monetary assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the consolidated profit and loss account.

On disposal of a controlled subsidiary or an associate, any attributable amount of purchased goodwill not previously amortised through the consolidated profit and loss account is included in the calculation of the profit or loss on disposal.

The carrying amount of goodwill is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists an impairment loss is recognised as an expense in the consolidated profit and loss account.

1. Principal Accounting Policies (cont'd)

(d) Fixed assets

(i) Investment property

Investment property is defined as property which is income producing and intended to be held for long term. Such property is included in the balance sheet at its open market value, which is assessed annually by external qualified valuers. Change in the value of investment property is dealt with as a movement in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, the excess of the deficit is charged to the consolidated profit and loss account. When a surplus arises on subsequent revaluation, it will be credited to the consolidated profit and loss account if and to the extent that a deficit on revaluation had previously been charged to the consolidated profit and loss account. On disposal of investment property, the revaluation surplus or deficit previously taken to the investment property revaluation reserve is included in calculating the profit or loss on disposal.

(ii) Property held for redevelopment

Property held for redevelopment is stated at cost, including borrowing costs, less such provisions for impairment losses (see note 1(f)) considered necessary by the Directors.

All development costs including borrowing costs are capitalised up to the date of practical completion of the development.

(iii) Hotel property

Hotel property is stated at its open market existing use value based on an annual professional valuation. Change in the value of hotel property is dealt with as a movement in the hotel property revaluation reserve. When a deficit arises on revaluation, it will be charged to the consolidated profit and loss account, if and to the extent that it exceeds the amount held in the reserve. When a surplus arises on subsequent revaluation, it will be credited to the consolidated profit and loss account, if and to the extent that a deficit on revaluation had previously been charged to the consolidated profit and loss account.

(iv) Other fixed assets

Other fixed assets are stated in the balance sheet at cost less accumulated depreciation (see note 1(e)(iv)) and impairment losses (see note 1(f)).

1. Principal Accounting Policies (cont'd)

(d) Fixed assets (cont'd)

(iv) Other fixed assets (cont'd)

Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account on the date of retirement or disposal. On disposal of fixed assets other than investment property, any related revaluation surplus is transferred from the revaluation reserve to revenue reserve.

(e) Depreciation of fixed assets

(i) Investment property

No depreciation is provided in respect of investment property with an unexpired lease term of more than 20 years since the valuation takes into account the state of each building at the date of valuation.

(ii) Property held for redevelopment

No depreciation is provided on property held for redevelopment.

(iii) Hotel property

No depreciation is provided on hotel property on leases with 20 years or more to run at the balance sheet date or on their integral fixed plant. It is the Group's practice to maintain these assets in a continuous state of sound repair and to make improvements thereto from time to time and, accordingly, the Directors consider that, given the estimated lives of these assets and their residual values, any depreciation would be immaterial.

(iv) Other fixed assets

Leasehold improvements are depreciated over the unexpired terms of the leases.

Other assets comprising plant, machinery, furniture, fixtures and equipment are depreciated at annual rates of 10% to 20% on a straight line basis on cost.

1. Principal Accounting Policies (cont'd)

(f) Impairment of assets

The carrying amounts of the Group's assets, other than properties carried at revalued amounts are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount exceeds the recoverable amount. Impairment losses are recognised as an expense in the consolidated profit and loss account. The recoverable amount of an asset is the greater of its net selling price and value in use. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated profit and loss account in the year in which the reversals are recognised.

(g) Leased assets

Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

– ***Assets held for use in operating leases***

Where the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in note 1(l)(ii).

– ***Operating lease charges***

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the consolidated profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the consolidated profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the consolidated profit and loss account in the accounting period in which they are incurred.

1. Principal Accounting Policies (cont'd)

(h) Investments in securities

Long term investments are stated at fair value. Changes in fair value are recognised in the investments revaluation reserve until the investment is sold, collected, or otherwise disposed of, or until there is objective evidence that the investment is impaired, at which time the relevant cumulative gain or loss is transferred from the investments revaluation reserve to the consolidated profit and loss account. Transfers from the investments revaluation reserve to the consolidated profit and loss account as a result of impairments are reversed when the circumstances and events that led to the impairment cease to exist and there is persuasive evidence that new circumstances and events will persist for the foreseeable future.

Short term investments are stated in the balance sheet at fair value. Changes in fair value are recognised in the consolidated profit and loss account as they arise.

Profits or losses on disposal of long term and short term investments are determined as the difference between the estimated net disposal proceeds and the carrying amount of the investments and are recognised in the consolidated profit and loss account as they arise. On disposal of long term investments, the revaluation surplus or deficit previously taken to the investments revaluation reserve is also transferred to the consolidated profit and loss account.

