

財務報表附註

截至二零零一年三月三十一日止年度

Notes to the Financial Statements

For the year ended 31 March 2001

1. 簡介

本公司為開曼群島註冊成立之獲豁免公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。

本公司為一家投資控股公司，其附屬公司之主要業務為發展及管理位於大嶼山愉景灣之住宅樓宇及消閒設施並提供必需及康樂服務、其他物業發展、物業投資及建築、酒店經營、製造及其他投資。

本集團聯營公司之主要業務為物業發展、物業投資及提供醫療服務。

2. 主要會計政策

本財務報表乃根據歷史成本慣例編製，並已就重估投資物業、酒店物業及證券投資作出調整。

本財務報表乃根據香港公認之會計原則編製。採納之主要會計政策如下：

綜合基準

綜合財務報表包括本公司及其附屬公司（以下統稱為「本集團」）截至每年三月三十一日止之財務報表。

年內已購入及出售之附屬公司業績分別由收購生效之日起及截至出售生效之日止計入綜合收益表。

本集團內公司間之所有重大交易及結餘均已於綜合時對銷。

1. General

The Company is an exempted company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. Its subsidiaries are principally engaged in the development, management and provision of essential and recreational services for residential housing and leisure projects in Discovery Bay, Lantau Island, other property development, property investment and construction, hotel operation, manufacturing and other investments.

The Group's associates are principally engaged in property development, property investment and provision of medical services.

2. Significant Accounting Policies

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties, hotel properties and investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") made up to 31 March each year.

The results of subsidiaries acquired and disposed of during the year are included in the consolidated income statement from and up to their effective dates of acquisition and disposal respectively.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

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2. 主要會計政策(續)

附屬公司之投資

附屬公司為本公司直接或間接持有過半數已發行股本或控制過半數投票權，或本公司控制其董事會或類似之管理組織組成之企業。

於附屬公司之投資乃於本公司之資產負債表內按原值減貶值入賬。

聯營公司之權益

聯營公司乃指本集團透過參與接受投資公司之財政及營運決策而可對其行使重大影響力之企業。

聯營公司之業績及資產與負債以權益會計法計入綜合財務報表。該等權益之賬面值經扣減以確認任何個別投資價值之非暫時貶值。

當本集團企業與聯營公司進行交易時，未變現之溢利及虧損乃以本集團於有關聯營公司所佔之權益撇銷，惟倘未變現之虧損顯示所轉移之資產已減值則除外。

合營公司

合營公司指本集團與其他合營方進行經濟活動之訂約安排，受訂約雙方共同控制，而非任何一方單方面擁有控制權。

Notes to the Financial Statements

For the year ended 31 March 2001

2. Significant Accounting Policies (cont'd)

Investments in subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share capital or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

Investments in subsidiaries are included in the Company's balance sheet at cost less any impairment loss.

Interests in associates

An associate is an enterprise over which the Group is in a position to exercise significant influence, including participation in financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The carrying amount of such interests is reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

Where a group enterprise transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

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2. 主要會計政策(續)

合營公司(續)

當一組公司直接根據合營企業安排進行經濟活動時，便會構成各合營方共同控制之資產，本集團與其他合營方分佔所產生之共同控制資產及任何負債，按其性質於各有關公司之財務報表內分類確認。於共同控制資產之權益所直接產生之負債及開支按應計基準累計。

當合營企業之交易所帶來之經濟利益很可能流入本集團／從本集團流出，出售本集團應佔共同控制資產成果所得收入，會與應佔合營企業開支一併確認內賬。

商譽

商譽乃指收購一家附屬公司之購買代價超出本集團於收購當日所佔之可分割資產淨值之公平價值之差額，此差額乃即時於儲備攤銷。負債商譽乃指本集團於收購一家附屬公司當日所佔之可分割資產淨值之公平價值超出購買代價之差額，此差額會撥入儲備。

收購聯營公司權益產生之任何溢價或折讓，分別為購買代價超出或少於本集團於收購聯營公司當日所佔之可分割資產淨值之公平價值之差額，乃按上述處理商譽之同一方式處理。

倘出售於附屬公司或聯營公司之投資，計算出售之損益時，會計入過往商譽自儲備攤銷或撥入儲備之應佔部份。

Notes to the Financial Statements

For the year ended 31 March 2001

2. Significant Accounting Policies (cont'd)

Joint ventures (cont'd)

Where a group company undertakes its activities under joint venture arrangements directly, constituted as jointly controlled assets, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant company and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis.

