

**Notes on the Condensed Interim Financial Statements (unaudited)****1. Basis of preparation**

These condensed interim financial statements have been prepared in accordance with (a) the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and (b) the same accounting policies as those adopted in the 2006 annual accounts, and comply with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They were authorised for issuance on 21 March 2007.

The preparation of the condensed interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These condensed interim financial statements contain condensed consolidated accounts and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2006 annual accounts.

These condensed interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports” issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 52.

The financial information relating to the financial year ended 30 June 2006 that is included in the condensed interim financial statements as being previously reported information does not constitute the Company’s statutory accounts for that financial year but is derived from those accounts. Statutory accounts for the year ended 30 June 2006 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those accounts in their report dated 21 September 2006.

**2. Significant accounting policies**

The HKICPA has issued certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), which term collectively included HKASs and Interpretations, that are first effective or available for early adoption for accounting periods beginning on or after 1 January 2006. The Group has determined the accounting policies expected to be adopted in the preparation of the Group’s annual accounts for the year ending 30 June 2007 on the basis of HKFRSs currently in issue which, the Group believes, do not have a significant impact on the Group’s prior year financial position and results of operations.

The new and revised HKFRSs that will be first effective or are available for voluntary early adoption in the annual accounts for the year ending 30 June 2007 may be affected by the issue of additional interpretation(s) or other changes announced by the HKICPA subsequent to the date of these condensed interim financial statements. Therefore the policies that will be applied in the Group’s accounts for that period cannot be determined with certainty at the date of issuance of these condensed interim financial statements.

**Notes on the Condensed Interim Financial Statements (unaudited)****3. Segmental information**

An analysis of the Group's revenue and results by business segment during the period is as follows:

***Business segments:***

The Group comprises the following main business segments:

Property development	:	development and sale of properties
Property leasing	:	leasing of properties
Finance	:	provision of financing
Building construction	:	construction of building works
Infrastructure	:	investment in infrastructure projects
Hotel operation	:	hotel operations and management
Others	:	department store operations and management, investment holding, project management, property management, agency services, and provision of cleaning and security guard services

**Notes on the Condensed Interim Financial Statements (unaudited)**
**3. Segmental information (cont'd)**
***Business segments: (cont'd)***
**For the six months ended 31 December 2006**

	Property development (note) HK\$ million	Property leasing HK\$ million	Finance HK\$ million	Building construction HK\$ million	Infra- structure HK\$ million	Hotel operation HK\$ million	Others HK\$ million	Eliminations HK\$ million	Consolidated HK\$ million
Turnover	2,714.9	1,220.2	35.7	77.8	72.9	73.5	329.6	-	4,524.6
Other revenue (excluding bank interest income)	-	3.4	0.4	1.4	0.4	0.1	21.2	-	26.9
External revenue	2,714.9	1,223.6	36.1	79.2	73.3	73.6	350.8	-	4,551.5
Inter-segment revenue	-	53.3	0.7	179.0	-	0.7	11.5	(245.2)	-
Total revenue	2,714.9	1,276.9	36.8	258.2	73.3	74.3	362.3	(245.2)	4,551.5
Segment results	1,125.5	785.4	40.1	63.9	43.2	29.4	38.3		2,125.8
Inter-segment transactions	25.4	(12.6)	(0.7)	(31.2)	-	(0.7)	-		(19.8)
Contribution from operations	1,150.9	772.8	39.4	32.7	43.2	28.7	38.3		2,106.0
Bank interest income									131.4
Unallocated operating expenses net of income									(462.9)
Profit from operations									1,774.5
Increase in fair value of investment properties	82.1	669.8	-	-	-	-	-		751.9
Finance costs									(294.6)
									2,231.8
Share of profits less losses of associates									1,619.8
Share of profits less losses of jointly controlled entities	139.2	1,119.0	3.9	0.6	-	47.1	23.0		1,332.8
Profit before taxation									5,184.4
Income tax									(381.3)
Profit for the period									4,803.1

Note: Included in the turnover of property development segment is an amount of HK\$908.9 million relating to the Group's share of sales proceeds from its interest in a property project jointly developed by the Group and an associate.