(i) Inventories

Inventories comprise hotel consumables and are stated at the lower of cost, calculated on weighted average basis, and net realisable value. Net realisable value represents the estimated selling price less direct selling costs.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1. Principal Accounting Policies (cont'd)

(j) Cash and cash equivalents

The Group defines cash and cash equivalents as cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, which were within three months of maturity at acquisition.

(k) Foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary foreign currency balances are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange differences arising from the above are dealt with in the consolidated profit and loss account.

(l) Recognition of income

(i) Income from hotel operations is recognised at the time when the services are rendered.

(ii) Rental income under operating leases is recognised in the consolidated profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised in the consolidated profit and loss account as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Interest income is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.

(iv) Interest on a loan advanced to an associate involved in a property development project is deferred and is recognised when the associate starts to generate profit from the property development project based on the percentage of total area sold to the total area available for sale.

(v) Dividend income from investments is recognised when the shareholder's right to receive the payment is established.

1. Principal Accounting Policies (cont'd)

(m) Borrowing costs

Borrowing costs are expensed in the consolidated profit and loss account in the year in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(n) Income tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the profit and loss account except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

(ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. Principal Accounting Policies (cont'd)

(n) Income tax (cont'd)

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously; or

1. Principal Accounting Policies (cont'd)

(n) Income tax (cont'd)

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(o) Employee benefits

(i) Defined contribution pension scheme

Contributions to the scheme are expensed as incurred and may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Group in an independently administered fund.

(ii) Defined benefit pension schemes

The Group's net obligation in respect of the defined benefit pension schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any scheme assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method.

When the benefits of a scheme are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the consolidated profit and loss account on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the consolidated profit and loss account.

In calculating the Group's obligation in respect of a scheme, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation or the fair value of scheme assets, that portion is recognised in the consolidated profit and loss account over the expected average remaining working lives of the employees participating in the scheme. Otherwise, the actuarial gain or loss is not recognised.

1. Principal Accounting Policies (cont'd)

(o) Employee benefits (cont'd)

(ii) Defined benefit pension schemes (cont'd)

Where the calculation of the Group's net obligation results in a negative amount, the asset recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs and the present value of any future refunds from the scheme or reductions in future contributions to the scheme.

(iii) Mandatory Provident Fund

Contributions to the Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to the profit and loss account when incurred.

(iv) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(p) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

1. Principal Accounting Policies (cont'd)

(p) Segment reporting (cont'd)

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, borrowings and corporate and financing expenses.

(q) Related parties

For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(r) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Deferred income

Deferred income is interest income less directly attributable interest expenses arising from a loan advanced to an associate, which has been deferred and is recognised in the consolidated profit and loss account from when the associate starts to generate profit from a property development project, undertaken by the associate, based on the percentage of total area sold to the total area available for sale.

2. Segment Reporting

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business segments

	Hotel and restaurants		Property		Investments		Total	
	2004 HK$ Million	2003 HK$ Million	**2004 HK$ Million**	2003 HK$ Million	**2004 HK$ Million**	2003 HK$ Million	**2004 HK$ Million**	2003 HK$ Million
Segment revenue	**333.7**	238.8	**82.8**	40.3	**28.5**	29.6	**445.0**	308.7
Segment results	**108.9**	46.2	**74.1**	26.8	**19.4**	38.5	**202.4**	111.5
Non-operating items	**–**	–	**–**	(9.3)	**20.9**	(25.1)	**20.9**	(34.4)
Share of profits less losses of associates	**–**	–	**64.7**	124.2	**0.1**	0.7	**64.8**	124.9
Profit before taxation							**288.1**	202.0
Taxation							**(37.4)**	(32.6)
Profit attributable to shareholders							**250.7**	169.4
Segment assets	**1,914.1**	1,734.5	**1,054.2**	851.2	**820.7**	550.3	**3,789.0**	3,136.0
Interest in associates	**–**	–	**38.9**	385.3	**3.5**	2.6	**42.4**	387.9
Unallocated assets								
Cash and cash equivalents							**1,737.5**	1,277.4
Total assets							**5,568.9**	4,801.3
Segment liabilities	**(48.8)**	(48.3)	**(22.4)**	(39.3)	**(1.6)**	(5.3)	**(72.8)**	(92.9)
Unallocated liabilities							**(33.4)**	(21.8)
Total liabilities							**(106.2)**	(114.7)
Depreciation for the year	**14.2**	12.4	**–**	–	**–**	–	**14.2**	12.4
Capital expenditure incurred during the year	**24.9**	5.3	**36.9**	54.6	**–**	–	**61.8**	59.9

2. Segment Reporting (cont'd)

(b) Geographical segments

	Segment revenue		Segment results	
	2004	2003	**2004**	2003
	HK$	HK$	**HK$**	HK$
	Million	Million	**Million**	Million
Hong Kong	**428.4**	292.1	**185.8**	94.9
Singapore	**16.6**	16.6	**16.6**	16.6
	445.0	308.7	**202.4**	111.5

No inter-segment revenue has been recorded during the current and prior years.

