Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values or revalued amounts, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2004 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations ("Int") (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interest has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

Business Combinations

In the current period, the Group has applied HKFRS 3 "Business Combinations", which is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisitions was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. The Group has derecognised all negative goodwill at 1st January, 2005 with a corresponding increase to accumulated profits at 1st January, 2005.

Notes to the Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial Instruments

In the current period, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for accounting periods beginning on or after 1st January, 2005, generally does not permit to recognise, derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

By 31st December, 2004, the Group classified and measured its debt and equity securities in accordance with the alternative treatment of Statement of Standard Accounting Practice "SSAP" 24. Under SSAP 24, investments in debt or equity securities are classified as "trading securities", "non-trading securities" or "held-to-maturity investments" as appropriate. Both "trading securities" and "non-trading securities" are measured at fair value. Unrealised gains or losses of "trading securities" is included in income statement. Unrealised gains or losses on "non-trading securities" are reported in equity until the securities are sold or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net profit and loss for that period. From 1st January, 2005 onwards, the Group classifies and measures its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". The classification depends on the purpose for which the assets are acquired. "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in income statement and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method.

On 1st January, 2005, the Group classified and measured its equity securities in accordance with the requirements of HKAS 39.

Financial assets and financial liabilities other than debt and equity securities

From 1st January, 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)". "Other financial liabilities" are carried at amortised cost using the effective interest method.

The carrying amounts of amounts due to minority shareholders and other payables are adjusted for the effect of imputed interest based on the prevailing market rate as at the date of grant and are carried at amortised cost using the effective interest method subsequent to 1st January, 2005.

Notes to the Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Owner-occupied Leasehold Interest in Land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current period, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to "prepaid lease payments", which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

Investment Properties

In the current period, the Group has applied HKAS 40 "Investment Property". The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the income statement for the period in which they arise. In previous periods, investment properties under the SSAP 13 were measured at open market values, with revaluation surplus or deficit credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation increase subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elect to apply HKAS 40 from 1st January, 2005 onwards. The amount previously held in investment property revaluation reserve at 1st January, 2005 have been transferred to accumulated profits.

Deferred Taxes related to Investment Properties

In previous periods, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current period, the Group has applied HKAS Int 21 "Income Taxes – Recovery of Revalued Non-Depreciable Assets" which removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflects the tax consequences that will follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HKAS Int 21, this change in accounting policy has been applied retrospectively. Comparative figures have been restated.

Notes to the Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Club Memberships

Club memberships as intangible assets were required under HKAS 38 to be assessed at the individual asset level as having either finite or indefinite life. A finite-life intangible asset is amortised over its estimated useful life whereas an intangible asset with an indefinite useful life is carried at cost less accumulated impairment losses (if any). Intangible assets with indefinite lives are not subject to amortisation but are tested for impairment annually or more frequently when there are indications of impairment. In accordance with the transitional provisions in HKAS 38, the Group reassessed the useful lives of its club memberships on 1st January, 2005 and concluded that the club memberships have indefinite useful lives. The Group has applied the revised useful lives prospectively. Comparative figures for 2004 have not been restated.

Share-based Payments

In the current period, the Group has applied HKFRS 2 "Share-based Payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors' and employees' share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. In relation to share options granted before 1st January, 2005, the Group has not applied HKFRS 2 to share options granted on or before 7th November, 2002 and share options that were granted after 7th November, 2002 and had vested before 1st January, 2005 in accordance with the relevant transitional provisions. This change has had no material effect on the results to the current period.