Income from the sale or use of the Group's share of the output of jointly controlled assets, together with its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transaction will flow to/ from the Group.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a subsidiary and is eliminated against reserves immediately on acquisition. Negative goodwill, which represents the excess over the purchase consideration of the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a subsidiary, is credited to reserves.

Any premium or discount arising on the acquisition of interests in associates, representing the excess or shortfall respectively of the purchase consideration over the fair value ascribed to the Group's share of the separable net assets of the associate at the date of acquisition, is dealt with in the same manner as that described above for goodwill.

On the disposal of an investment in a subsidiary or an associate, the attributable amount of goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal.

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2. 主要會計政策(續)

收益確認

出售已落成而沒有在未完成前預售之物業，其收入在簽定具法律約束力、無條件及不可撤回之售樓合約時確認。發展中待售物業若在工程未竣工前預售，收入乃於簽訂具法律約束力之售樓合約至物業落成期間確認入賬，並按迄今為止所產生之發展成本佔估計發展總成本之比例，計算入估計發展溢利總額之中。

發展竣工前出售整項發展項目及／或發展權，以及出售落成物業所產生之收入，於簽訂具法律約束力、無條件及不可撤回之合約時確認入賬。

銷售貨品之收入於交付貨品及移交所有權後確認入賬。

服務收入在提供服務時確認入賬。

租金收入，包括按經營租約出租之物業已入賬租金，以直線法按有關租約期確認入賬。

股息收入於本集團／本公司收取有關股息之權利確立時確認入賬。

銀行存款利息收入乃根據本金餘額及有關利率按時間基準累計。其他利息收入則如上述方法一樣，按累計基準於收益表內確認，惟被視為呆賬之情況下，應收利息即停止累計。

出售投資於簽訂具法律約束力、無條件及不可撤回之合約時確認入賬。

建築工程合約之收益將採用完成百分比法，按年內進行工程之價值確認入賬。

Notes to the Financial Statements

For the year ended 31 March 2001

2. Significant Accounting Policies (cont'd)

Revenue recognition

Income from properties developed for sale, which have not been pre-sold prior to completion of development, is recognised on the execution of legally binding, unconditional and irrevocable sales contract. Income from properties developed for sale which have been pre-sold prior to completion of development is recognised over the period from the execution of a legally binding sales contract to the completion of development as a proportion of the total estimated profit of the development on the basis of development costs incurred to date as a proportion of estimated total development costs.

Income from outright sales of an entire development project and/or development rights prior to completion and sales of completed properties are recognised on execution of legally binding, unconditional and irrevocable contracts.

Sales of goods are recognised when goods are delivered and title has passed.

Service income is recognised as services are rendered.

Rental income, including rentals invoiced in advance from property let under operating leases, is recognised on a straight line basis over the term of the relevant lease.

Dividend income is recognised when the Group's/Company's right to receive dividends has been established.

Interest income from bank deposits is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable. Other interest income is recognised in the income statement as above, on an accrual basis, except in the case of receivables which are considered to be doubtful at which stage interest accrual ceases.

Sales of investments are recognised on execution of legally binding, unconditional and irrevocable contracts.

Revenue on construction contracts is recognised using the percentage of completion method by reference to the value of work carried out during the year.