3. Operating Profit

(a) Operating profit is arrived:–

	2004	2003
	HK$	HK$
	Million	Million
After charging:–		
Cost of inventories sold	**26.6**	22.9
Depreciation	**14.2**	12.4
Staff costs	**84.2**	77.8
including:		
Contributions to defined contribution pension schemes (after deducting forfeiture of Group's contribution of HK$0.5 million (2003: HK$0.5 million))	**3.0**	2.6
Increase in liability for defined benefit pension schemes	**0.9**	2.2
Total pension cost	**3.9**	4.8
Auditors' remuneration	**0.5**	0.5
and after crediting:–		
Gross rental income from investment property	**82.8**	40.3
Less: direct outgoings	**(6.8)**	(11.8)
	76.0	28.5
Interest income on bank deposits	**3.2**	6.8
Dividend income from listed investments	**25.3**	22.8

3. Operating Profit (cont'd)

(b) Directors' emoluments

	2004 HK$ Million	2003 HK$ Million
Fees	**0.1**	0.1
Basic salaries, housing allowances, and other allowances and benefits in kind	**0.8**	0.8
Retirement scheme contributions	**–**	–
Discretionary bonuses and/or performance-related bonuses	**–**	–
Compensation for loss of office	**–**	–
Inducement for joining the Group	**–**	–
	0.9	0.9

For the year under review, total emoluments (including any reimbursement of expenses), being wholly in the form of Directors' fees, were paid/payable at the rate of HK$20,000 (2003: HK$20,000) per annum to each Independent Non-executive Director of the Company.

The emoluments in respect of the year ended 31st December, 2004 of all the Directors of the Company in office during the year were in the following ranges: –

Bands (in HK$)	**2004 Number of Directors**	2003 Number of Directors
Nil - $500,000	**6**	6
$500,001 - $1,000,000	**1**	1

3. Operating Profit (cont'd)

(c) Emoluments of the highest paid employees

Set out below are analyses of the emoluments (excluding amounts, if any, paid or payable by way of commissions on sales generated by the employees concerned) for the year ended 31st December, 2004 of the five highest paid employees of the Group, none of whom is a Director of the Company. The aggregate of the emoluments in respect of the individuals are as follows: –

	2004 HK$ Million	2003 HK$ Million
Basic salaries, housing allowances, and other allowances and benefits in kind	**4.9**	4.4
Retirement scheme contributions	**0.4**	0.4
Discretionary bonuses and/or performance-related bonuses	**0.4**	0.5
Compensation for loss of office	**–**	–
Inducement for joining the Group	**–**	–
	5.7	5.3

The emoluments of the five highest individuals are within the following bands: –

Bands (in HK$)	**2004 Number of Individuals**	2003 Number of Individuals
Not more than $1,000,000	**2**	3
$1,000,001 - $1,500,000	**2**	1
$1,500,001 - $2,000,000	**1**	1

4. Non-operating Items

	2004 HK$ Million	2003 HK$ Million
Release of deferred income	**20.9**	83.8
Profit on disposal of long term investments *(note a)*	**–**	19.3
Provision for impairment in value of long term investments *(note b)*	**–**	(128.2)
Provision for impairment in value of property held for redevelopment	**–**	(9.3)
	20.9	(34.4)

(a) For the year ended 31st December, 2003, profit on disposal of long term investments includes a revaluation deficit of HK$2.5 million transferred from the investments revaluation reserve to the consolidated profit and loss account upon disposal of the related long term investments.

(b) At 31st December, 2003, management considered that certain of the Group's long term investments were impaired in value. Accordingly, to comply with the Group's accounting polices, a provision for impairment of long term investments of HK$128.2 million was made.

5. Taxation

(a) The provision for Hong Kong profits tax is based on the profit for the year as adjusted for tax purposes at the rate of 17.5 per cent.