**Notes on the Condensed Interim Financial Statements (unaudited)****3. Segmental information (cont'd)*****Business segments: (cont'd)***

For the six months ended 31 December 2005

	Property development HK\$ million	Property leasing HK\$ million	Finance HK\$ million	Building construction HK\$ million	Infra- structure HK\$ million	Hotel operation HK\$ million	Others HK\$ million	Eliminations HK\$ million	Consolidated HK\$ million
Turnover	403.1	1,080.6	67.7	740.7	92.4	67.0	281.2	-	2,732.7
Other revenue (excluding bank interest income)	-	2.1	1.4	0.9	0.6	0.1	22.8	-	27.9
External revenue	403.1	1,082.7	69.1	741.6	93.0	67.1	304.0	-	2,760.6
Inter-segment revenue	-	42.1	0.5	262.9	-	-	15.0	(320.5)	-
Total revenue	403.1	1,124.8	69.6	1,004.5	93.0	67.1	319.0	(320.5)	2,760.6
Segment results	111.8	656.9	70.9	32.0	51.7	24.3	15.3		962.9
Inter-segment transactions	4.9	(10.3)	(0.6)	(16.5)	-	-	1.4		(21.1)
Contribution from operations	116.7	646.6	70.3	15.5	51.7	24.3	16.7		941.8
Bank interest income									63.6
Unallocated operating income net of expenses									394.1
Profit from operations									1,399.5
(Decrease)/increase in fair value of investment properties	(5.8)	5,024.3	-	-	-	-	-		5,018.5
Finance costs									(220.0)
Share of profits less losses of associates									6,198.0
Share of profits less losses of jointly controlled entities	658.6	1,576.4	3.6	4.1	-	(25.9)	-		1,101.3
Profit before taxation									2,216.8
Income tax									9,516.1
Profit for the period									(881.1)
									8,635.0

**Notes on the Condensed Interim Financial Statements (unaudited)**
**3. Segmental information (cont'd)**
**Geographical segments:**

	For the six months ended 31 December 2006		
	Hong Kong HK\$ million	The People's Republic of China ("PRC") HK\$ million	Consolidated HK\$ million
Turnover	4,358.1	166.5	4,524.6
Other revenue (excluding bank interest income)	21.7	5.2	26.9
External revenue	4,379.8	171.7	4,551.5
	For the six months ended 31 December 2005		
Turnover	2,607.4	125.3	2,732.7
Other revenue (excluding bank interest income)	24.7	3.2	27.9
External revenue	2,632.1	128.5	2,760.6

**4. Other revenue and other net loss**

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
<b>Other revenue</b>		
Bank interest income	131.4	63.6
Other interest income	11.8	12.0
Others	15.1	15.9
	158.3	91.5
<b>Other net loss</b>		
Fixed assets written off	(17.4)	–
Loss on sale of listed investments	(2.0)	–
(Loss)/profit on disposal of fixed assets	(0.2)	0.3
Net foreign exchange gain/(loss)	8.1	(11.1)
Others	0.1	1.6
	(11.4)	(9.2)

**Notes on the Condensed Interim Financial Statements (unaudited)****5. Other operating (expenses)/income, net**

	<b>For the six months ended 31 December</b>	
	<b>2006</b>	2005
	<b>HK\$ million</b>	HK\$ million
Excess of interest in fair values of the acquirees' identifiable assets over cost of business combination (note (i))	–	812.5
Reversal of impairment loss on properties under development for own use	–	22.3
Net loss on disposal of interests in subsidiaries (note (ii))	<b>(103.8)</b>	–
Government rent (note (iii))	<b>(78.3)</b>	–
(Provision)/write-back of provision on inventories	<b>(4.4)</b>	9.1
Reversal of impairment loss for bad and doubtful debts	<b>1.5</b>	–
Impairment loss on goodwill (note (iv))	–	(161.8)
Others	<b>(37.6)</b>	(47.4)
	<b>(222.6)</b>	634.7