Notes to the Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Summary of the effects of the changes in accounting policies

The effects of the adoption of new HKFRSs on the results for the six months ended 30th June, 2005 (unaudited) are as follows:

	HKAS 32 & HKAS 39	**HKAS 40**	**HKAS Int 21**	**HKFRS 3**	**Total effect**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Decrease in release of negative goodwill	–	–	–	(11,228)	(11,228)
Recognition of discount on acquisition	–	–	–	15,077	15,077
Fair value changes on investment properties	–	777,978	–	–	777,978
Increase in imputed interest expense on other payables	(404)	–	–	–	(404)
Increase in imputed interest expense on amounts due to minority shareholders	(1,870)	–	–	–	(1,870)
Increase in deferred tax on revaluation of investment properties	–	–	(130,773)	–	(130,773)
(Decrease) increase in profit for the period	(2,274)	777,978	(130,773)	3,849	648,780
Attributable to:					
Equity holders of the Company	(404)	773,882	(130,385)	3,849	646,942
Minority interest	(1,870)	4,096	(388)	–	1,838
	(2,274)	777,978	(130,773)	3,849	648,780

Notes to the Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Summary of the effects of the changes in accounting policies *(Continued)*

Analysis of increase (decrease) in profit for the period by the line items presented according to their nature:

	HKAS 32 & HKAS 39	HKAS 40	HKAS Int 21	HKFRS 3	Total effect
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Increase in recognition of discount on acquisition/ negative goodwill	–	–	–	3,849	3,849
Fair value changes on investment properties	–	777,978	–	–	777,978
Increase in finance costs	(2,274)	–	–	–	(2,274)
Increase in taxation	–	–	(130,773)	–	(130,773)
(Decrease) increase in profit for the period	(2,274)	777,978	(130,773)	3,849	648,780

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Summary of the effects of the changes in accounting policies *(Continued)*

The cumulative effects of the adoption of the new HKFRSs as at 31st December, 2004 and 1st January, 2005 are summarised below:

	As at 31st December, 2004 (originally stated)	Retrospective adjustments			As at 31st December, 2004 (restated)	Adjustments on 1st January, 2005			As at 1st January, 2005 (restated)
		HKAS 1	HKAS 17	HKAS Int 21		HKAS 32 & 39	HKAS 40	HKFRS 3	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance sheet items									
Property, plant and equipment	795,237	–	(409,813)	–	385,424	–	–	–	385,424
Prepaid lease payments	–	–	409,813	–	409,813	–	–	–	409,813
Negative goodwill	(225,164)	–	–	–	(225,164)	–	–	225,164	–
Other investments	96,263	–	–	–	96,263	(96,263)	–	–	–
Club memberships	–	–	–	–	–	8,574	–	–	8,574
Available-for-sale investments	–	–	–	–	–	86,893	–	–	86,893
Investments held for trading	–	–	–	–	–	796	–	–	796
Amounts due to minority shareholders	–	(91,897)	–	–	(91,897)	7,350	–	–	(84,547)
Other payables – due after one year	(18,800)	–	–	–	(18,800)	1,617	–	–	(17,183)
Deferred taxation	(39,613)	–	–	(126,900)	(166,513)	–	–	–	(166,513)
Total effects on assets and liabilities	607,923	(91,897)	–	(126,900)	389,126	8,967	–	225,164	623,257
Accumulated profits	1,983,286	–	–	–	1,983,286	1,617	487,438	225,164	2,697,505
Investment property revaluation reserve	613,603	–	–	(126,165)	487,438	–	(487,438)	–	–
Minority interest	914,082	(91,897)	–	(735)	821,450	7,350	–	–	828,800
Total effects on equity	3,510,971	(91,897)	–	(126,900)	3,292,174	8,967	–	225,164	3,526,305
	(2,903,048)	–	–	–	(2,903,048)	–	–	–	(2,903,048)

The effect on the adoption of new HKFRSs to the Group's equity at 1st January, 2004 was to decrease the investment property revaluation reserve by HK$73,012,000 due to the application of HKAS Int 21 as mentioned on page 19.

Notes to the Condensed Consolidated Financial Statements

3. SEGMENT INFORMATION

(a) Geographical Segments

The operations of the Group are currently located in New Zealand, Australia, Greater China other than Hong Kong (the "PRC") and Hong Kong. The corresponding geographical location of the Group's assets are the basis on which the Group reports its primary segment information.