(b) Taxation in the consolidated profit and loss account represents: –

	2004 HK$ Million	2003 HK$ Million
Current taxation		
Provision for Hong Kong profits tax for the year	**30.7**	21.8
(Overprovision)/underprovision in respect of prior years	**(3.2)**	0.8
	27.5	22.6
Deferred taxation		
Origination and reversal of temporary differences	**1.5**	2.8
Effect of increase in tax rate on deferred taxation at 1st January, 2003	**–**	0.8
	1.5	3.6
Share of associates' Hong Kong profits tax	**8.4**	6.4
Total tax charge	**37.4**	32.6

5. Taxation (cont'd)

(c) Reconciliation between the actual total tax charge and accounting profit at applicable tax rate: –

	2004 HK$ Million	2003 HK$ Million
Profit before taxation	**288.1**	202.0
Notional tax on accounting profits calculated at applicable tax rate	**50.4**	35.4
Tax effect of non-deductible expenses	**2.6**	25.0
Tax effect of non-taxable revenue	**(9.3)**	(14.1)
Tax loss utilised	**(3.1)**	(15.3)
(Overprovision)/underprovision in respect of prior years	**(3.2)**	0.8
Effect on change in tax rate on deferred taxation at 1st January, 2003	**–**	0.8
Actual total tax charge	**37.4**	32.6

(d) None of the taxation payable in the consolidated balance sheet is expected to be settled after more than one year.

6. Profit Attributable to Shareholders

The profit attributable to shareholders for the year is dealt with in the accounts of the Company to the extent of HK$22.3 million (2003: HK$159.9 million).

7. Dividends

(a) Dividends attributable to the year

	2004 HK$ Million	2003 HK$ Million
Interim dividend declared and paid of 5.0 cents (2003: 5.0 cents) per share	**15.8**	15.8
Final dividend of 12.0 cents (2003: 12.0 cents) per share proposed after the balance sheet date	**37.8**	37.8
	53.6	53.6

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

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

	2004 HK$ Million	2003 HK$ Million
Final dividend in respect of the previous financial year, approved and paid during the year, of 12.0 cents (2003: 12.0 cents) per share	**37.8**	37.8

8. Earnings Per Share

The calculation of earnings per share is based on the profit for the year of HK$250.7 million (2003: HK$169.4 million) and on 315.0 million (2003: 315.0 million) ordinary shares in issue throughout the year ended 31st December, 2004. For the year under review and the preceding year, there is no difference between the basic and diluted earnings per share.

9. Fixed Assets

	Group				
	Investment property HK$ Million	Property held for redevelopment HK$ Million	Hotel property HK$ Million	Other fixed assets HK$ Million	Total HK$ Million
(a) Cost or valuation					
Balance at 1st January, 2004	817.0	28.3	1,661.0	164.9	2,671.2
Additions	7.3	29.6	12.0	12.9	61.8
Disposals	–	–	–	(21.9)	(21.9)
Revaluation surplus	148.7	–	167.0	–	315.7
Balance at 31st December, 2004	973.0	57.9	1,840.0	155.9	3,026.8
Accumulated depreciation					
Balance at 1st January, 2004	–	–	–	129.4	129.4
Charge for the year	–	–	–	14.2	14.2
Written back on disposals	–	–	–	(21.9)	(21.9)
Balance at 31st December, 2004	–	–	–	121.7	121.7
Net book value					
At 31st December, 2004	**973.0**	**57.9**	**1,840.0**	**34.2**	**2,905.1**
At 31st December, 2003	817.0	28.3	1,661.0	35.5	2,541.8
(b) The analysis of cost or valuation of the above assets is as follows: –					
2004 valuation	973.0	–	1,840.0	–	2,813.0
Cost less provisions	–	57.9	–	155.9	213.8
	973.0	57.9	1,840.0	155.9	3,026.8

The carrying value of the hotel property would have been HK$83.1 million (2003: HK$71.1 million) had it been stated at cost.

(c) Tenure of title to properties at cost or valuation: –					
Long term lease held in Hong Kong					
Over 50 years	973.0	57.9	1,840.0	–	2,870.9

9. Fixed Assets (cont'd)

(d) Properties valuation

The Group's investment and hotel properties in Hong Kong have been revalued as at 31st December, 2004 by Chesterton Petty Limited, an independent firm of professional surveyors, on an open market value basis and open market existing use basis, respectively. The surpluses arising from the revaluations have been dealt with in the relevant revaluation reserves.