## Notes:

- (i) The amount arose from the privatisation of Henderson China Holdings Limited, a subsidiary of the Group, on 15 August 2005.
- (ii) In December 2006, the Group entered into sale and purchase agreements with Sunlight Real Estate Investment Trust ("Sunlight REIT") for the sale of the shares in its property companies and the shareholders' loans owing by such companies. The aggregate consideration of the disposal is approximately HK\$1,099.3 million and this has given rise to a net loss on disposal of approximately HK\$103.8 million.
- (iii) Since 1997, the Group received rent demand notes from the Government of Hong Kong Special Administrative Region ("HKSAR") in respect of the Group's various sites under development in prior years. The Group objected the demand for government rent payment and obtained a hold-over order on the government rent payment issued by Rating and Valuation Department. In October 2006, the Government of HKSAR withdrew the hold-over order and the Group paid government rent in a total amount of HK\$78.3 million in this regard.
- (iv) The amount represented impairment loss on goodwill arising from the privatisation of Henderson Cyber Limited, a subsidiary of the Group, on 8 December 2005.

## Notes on the Condensed Interim Financial Statements (unaudited)

## 6. Profit before taxation

The consolidated profit before taxation for the period is arrived at after charging / (crediting):

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
<b>(a) Finance costs:</b>		
Bank interest	474.0	350.4
Interest on loans wholly repayable within five years	59.6	28.4
Other borrowing costs	16.6	18.3
	550.2	397.1
Less: Amount capitalised *	(255.6)	(177.1)
	294.6	220.0

\* The borrowing costs have been capitalised at rates ranging from 4.33% to 4.57% (2005: from 4.16% to 4.40%) per annum.

**(b) Staff costs:**

Contributions to defined contribution retirement plans	19.6	16.8
Salaries, wages and other benefits	511.1	422.2
	530.7	439.0

## Notes on the Condensed Interim Financial Statements (unaudited)

## 6. Profit before taxation (cont'd)

The consolidated profit before taxation for the period is arrived at after charging / (crediting): (cont'd)

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
<b>(c) Other items:</b>		
Depreciation	47.1	48.9
Less: Amount capitalised	(0.4)	(0.1)
	<b>46.7</b>	48.8
Amortisation of land lease premium	1.9	2.0
Amortisation of toll highway operation rights	5.1	17.3
Cost of sales		
– completed properties for sale (note)	1,169.6	250.4
– trading stocks	83.5	79.5
Dividend income from investments		
– listed	(3.2)	(1.0)
– unlisted	(1.8)	(2.1)

Note: The amount in 2006 includes the cost of properties sold in connection with the property project jointly developed by the Group and the associate as disclosed in note 3.

## 7. Income tax

Income tax in the consolidated profit and loss account represents:

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
Current tax		
– Provision for Hong Kong Profits tax	120.5	55.9
– Provision for taxation outside Hong Kong	13.2	9.5
Deferred tax		
– Origination and reversal of temporary differences	247.6	815.7
	<b>381.3</b>	881.1

Provision for Hong Kong Profits Tax has been made at 17.5% (2005: 17.5%) on the estimated assessable profits for the period.

Provision for taxation outside Hong Kong is provided for at the applicable rates of taxation for the period on the estimated assessable profits arising in the relevant foreign tax jurisdictions during the period.



## Notes on the Condensed Interim Financial Statements (unaudited)

**8. Dividends****(a) Dividend attributable to the interim period :**

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
Interim dividend declared after the interim period end of HK\$0.4 per share (2005: HK\$0.4 per share)	777.0	725.8

**(b) Dividends attributable to the previous financial year, approved and paid during the interim period:**

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
Final dividend in respect of the financial year ended 30 June 2006, approved and paid during the following interim period, of HK\$0.65 per share (2005: HK\$0.6 per share)	1,262.7	1,088.8

**9. Earnings per share**

- (a) The calculation of earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$3,793.6 million (2005: HK\$7,649.5 million) and on the weighted average number of 1,842.4 million ordinary shares (2005: 1,814.6 million ordinary shares) in issue during the period. Diluted earnings per share for the six months ended 31 December 2006 is not presented as there was no potential dilution of earnings per share. Diluted earnings per share for the six months ended 31 December 2005 was not presented because the existence of outstanding guaranteed convertible notes during that period had an anti-dilutive effect on the calculation of diluted earnings per share.