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2. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備，不包括酒店物業及在建工程，按成本值減折舊入賬。資產之成本包括其購入價及令其達至原定之操作狀態及使用地點而產生之直接應佔成本。於資產投入運作後產生之開支，例如維修保養及徹底翻新成本，通常乃於其產生之期間於收益表內扣除。倘現時明確顯示開支已導致從使用資產預計將獲得之未來經濟利益有所增加，開支乃列為資產之額外成本撥充資本。

當資產出售或報銷時所產生之損益乃按出售所得款項與資產之賬面值之間之差額計算，並於收益表內確認。

倘資產之可收回款項減至低於其賬面值，便會將其賬面值降低以反映價值下降。於釐定資產可收回款項時，預期未來現金流量不會按其現值折讓。

除酒店物業及在建工程外，物業、廠房及設備之折舊乃根據其估計可用年期以直線方式將其成本值攤銷，年期如下：

永久性業權土地	無
租賃土地	有關租約 剩餘年期
租賃樓宇、商用 及康樂設施	5-40年
物業裝修	5年
傢俬、裝置及設備	3-5年
廠房、機器及設備	5年
渡輪、汽船及汽車	5-20年

根據融資租約持有之資產乃按預計可使用年期或有關租約年期(以較短者為準)，按自置資產相同之基準予以折舊。

2. Significant Accounting Policies (cont'd)

Property, plant and equipment

Property, plant and equipment, other than hotel properties and construction in progress, is stated at cost less depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are not discounted to their present values.

Depreciation is provided to write off the cost of items of property, plant and equipment other than hotel properties and construction in progress, using the straight line method, over their estimated useful lives which are as follows:

Freehold land	Indefinite
Leasehold land	Over the unexpired term of the relevant lease
Leasehold buildings, commercial and leisure facilities	5-40 years
Leasehold improvements	5 years
Furniture, fixtures and equipment	3-5 years
Plant, machinery and equipment	5 years
Ferries, launches and motor vehicles	5-20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the related lease.

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2. 主要會計政策(續)

物業、廠房及設備(續)

在建工程按成本入賬，成本包括發展中之所有開支和該項發展項目中應計之其他直接費用。在建工程在未完成前將不予以折舊。當工程竣工時，該等資產將會轉撥往物業、廠房及設備之適當類別。

投資物業

投資物業指所持有具投資潛力之落成物業，而從該等物業所獲取之任何租金收入乃按公平原則磋商後釐定。

投資物業乃根據每年專業估值於結算日之公開市值釐定。除非儲備之結餘不足以彌補投資物業重估所產生之虧損，否則有關因投資物業重估所產生之盈虧，均撥入投資物業重估儲備內。當重估產生之虧損超過投資物業重估儲備，餘額將在收益表內扣除。

在出售投資物業時，所出售物業應佔之投資物業重估儲備餘額將轉撥入收益表內。

租約年期超過二十年之投資物業將不予以折舊。

酒店物業

酒店物業乃指酒店業務營運所使用之土地及樓宇及其整體之固定廠房，並已按每年專業估值在結算日釐定之價值記賬。重估酒店物業而產生之任何盈餘均撥入資產重估儲備中。因重估酒店物業導致其賬面淨值減少，該差額與該同一物業在以往重估時相關之資產重估儲備中之盈餘抵銷後仍不足時，便會自收益表中扣除。當出售酒店物業時，應計重估盈餘須轉入累計溢利內。

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2. Significant Accounting Policies (cont'd)

Property, plant and equipment (cont'd)

Construction in progress is stated at cost. Cost includes all development expenditure and other direct costs attributable to such project. Construction in progress is not depreciated until completion of construction. On completion of construction, the assets are transferred to appropriate categories of property, plant and equipment.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income derived therefrom being negotiated at arm's length.

Investment properties are stated at their open market value based on an annual professional valuation at the balance sheet date. Any surplus or deficit arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance of this reserve is insufficient to cover a deficit, in which case the excess of the deficit over the balance on the investment property revaluation reserve is charged to the income statement.

On disposal of investment properties, the balance on the investment property revaluation reserve attributable to the property disposed of is transferred to the income statement.

No depreciation is provided in respect of investment properties which are held under leases with unexpired terms of more than twenty years.

Hotel properties

Hotel properties are interests in land and buildings and their integral fixed plant which are collectively used in the hotel operations, and are stated at an annual professional valuation at the balance sheet date. Any surplus arising on revaluation of hotel properties is credited to the asset revaluation reserve. A decrease in net carrying amount arising on revaluation of a hotel property is charged to the income statement to the extent that it exceeds the surplus, if any, held in the asset revaluation reserve relating to a previous revaluation of that particular property. On the subsequent sale of hotel properties, the attributable revaluation surplus is transferred to accumulated profits.