(e) Properties schedule at 31st December, 2004

Address	Lot number	Year of completion	Stage of completion	Lease expiry	Site area (sq.ft.)	Approximate gross floor areas (sq.ft.)	Usage	Attributable interest
Investment property								
The Marco Polo Hongkong Hotel (Commercial Section) Harbour City Tsimshatsui	KML 91 S.A. & KML 10 S.B.	1969	Completed	2863	*	34,137 136,700	Office Retail	100%
Hotel property								
The Marco Polo Hongkong Hotel Harbour City Tsimshatsui	KML 91 S.A. & KML 10 S.B.	1969	Completed	2863	58,814	664 rooms	Hotel	100%
Property held for redevelopment								
60 Victoria Road Kennedy Town	IL 8079	N/A	Superstructure in progress	2064	6,100	48,800	Residential	100%

* *This investment property forms part of The Marco Polo Hongkong Hotel.*

9. Fixed Assets (cont'd)

(f) The Group leases out its investment property under operating leases which generally run for an initial period of one to six years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments may contain a contingent rent element which is based on various percentages of tenants' sales receipts.

Contingent rental income earned by the Group for the year amounted to HK$24.8 million (2003: HK$0.5 million).

The gross carrying amount of investment property of the Group held for use in operating leases was HK$973.0 million (2003: HK$817.0 million).

(g) The Group's total future minimum lease income under non-cancellable operating leases is receivable as follows: –

	2004 HK$ Million	2003 HK$ Million
Within 1 year	**56.0**	53.3
After 1 year but within 5 years	**142.9**	168.9
After 5 years	**–**	9.8
	198.9	232.0

10. Amounts Due from/(to) Subsidiaries

The amounts due from/(to) subsidiaries are unsecured, recoverable/repayable on demand and interest free.

Details of principal subsidiaries at 31st December, 2004 are shown on page 62.

11. Interest In Associates

	Group		Company	
	2004	2003	**2004**	2003
	HK$	HK$	**HK$**	HK$
	Million	Million	**Million**	Million
Share of net tangible assets	**35.0**	51.0	**–**	–
Loan due from an associate	**36.8**	366.4	**36.8**	366.4
Amount due to an associate	**(29.4)**	(29.5)	**–**	–
	42.4	387.9	**36.8**	366.4

Details of principal associates at 31st December, 2004 are shown on page 62.

(a) The loan advanced to an associate involved in a property development project bears interest at rates as determined by the shareholders of the associate with reference to the prevailing market rates. The loan is unsecured and is repayable as may from time to time be agreed among the shareholders.

The amount due to an associate is classified as non-current as it is not expected to be repayable within the next twelve months.

(b) The following supplementary financial information is disclosed relating to a significant associate of the Group, Hopfield Holdings Limited: –

	2004	2003
	HK$	HK$
	Million	Million
Consolidated balance sheet		
Non-current assets	**86.3**	139.4
Current assets	**563.9**	2,379.0
Current liabilities	**(455.1)**	(591.8)
Non-current liabilities	**(184.2)**	(1,831.9)
Consolidated profit and loss account		
Turnover	**851.4**	4,136.4
Operating profit	**323.4**	620.9
Taxation	**(42.1)**	(31.8)

12. Long Term Investments

	Group 2004 HK$ Million	2003 HK$ Million
Equity securities		
Listed in Hong Kong, at market value	**24.1**	23.9
Listed outside Hong Kong, at market value	**734.3**	471.0
	758.4	494.9
Unlisted	**62.0**	55.1
	820.4	550.0

Included in the above equity securities are investments in a listed company, the carrying value of which constituted more than 10% of the Group's total assets at 31st December, 2004. Details of this listed company are shown as follows: –

Name of company	Place of incorporation	Percentage of total issued ordinary shares held
Hongkong Land Holdings Limited	Bermuda	1.55

13. Employee Benefits

(a) Defined benefit pension schemes

	Group 2004 HK$ Million	2003 HK$ Million
Defined benefit pension schemes	**8.7**	8.6

The Group makes contributions to defined benefit pension schemes that provide pension benefits for certain employees upon retirement. The assets of the schemes are held separately by independently administered funds. The schemes are funded by contribution from employers, which are in accordance with recommendations made by actuaries based on their valuation. The latest valuations of the schemes as at 31st December, 2004 were performed either internally or by Watson Wyatt Hong Kong Limited, using the projected unit credit method with funding ratio 92.3% and 103.7% respectively.

13. Employee Benefits (cont'd)

(a) Defined benefit pension schemes (cont'd)

(i) The amount recognised in the consolidated balance sheet is as follows: –

	2004 HK$ Million	2003 HK$ Million
Present value of funded obligations	**68.3**	51.6
Fair value of scheme assets	**(68.8)**	(63.5)
Net unrecognised actuarial (losses)/gains	**(8.2)**	3.3
	(8.7)	(8.6)

(ii) Movements in the net assets recognised in the consolidated balance sheet are as follows: –

	2004 HK$ Million	2003 HK$ Million
Balance at 1st January	**(8.6)**	(9.3)
Contributions paid	**(1.0)**	(1.5)
Expense recognised in the consolidated profit and loss account	**0.9**	2.2
Balance at 31st December	**(8.7)**	(8.6)