	Six months ended 30th June, 2005					
	New Zealand	Australia	PRC	Hong Kong	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External	**163,191**	**168,351**	**2,035**	**331,268**	**–**	**664,845**
SEGMENT PROFIT (LOSS)	**13,868**	**17,379**	**16,086**	**927,185**	**(341)**	**974,177**
Interest income						**16,973**
Recognition of discount on acquisition						**15,077**
Unallocated corporate expenses						**(19,408)**
Finance costs						**(37,324)**
Share of results of associates	**89**	**169**	**–**	**–**	**–**	**258**
Share of results of jointly controlled entities	**–**	**–**	**(810)**	**–**	**–**	**(810)**
Profit before taxation						**948,943**
Taxation						**(159,975)**
PROFIT AFTER TAXATION						**788,968**

	Six months ended 30th June, 2004					
	New Zealand	Australia	PRC	Hong Kong	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External	103,272	11,903	2,432	67,294	–	184,901
SEGMENT PROFIT (LOSS)	93,991	(8,574)	(3,361)	58,092	(436)	139,712
Interest income						45,100
Unallocated corporate expenses						(19,350)
Finance costs						(68,695)
Share of results of associates	507	969	–	–	–	1,476
Share of results of jointly controlled entities	–	–	(2,301)	–	–	(2,301)
Profit before taxation						95,942
Taxation						(602)
PROFIT AFTER TAXATION						95,340

Notes to the Condensed Consolidated Financial Statements

3. SEGMENT INFORMATION *(Continued)*

(b) Business Segments

The Group is currently organised into four operating divisions – property investment, garment manufacturing and trading, investment and property development.

	Six months ended 30th June, 2005						
	Property investment	Garment manufacturing and trading	Investment	Property development	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE							
External	74,030	16,365	1,695	567,640	5,115	–	664,845
Inter-segment sales*	1,502	–	–	–	–	(1,502)	–
Total	75,532	16,365	1,695	567,640	5,115	(1,502)	664,845
SEGMENT PROFIT (LOSS)	818,161	10	2,946	154,862	(1,802)	–	974,177
Interest income							16,973
Recognition of discount on acquisition							15,077
Unallocated corporate expenses							(19,408)
Finance costs							(37,324)
Share of results of associates	–	–	–	–	258	–	258
Share of results of jointly controlled entities	–	–	–	(810)	–	–	(810)
Profit before taxation							948,943
Taxation							(159,975)
PROFIT AFTER TAXATION							788,968

Notes to the Condensed Consolidated Financial Statements

3. SEGMENT INFORMATION *(Continued)*

(b) Business Segments *(Continued)*

	Six months ended 30th June, 2004						
	Property investment	Garment manufacturing and trading	Investment	Property development	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE							
External	114,728	34,545	1,607	33,291	730	–	184,901
Inter-segment sales*	986	137	48	–	–	(1,171)	–
Total	115,714	34,682	1,655	33,291	730	(1,171)	184,901
SEGMENT PROFIT (LOSS)	103,303	23,737	6,599	7,467	(1,394)	–	139,712
Interest income							45,100
Unallocated corporate expenses							(19,350)
Finance costs							(68,695)
Share of results of associates	507	–	–	–	969	–	1,476
Share of results of jointly controlled entities	–	–	–	(2,301)	–	–	(2,301)
Profit before taxation							95,942
Taxation							(602)
PROFIT AFTER TAXATION							95,340

* *Inter-segment sales are charged at prevailing market rates.*

4. CHANGES IN INVENTORIES AND PROPERTIES HELD FOR SALE

	Six months ended 30th June,	
	2005	2004
	HK$'000	*HK$'000*
Changes in inventories of finished goods and work-in-progress	**860**	1,334
Raw materials and consumables used	**(14,909)**	(9,015)
Changes in inventories of properties for sale	**(233,215)**	219,705
Costs incurred on properties under development for sale	**(125,578)**	(240,251)
	(372,842)	(28,227)

