

# Balance sheet

| at 31 December in HK\$ million                            | Note | 2005           | 2004<br>(Restated) |
|---|------|----------------|--------------------|
| <b>Assets</b>   |      |                |                    |
| Fixed assets  | 17   |                |                    |
| – Investment properties                                   |      | <b>19,892</b>  | 16,687             |
| – Other property, plant and equipment                     |      | <b>83,286</b>  | 82,845             |
|   |      | <b>103,178</b> | 99,532             |
| Railway construction in progress                          | 18   | <b>1,006</b>   | 962                |
| Property development in progress                          | 19A  | <b>2,756</b>   | 2,088              |
| Deferred expenditure                                      | 20   | <b>115</b>     | 192                |
| Prepaid land lease payments                               | 21   | <b>608</b>     | 621                |
| Investments in subsidiaries                               | 23   | <b>182</b>     | 182                |
| Staff housing loans                                       | 26   | <b>34</b>      | 47                 |
| Properties held for sale                                  | 27   | <b>1,311</b>   | 815                |
| Derivative financial assets                               | 28   | <b>234</b>     | –                  |
| Stores and spares   | 29   | <b>248</b>     | 248                |
| Debtors, deposits and payments in advance                 | 30   | <b>2,975</b>   | 1,271              |
| Amounts due from the Government and other related parties | 31   | <b>424</b>     | 275                |
| Cash and cash equivalents                                 | 32   | <b>116</b>     | 137                |
|   |      | <b>113,187</b> | 106,370            |
| <b>Liabilities</b>  |      |                |                    |
| Bank overdrafts   | 33A  | <b>14</b>      | 11                 |
| Short-term loans  | 33A  | <b>385</b>     | –                  |
| Creditors, accrued charges and provisions                 | 34   | <b>2,974</b>   | 2,758              |
| Contract retentions                                       | 35   | <b>170</b>     | 240                |
| Amounts due to related parties                            | 36   | <b>12,773</b>  | 12,871             |
| Loans and obligations under finance leases                | 33A  | <b>15,290</b>  | 17,701             |
| Derivative financial liabilities                          | 28   | <b>307</b>     | –                  |
| Deferred liabilities                                      | 37   | <b>112</b>     | 109                |
| Deferred income   | 38   | <b>3,584</b>   | 4,638              |
| Deferred tax liabilities                                  | 39B  | <b>8,011</b>   | 6,368              |
|   |      | <b>43,620</b>  | 44,696             |
| <b>Net assets</b>   |      |                |                    |
|   |      | <b>69,567</b>  | 61,674             |
| <b>Equity</b>   |      |                |                    |
| Share capital, share premium and capital reserve          | 40   | <b>37,450</b>  | 36,269             |
| Other reserves  | 41   | <b>32,117</b>  | 25,405             |
| <b>Total equity</b>                                       |      |                |                    |
|   |      | <b>69,567</b>  | 61,674             |

Approved and authorised for issue by the Members of the Board on 7 March 2006

Raymond K F Ch'ien  
C K Chow  
Lincoln K K Leong