(iii) Expense recognised in the consolidated profit and loss account is as follows: –

	2004 HK$ Million	2003 HK$ Million
Current service cost	**3.0**	3.6
Interest cost	**2.5**	2.5
Expected return on scheme assets	**(4.6)**	(3.9)
	0.9	2.2

13. Employee Benefits (cont'd)

(a) Defined benefit pension schemes (cont'd)

The expense is recognised in the following line items in the consolidated profit and loss account: –

	2004 HK$ Million	2003 HK$ Million
Direct costs and operating expenses	**0.8**	2.1
Selling and marketing expenses	**0.1**	0.1
	0.9	2.2
Actual return on scheme assets	**7.0**	8.2

(iv) The principal actuarial assumptions used as at 31st December, 2004 (expressed as a range) are as follows: –

		2004	2003
Discount rate at 31st December		**4-5%**	5%
Expected rate of return on scheme assets		**5-8%**	5-8%
Future salary increases	2004	**N/A**	0-2%
	2005	**2-5%**	2%
	2006	**2%**	2-4%
	2007 onwards	**2-4%**	4%

(b) Defined contribution pension schemes

A number of defined contribution pension schemes (including the Mandatory Provident Fund) are available to the employees of the Group. For defined contribution pension schemes, both the Group and the employees contribute respectively to the schemes sums which represent percentages of the employees' salaries as defined under the relevant trust deeds. The contributions are expenses as incurred and may be reduced by contributions forfeited by those employees who have left the scheme prior to vesting fully in the contributions.

14. Trade and Other Receivables

	Group		Company	
	2004	2003	**2004**	2003
	HK$	HK$	**HK$**	HK$
	Million	Million	**Million**	Million
Trade debtors				
Due within 30 days	**31.8**	14.4	**–**	–
Due after 30 days but within 60 days	**4.1**	2.9	**–**	–
Due after 60 days but within 90 days	**0.1**	1.1	**–**	–
Over 90 days	**0.1**	0.1	**–**	–
	36.1	18.5	**–**	–
Other receivables	**5.2**	5.6	**0.3**	0.3
Amounts due from fellow subsidiaries	**10.1**	8.0	**–**	–
	51.4	32.1	**0.3**	0.3

The Group has a defined credit policy. The general credit terms allowed range from 0 to 60 days. The amounts due from fellow subsidiaries are unsecured, interest free and recoverable on demand. The above includes deposits paid amounting to HK$0.6 million (2003: HK$0.3 million) which are expected to be recovered after one year.

15. Trade and Other Payables

	Group		Company	
	2004	2003	**2004**	2003
	HK$ Million	HK$ Million	**HK$ Million**	HK$ Million
Trade creditors				
Due within 30 days	**12.8**	10.8	**–**	–
Due after 30 days but within 60 days	**3.8**	6.9	**–**	–
Due after 60 days but within 90 days	**0.1**	0.3	**–**	–
Over 90 days	**0.1**	0.2	**–**	–
	16.8	18.2	**–**	–
Other payables and provisions	**42.5**	41.6	**0.7**	0.8
Amounts due to fellow subsidiaries	**8.3**	7.8	**–**	0.3
	67.6	67.6	**0.7**	1.1

The amounts due to fellow subsidiaries are unsecured, interest free and repayable on demand. The above includes deposits received amounting to HK$14.9 million (2003: HK$12.8 million) which are expected to be settled after one year.

16. Share Capital

	2004		2003	
	No. of shares Million	**HK$ Million**	No. of shares Million	HK$ Million
Authorised				
Ordinary shares of HK$0.50 each	**380.0**	**190.0**	380.0	190.0
Issued and fully paid				
Ordinary shares of HK$0.50 each	**315.0**	**157.5**	315.0	157.5