Notes to the Condensed Consolidated Financial Statements

5. RECOGNITION OF DISCOUNT ON ACQUISITION/NEGATIVE GOODWILL

	Six months ended 30th June,	
	2005	2004
	HK$'000	*HK$'000*
Release of negative goodwill	–	10,416
Recognition of discount on acquisition arising from the acquisition of additional interests in subsidiaries	**15,077**	–
	15,077	10,416

6. PROFIT BEFORE TAXATION

	Six months ended 30th June,	
	2005	2004
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Dividends income from listed investments	**(1,113)**	(1,124)
Interest income	**(16,973)**	(45,100)
Loss (gain) on disposal of investment properties	**11,035**	(23,960)
Gain on disposal of property, plant and equipment	**(51)**	(24)

7. TAXATION

	Six months ended 30th June,	
	2005	2004
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax	**28,623**	(100)
Income tax outside Hong Kong	**335**	550
	28,958	450
Deferred taxation	**131,017**	152
	159,975	602

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) on the estimated assessable profits for the period.

Taxation arising in jurisdictions other than Hong Kong is calculated at the rates prevailing in the relevant jurisdictions.

Notes to the Condensed Consolidated Financial Statements

8. DIVIDEND

	Six months ended 30th June,	
	2005	2004
	HK$'000	*HK$'000*
Interim – HK4 cents (2004: HK4 cents) per share	**21,313**	20,453

During the period, a dividend of HK6 cents (2004: final dividend for 2003 at HK6 cents) per share amounting to HK$30,739,000 (2004: final dividend for 2003 at HK$30,679,000) was paid to the shareholders as the final dividend for 2004.

The directors have determined that an interim dividend for 2005 of HK4 cents (2004: HK4 cents) per share be paid to the shareholders of the Company whose names appear in the Register of Members on 14th October, 2005.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	Six months ended 30th June,	
	2005	2004
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to the equity holders of the Company)	**730,743**	66,471
	Number of shares	
Weighted average number of ordinary shares for the purposes of basic earnings per share	**511,886,456**	511,269,336
Effect of dilutive potential ordinary shares		
Options	**14,086,957**	7,574,468
Warrants	**62,519,201**	36,410,792
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**588,492,614**	555,254,596

Notes to the Condensed Consolidated Financial Statements

10. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

During the period, the Group acquired investment properties at a cost of HK$3 million, transferred investment properties with carrying value of HK$215 million to properties held for sale, and disposed of investment properties with carrying value of HK$870 million for total consideration of HK$859 million. In addition, there was an exchange realignment of HK$11 million which contributed to a decrease in the carrying value of investment properties brought forward from 1st January, 2005.

Based on the advice of independent professional valuers, the directors believe that the fair market value of the investment properties as at 30th June, 2005 is approximately HK$3,310 million. The changes in fair value of investment properties amounting to HK$778 million was credited to income statement.

During the period, the Group acquired property, plant and equipment at a cost of HK$47 million and transferred property, plant and equipment and prepaid lease payments with carrying value of HK$172 million and HK$39 million respectively to properties held for sale.

11. CLUB MEMBERSHIPS/AVAILABLE-FOR-SALE INVESTMENTS/OTHER INVESTMENTS

	30th June, 2005	31st December, 2004
	HK$'000	*HK$'000*
Investments in securities		
Equity securities:		
Listed – Hong Kong	**84,347**	82,964
– overseas	**3,926**	3,929
	88,273	86,893
Club memberships		
Unlisted	**8,574**	8,574
	96,847	95,467
Classified as:		
Other investments	**–**	95,467
Club memberships	**8,574**	–
Available-for-sale investments	**88,273**	–
	96,847	95,467

Notes to the Condensed Consolidated Financial Statements

12. INVESTMENTS HELD FOR TRADING/OTHER INVESTMENTS

	30th June, 2005	31st December, 2004
	HK$'000	*HK$'000*
Investments in securities		
Equity securities:		
Listed – Hong Kong	**784**	796
Classified as:		
Other investments	**–**	796
Investments held for trading	**784**	–
	784	796

13. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group has a policy of allowing an average credit period of 2.5 months to its trade customers.

