

Financial Highlights

For the year ended 31st March	2006	2005 (restated)	Change
(in HK\$ million, except otherwise indicated)			
Consolidated profit and loss account			
Turnover	570	569	–
Gross operating profit *	136	105	+30%
Depreciation and amortisation	(73)	(72)	+1%
Finance costs	(54)	(38)	+42%
(Loss)/profit attributable to shareholders	(21)	29	N/A
(Loss)/earnings per share (HK cents)	(0.38)	0.58	N/A

* Represents operating profit before other non-cash accounting charges of depreciation and amortisation on hotel properties, fair value of share option expenses and goodwill amortisation and impairment loss.

Consolidated balance sheet

Total assets	2,417	2,540	-5%
Net asset value	1,476	1,227	+20%
Net debt	837	1,190	-30%
Supplementary information with hotel properties at valuations (note):			
Revalued total assets	3,717	3,584	+4%
Revalued net asset value	2,725	2,223	+23%
Revalued net asset value per share (HK\$)	0.43	0.44	-2%
Gearing – net debt to revalued net asset value (%)	31%	54%	-23%

Note: Hong Kong Financial Reporting Standards (“HKFRS”) do not permit leasehold land to be carried at valuation. The Group considers that such treatment does not reflect the economic substance of its hotel property investments. Therefore the Group has presented supplementary unaudited financial information taking into account the fair market value of hotel properties in addition to those in accordance with HKFRS.

The hotel properties in Hong Kong and Canada were revalued by Knight Frank and Grant Thornton Management Consultants respectively, independent professional valuers, on an open market value basis as at 31st March 2006.