17. Reserves

	Share premium HK$ Million	Investment property revaluation reserve HK$ Million	Hotel property revaluation reserve HK$ Million	Investments revaluation reserve HK$ Million	Revenue reserve HK$ Million	Total HK$ Million
(a) The Group						
(i) Company and subsidiaries						
Balance at 1st January, 2003	542.0	616.6	1,548.9	(222.3)	1,674.2	4,159.4
Dividend approved in respect of the previous year	–	–	–	–	(37.8)	(37.8)
Transferred to the consolidated profit and loss account on disposal of long term investments	–	–	–	2.5	–	2.5
Revaluation surplus						
Investment property	–	58.0	–	–	–	58.0
Hotel property	–	–	41.0	–	–	41.0
Long term investments	–	–	–	100.0	–	100.0
Transferred to the consolidated profit and loss account on impairment of long term investments	–	–	–	128.2	–	128.2
Profit for the year	–	–	–	–	50.9	50.9
Dividend declared in respect of the current year	–	–	–	–	(15.8)	(15.8)
Balance at 31st December, 2003 and at 1st January, 2004	542.0	674.6	1,589.9	8.4	1,671.5	4,486.4
Dividend approved in respect of the previous year	–	–	–	–	(37.8)	(37.8)
Revaluation surplus						
Investment property	–	148.7	–	–	–	148.7
Hotel property	–	–	167.0	–	–	167.0
Long term investments	–	–	–	262.6	–	262.6
Profit for the year	–	–	–	–	194.3	194.3
Dividend declared in respect of the current year	–	–	–	–	(15.8)	(15.8)
Balance at 31st December, 2004	**542.0**	**823.3**	**1,756.9**	**271.0**	**1,812.2**	**5,205.4**

17. Reserves (cont'd)

	Share premium HK$ Million	Investment property revaluation reserve HK$ Million	Hotel property revaluation reserve HK$ Million	Investments revaluation reserve HK$ Million	Revenue reserve HK$ Million	Total HK$ Million
(a) The Group (cont'd)						
(ii) Associates						
Balance at 1st January, 2003	–	–	–	(0.6)	(76.6)	(77.2)
Revaluation surplus						
Long term investments	–	–	–	0.8	–	0.8
Transferred to the consolidated profit and loss account on disposal of long term investments	–	–	–	0.6	–	0.6
Profit for the year	–	–	–	–	118.5	118.5
Balance at 31st December, 2003 and at 1st January, 2004	–	–	–	0.8	41.9	42.7
Revaluation surplus						
Long term investments	–	–	–	0.7	–	0.7
Profit for the year	–	–	–	–	56.4	56.4
Balance at 31st December, 2004	**–**	**–**	**–**	**1.5**	**98.3**	**99.8**
Total reserves						
At 31st December, 2004	**542.0**	**823.3**	**1,756.9**	**272.5**	**1,910.5**	**5,305.2**
At 31st December, 2003	542.0	674.6	1,589.9	9.2	1,713.4	4,529.1

17. Reserves (cont'd)

	Share premium HK$ Million	Investment property revaluation reserve HK$ Million	Hotel property revaluation reserve HK$ Million	Investments revaluation reserve HK$ Million	Revenue reserve HK$ Million	Total HK$ Million
(b) The Company						
Balance at 1st January, 2003	542.0	–	–	–	94.1	636.1
Dividend approved in respect of the previous year	–	–	–	–	(37.8)	(37.8)
Profit for the year	–	–	–	–	159.9	159.9
Dividend declared in respect of the current year	–	–	–	–	(15.8)	(15.8)
Balance at 31st December, 2003 and at 1st January, 2004	542.0	–	–	–	200.4	742.4
Dividend approved in respect of the previous year	–	–	–	–	(37.8)	(37.8)
Profit for the year	–	–	–	–	22.3	22.3
Dividend declared in respect of the current year	–	–	–	–	(15.8)	(15.8)
Balance at 31st December, 2004	**542.0**	**–**	**–**	**–**	**169.1**	**711.1**

Notes:

(i) The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance. The revaluation reserves have been set up and will be dealt with in accordance with the accounting policies adopted by the Group for the revaluation of investment and hotel properties and long term investments.

(ii) Reserves of the Company available for distribution to shareholders at 31st December, 2004 amounted to HK$169.1 million (2003: HK$200.4 million).

18. Deferred Income

Details of accounting policies adopted for deferred income are set out in note 1(s). The movements of deferred income of the Group and Company are as follows: –

	Group and Company	
	2004	2003
	HK$	HK$
	Million	Million
Balance at 1st January	**25.3**	95.8
Additions	**0.8**	13.3
Credited to the consolidated profit and loss account upon release	**(20.9)**	(83.8)
Balance at 31st December	**5.2**	25.3

19. Deferred Taxation

(a) The components of deferred tax liabilities recognised in the consolidated balance sheet and the movements during the year are as follows: –

	Group		
	Depreciation allowances in excess of the related depreciation	**Retirement scheme assets**	**Total**
	HK$ Million	HK$ Million	HK$ Million
Balance at 1st January, 2003	7.8	1.5	9.3
Charged to the consolidated profit and loss account	3.6	–	3.6
Balance at 31st December, 2003 and at 1st January, 2004	11.4	1.5	12.9
Charged to the consolidated profit and loss account	1.5	–	1.5
Balance at 31st December, 2004	**12.9**	**1.5**	**14.4**

(b) No deferred tax assets and liabilities have been recognised by the Company as there were no material temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding tax bases at 31st December, 2004 and 2003.