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2. 主要會計政策(續)

酒店物業(續)

租約年期超過二十年之酒店物業將不提撥折舊準備。本集團對該等物業不斷提供完善之維修及裝修，因此，董事認為該等物業確能維持相等或高於賬面值之剩餘價值，故此無須撥備折舊。此等物業之維修及裝修開支經已包括在應付費用中之維修撥備賬內處理。酒店物業之租約年期倘餘二十年或以下者會根據其餘下之租約年期以直線法攤銷折舊。

待發展／發展中物業

待發展／發展中物業在未決定其特定用途時乃列作非流動資產，並且會按成本值或按於重新分類時作其他目的之物業前之賬面值扣除任何已確認減值虧損後列賬。

在工程未竣工前已作預售之發展中待售物業乃歸類為流動資產，並以迄今已產生之發展成本加上應佔預計溢利再扣除可預計之虧損及售樓合約訂明之已收及應收款計算入賬。應佔溢利在合理地可確認之情況下，按估計之發展溢利總額按迄今為止已產生之發展成本佔估計之發展成本總額之比例入賬。

有關物業發展之成本，包括財務支出皆撥充資本，並列作發展中物業，直至可確定應轉入物業、廠房及設備、投資物業或待售物業之特定類別時止。

2. Significant Accounting Policies (cont'd)

Hotel properties (cont'd)

No depreciation is provided on hotel properties held on leases of more than twenty years. It is the Group's practice to maintain the properties in a continual state of sound repairs and to make improvements from time to time and accordingly, the directors consider that provision for depreciation is not necessary as the properties maintain residual values at least equal to their carrying values. Such expenditure on repairs and improvements is dealt with through the maintenance provision account which has been included in the accrued charges. Hotel properties held on leases with an unexpired term of twenty years or less are depreciated, using the straight line method, over the unexpired term of the leases.

Properties held for/under development

Properties held for/under development, which have not been identified for any specific purpose, are shown as non-current assets and are stated at cost, or their carrying values immediately before reclassification from properties held for other purposes, less any impairment loss recognised.

Properties under development for sale, in respect of which pre-sales have been made prior to completion, are classified under current assets and are stated at development costs incurred to date plus estimated attributable profit less foreseeable losses and amounts received and receivable under sales contracts. Attributable profit is recognised only when it is reasonably certain and is estimated as a proportion of the total estimated profit of the development by reference to the development cost incurred to date as a proportion of estimated total development cost.

Costs relating to the development of the properties, including financial costs, are capitalised and included as properties under development until such time they are identified for transfer to specific categories of property, plant and equipment, investment properties or properties held for sale.

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2. 主要會計政策(續)

待售落成物業

待售落成物業乃列作流動資產，並按成本及可變現淨值兩者之較低者列賬。

成本乃按加權平均法計算，其中包括所有採購成本及(倘適用)發展成本及促使物業達致現行地點及狀況之其他所有費用。可變現淨值乃於日常業務過程中之估計售價減除所有令致達成此交易之估計所需成本得出之淨額。

證券投資

證券投資乃按交易日基準確認，初步按成本計算。

除持至到期日之債務證券外，所有證券均於結算日後之申報日按公平值計算。

持作交易之證券之未變現收益及虧損於有關期間計入溢利或虧損淨額。其他證券之未變現收益及虧損於股東資金中處理，直至出售該等證券或該等證券確定為減值，在此情況下累計收益或虧損於有關期間計入純利或虧損淨額。

存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本乃按加權平均法計算，其中包括所有採購成本，及(倘適用)滙兌費用及促使存貨達至現行地點及狀況之其他費用。可變現淨值指於日常業務過程中之估計售價減除估計製成成本及促成銷售所需之估計費用。

Notes to the Financial Statements

For the year ended 31 March 2001

2. Significant Accounting Policies (cont'd)

Completed properties for sale

Completed properties for sale are classified under current assets and are stated at the lower of cost and net realisable value.