Included in debtors, deposits and prepayments are trade debtors with an aged analysis as follows:

	30th June, 2005	31st December, 2004
	HK$'000	*HK$'000*
0 to 60 days	**350,333**	12,541
61 to 90 days	**1,183**	194
91 to 365 days	**3,942**	1,184
Over 365 days	**601**	376
	356,059	14,295

14. CREDITORS, DEPOSITS AND ACCRUED CHARGES

Included in creditors, deposits and accrued charges are trade creditors with an aged analysis as follows:

	30th June, 2005	31st December, 2004
	HK$'000	*HK$'000*
0 to 60 days	**57,960**	62,369
61 to 90 days	**58**	1,233
91 to 365 days	**772**	690
Over 365 days	**3,164**	3,191
	61,954	67,483

Notes to the Condensed Consolidated Financial Statements

15. BORROWINGS

During the period, the Group repaid bank loans amounting to HK$789 million and obtained new bank loans in the amount of HK$275 million. In addition, there was an exchange realignment of HK$17 million contributed to a decrease in carrying value of borrowings brought forward from 1st January, 2005. The new loans bear interest at market rates and are repayable by instalments up to respective maturity period. The proceeds were used to finance the construction costs of properties under development and for working capital purpose.

16. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Ordinary share of HK$0.1 each		
Authorised:		
At 31st December, 2004 and 30th June, 2005	1,000,000,000	100,000
Issued and fully paid:		
At 1st January, 2005	511,538,607	51,154
Exercise of warrants	1,877,173	188
At 30th June, 2005	**513,415,780**	**51,342**

17. COMMITMENTS

At the reporting date, the Group had capital commitments not provided for in the condensed consolidated financial statements in respect of expenditure to be incurred on properties as follows:

	30th June, 2005	31st December, 2004
	HK$'000	*HK$'000*
Authorised but not contracted for		
Hong Kong	**298,267**	300,000
PRC	**99,000**	82,000
	397,267	382,000
Contracted for but not provided for in the condensed consolidated financial statements		
Hong Kong	**96,880**	284,595
PRC	**181,000**	234,000
New Zealand and Australia	**42,453**	221,992
	320,333	740,587

Notes to the Condensed Consolidated Financial Statements

18. RENTAL GUARANTEE

The Group has given guarantees to purchasers of the disposed investment properties that, for a maximum period of 36 months from the date of disposal of the properties, certain areas of the properties will receive an agreed minimum monthly rent until leased. Based on management's best estimation, a provision of HK$27,857,000 (31st December, 2004: HK$49,329,000) had been made at 30th June, 2005.

19. PLEDGE OF ASSETS

At the reporting date, the Group had the following mortgages and/or pledge over its assets to secure banking facilities and other bank loans granted to the Group:

a. Fixed and floating charges on investment properties with an aggregate book value of HK$3,243,091,000 (31st December, 2004: HK$3,476,697,000).

b. Properties for sale with an aggregate book value of HK$1,739,507,000 (31st December, 2004: HK$1,610,719,000).

c. Properties under development held for investment included in property, plant and equipment with an aggregate book value of HK$239,022,000 (31st December, 2004: HK$52,605,000).

d. Prepaid lease payments with an aggregate book value of HK$366,776,000 (31st December, 2004: HK$409,813,000).

e. Bank deposits of HK$119,643,000 (31st December, 2004: HK$138,869,000).

f. Listed shares of a subsidiary with assets principally comprised of investment properties and properties held for sales included in (a) and (b) above.

g. Unlisted shares of certain subsidiaries with assets principally comprised of investment properties and properties under development held for investment included in (a), (c) and (d) above.

20. POST BALANCE SHEET EVENT

On 8th September, 2005, Trans Tasman Properties Limited ("TTP"), a subsidiary listed in New Zealand in which the Group owned 63.05%, announced that it has acquired back 14,323,068 TTP's ordinary shares at NZ$0.4 per share from one of its independent shareholders. The acquired shares represent about 2.41% of TTP issued shares.