20. Material Related Party Transactions

(a) During the financial year, there was in existence a management agreement with a subsidiary of the ultimate holding company for the management of the Group's hotel operations. Fees payable under this arrangement during the current year amounted to HK$25.0 million (2003: HK$13.0 million) which included management fees of HK$20.5 million (2003: HK$9.8 million) and marketing fees of HK$4.5 million (2003: HK$3.2 million). The management fees included a basic fee and an incentive fee which are calculated based on the relevant percentage of gross revenue and gross operating profit respectively. The marketing fee is calculated based on a percentage of gross revenue. Such a management agreement, entered into on 2nd January, 2004, and the relevant transactions thereunder constitute connected transactions as defined under the Listing Rules but are exempted under the provisions of the Listing Rules which were in force prior to 31st March, 2004 from the requirements relating to connected transactions.

(b) As stated in note 11 to the accounts, loans totalling HK$36.8 million (2003: HK$366.4 million) due from an associate involved in the Sorrento project are considered to be related party transactions and also constitute connected transactions as defined under the Listing Rules. Waivers were granted by the Stock Exchange in 1997 from complying with the relevant connected transaction requirements. The net interest earned by the Group from the above loan during the current year amounted to HK$0.8 million (2003: HK$13.3 million) which has been deferred and is recognised in the consolidated profit and loss account in accordance with the basis as set out in note 1(s) above.

(c) The Group has a tenancy agreement with Lane Crawford (Hong Kong) Limited, which is indirectly wholly owned by a trust of which the chairman of the Company's ultimate holding company is the settlor, in respect of the lease of shops situated on G/F, 1/F & 2/F of The Marco Polo Hongkong Hotel. The duration of tenancy is from 11th April, 2003 to 10th April, 2009. The rental income earned by the Group from the above agreement during the current year, including contingent rental income, amounted to HK$57.3 million (2003: HK$14.3 million). Such a transaction does not constitute a connected transaction under the Listing Rules.

21. Commitments

Capital commitments outstanding at 31st December, 2004 not provided for in the accounts were as follows: –

	Group	
	2004	2003
	HK$	HK$
	Million	Million
Contracted but not provided for	**217.1**	28.8
Authorised but not contracted for	**9.8**	16.1
	226.9	44.9

22. Post Balance Sheet Events

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in note 7(a).

23. Future Changes in Accounting Policies

For full convergence with International Financial Reporting Standards, the Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively, "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 accounts for the year ended 31st December, 2004.

23. Future Changes in Accounting Policies (cont'd)

The Group has made a preliminary assessment of the impact of these new HKFRSs and has so far concluded that the adoption of Hong Kong Accounting Standards ("HKAS") 40 "Investment Property" and HKAS Interpretation 23 "The Appropriate Policies for Hotel Properties" will have a significant impact on its consolidated accounts as set out below: –

a) At present, the Group records its hotel property at valuation in accordance with Statement of Standard Accounting Practice ("SSAP") 17 "Property, Plant and Equipment". No depreciation is provided on the hotel property as it is maintained in a continuous state of sound repair such that, given the estimated life of the hotel property and its residual value, any depreciation would be immaterial. For the financial year beginning 1st January, 2005, the Group will adopt the requirements of HKAS Interpretation 23 and apply them retrospectively. The Group's hotel property will be stated at cost less accumulated depreciation and impairment, if any. The adoption of this new accounting interpretation at 31st December, 2004 would have had the effect of reducing the Group's net assets by approximately HK$1.8 billion or HK$5.71 per share at 31st December, 2004, mainly as a result of the reversal of the hotel property revaluation reserve. The preliminary assessment indicates that the annual depreciation on the Group's hotel property on adoption of this new accounting interpretation will be less than HK$2.0 million in 2005.

b) At present, surpluses or deficits arising on the annual revaluation of the Group's investment property are recognised in the investment property revaluation reserve. On adoption of the new HKAS 40, the Group's investment property will continue to be stated at fair value. However, all changes in the fair value on revaluation of the investment property will be reported in the profit and loss account. If this revised accounting standard had been adopted at 31st December, 2004, the revaluation surplus arising on the Group's investment property of HK$148.7 million would have been dealt with in the consolidated profit and loss account.

The Group is continuing its assessment of the impact of the new HKFRSs and other significant changes may be identified as a result of this assessment.

24. Ultimate Holding Company

The ultimate holding company is The Wharf (Holdings) Limited, a company incorporated and listed in Hong Kong.

25. Approval of Accounts

The accounts were approved and authorised for issue by the Directors on 8th March, 2005.