Cost, which comprises all costs of purchase and where applicable, cost of development and other costs that have been incurred in bringing the properties to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

All securities other than held-to-maturity debt securities are measured at fair value on subsequent reporting dates.

Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the period. For other securities, unrealised gains and losses are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss is included in net profit or loss for the period.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

財務報表附註

截至二零零一年三月三十一日止年度

2. 主要會計政策(續)

建造合約工程

當建造合約之成果可以合理地肯定時，其合約收益及成本將參考於結算日時合約活動之竣工程度計入收益表內。竣工程度乃依據工程進度調查確定。

當建造合約之成果未能合理地肯定時，收益只會按已支付之合約成本及按將能收回之金額確認。其已支付之合約成本則需於支付時確認為支出。

當合約總成本將超過合約總收益時，其預計之虧損需即時確認為支出。

稅項

稅項乃根據本年度之業績並就無須課稅或不獲免稅項目作出調整。在計算稅項時處理某些收入及支出之會計期間與該等項目於財務報表中確認之會計期間有所不同。因此而引致之時差對稅務之影響會按負債法計算，就預計在可見將來實現之債項或資產在財務報表內確認為遞延稅項。

租約

融資租約指將擁有資產之風險及回報全部轉嫁本集團之租約。根據融資租約持有之資產乃按收購當日之公平價值撥充資本。租約承擔之相應本金部分乃列作本集團之融資租約債務。融資成本乃指租約承擔總額與訂立租約時原有未償還本金額間之差額，乃按各租約之年期自收益表扣除，以編製會計期間餘下債務餘額之定期開支率。

一切其他租約均列為營業租約，根據營業租約應付之租金均以直線法按有關租約年期從收益表扣除。

Notes to the Financial Statements

For the year ended 31 March 2001

2. Significant Accounting Policies (cont'd)

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and costs are charged to the income statement by reference to the stage of completion of the contract activity at the balance sheet date, as measured by surveys on work performed.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Taxation

The charge for taxation is based on the results for the year after adjusting for items which are non-assessable or disallowed. Certain items of income and expense are recognised for tax purposes in a different accounting period from that in which they are recognised in the financial statements. The tax effect of the resulting timing differences, computed under the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Leases

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The principal portions of the corresponding commitments are shown as liabilities of the Group. The finance costs, which represent the difference between the total commitments and the original outstanding principal at the inception of the leases, are charged to the income statement over the period of the leases so as to produce a constant periodic rate of charge on the remaining balances of the obligations for each accounting period.

All other leases are classified as operating leases and the rental expenses under operating leases are charged to the income statement on a straight line basis over the term of the relevant lease.

財務報表附註

截至二零零一年三月三十一日止年度

Notes to the Financial Statements

For the year ended 31 March 2001

2. 主要會計政策(續)

借貸成本

因購買、建設或生產合資格資產(即投入計劃用途或出售需要一段長時間之資產)而直接產生之借貸成本撥作該等資產之部分成本。該等借貸成本於資產大致投入計劃用途或出售時終止撥作資本。在用於合資格資產之開支前特定借貸用作暫時性投資所賺取之投資收入會自撥充資本之借貸成本中扣除。

所有其他借貸成本於產生時扣除。

退休福利費用

本集團之定額退休福利計劃之應付供款於產生時確認為開支。

外幣

港元以外之貨幣交易乃按交易當日市場之兌換率初步列賬。以外幣結算之貨幣資產負債乃按結算日兌換率折算入賬，因兌換外幣結算而引致之盈虧均已撥入收益表內。

在綜合結算時，本集團海外業務之資產及負債均按結算日之市場兌換率折算入賬。因綜合結算而產生之兌換差額將撥入儲備內，並於業務出售期間確認為收入或開支。

2. Significant Accounting Policies (cont'd)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs capitalised.

All other borrowing costs are expensed in the period in which they are incurred.

Retirement benefits cost

Contributions payable to the Group's defined contribution retirement benefits schemes are charged as an expense as they fall due.

Foreign currencies

Transactions in currencies other than Hong Kong Dollars are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are re-translated at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates ruling on the balance sheet date. Exchange differences arising, if any, are classified as equity and are recognised as income or expenses in the period in which the operation is disposed of.