**Notes on the Condensed Interim Financial Statements (unaudited)****9. Earnings per share (cont'd)**

- (b) The calculation of adjusted earnings per share is based on the profit attributable to equity shareholders of the Company and adjusted as follows:

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
Profit attributable to equity shareholders of the Company	3,793.6	7,649.5
Effect of increase in fair value of investment properties	(751.9)	(5,018.5)
Effect of deferred tax on increase in fair value of investment properties	123.1	752.6
Effect of share of increase in fair value of investment properties net of deferred tax of associates and jointly controlled entities	(1,146.2)	(1,750.0)
Effect of share of minority interests	409.3	723.9
Adjusted earnings for calculation of earnings per share	2,427.9	2,357.5
Adjusted earnings per share	HK\$1.32	HK\$1.29

**10. Fixed assets****(a) Disposals**

During the six months ended 31 December 2006, the Group has disposed of certain subsidiaries holding investment properties to Sunlight REIT with carrying value amounting to HK\$1,252.0 million. The loss on such disposal has been included in "Net loss on disposal of interests in subsidiaries" under "Other operating (expenses)/income, net" as disclosed in note 5.

**(b) Transfers**

In prior years, certain portions of a property development site were held for/under development for investment purpose and classified as investment properties. During the six months ended 31 December 2006, the directors changed the intended use of these properties from "held for investment" to "held for sale" purposes. Accordingly, these properties with carrying value of HK\$5,137.9 million have been transferred to "Inventories".

**(c) Valuation**

The Group's investment properties were revalued as at 31 December 2006 by DTZ Debenham Tie Leung Limited who have among their staff Fellows of The Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, on a market value basis in their existing states by reference to comparable market transactions and where appropriate on the basis of capitalisation of the net income allowing for reversionary income potential.

## Notes on the Condensed Interim Financial Statements (unaudited)

## 10. Fixed assets (cont'd)

## (d) Assets pledged for security

The Group's toll highway operation rights are pledged as securities for certain bank loans.

## 11. Trade and other receivables

	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
Loans receivable	–	31.6
Instalments receivable	1,758.9	1,810.5
Debtors, prepayments and deposits	1,960.0	1,169.5
Gross amount due from customers for contract work	26.1	31.4
Amounts due from associates	201.6	130.8
Amounts due from jointly controlled entities	185.8	212.4
	<b>4,132.4</b>	<b>3,386.2</b>

- (i) Included in trade and other receivables are trade debtors (net of impairment loss for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
Under 1 month overdue	2,487.9	1,904.9
More than 1 month overdue and up to 3 months overdue	70.0	55.8
More than 3 months overdue and up to 6 months overdue	30.6	32.2
More than 6 months overdue	208.2	167.0
	<b>2,796.7</b>	<b>2,159.9</b>

- (ii) For instalments receivable from sale of properties, collateral is usually obtained. Regular review and follow-up actions are carried out on overdue amounts to minimise exposure to credit risk. In respect of rental income from leasing properties, monthly rents are received in advance and sufficient rental deposits are held to cover potential exposure to credit risk. As such, the Group does not obtain collateral from its customers. An ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these receivables. Adequate impairment losses have been made for estimated irrecoverable amounts.

## Notes on the Condensed Interim Financial Statements (unaudited)

## 12. Cash and cash equivalents

	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
Deposits with banks and other financial institutions	7,922.4	6,215.6
Cash at bank and in hand	1,395.9	1,423.3
Cash and cash equivalents in the consolidated balance sheet	9,318.3	7,638.9
Cash and cash equivalents classified as held for sale	1.3	0.5
Bank overdrafts	(192.1)	(181.4)
Cash and cash equivalents in the consolidated cash flow statement	9,127.5	7,458.0

## 13. Trade and other payables

	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
Creditors and accrued expenses	2,159.0	2,210.6
Gross amount due to customers for contract work	1.9	–
Rental and other deposits	497.2	460.3
Forward sales deposits received	463.4	0.4
Amounts due to associates	37.3	39.2
Amounts due to jointly controlled entities	19.8	19.6
	3,178.6	2,730.1

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
Due within 1 month and on demand	401.7	334.6
Due after 1 month but within 3 months	305.5	221.0
Due after 3 months but within 6 months	208.2	106.0
Due after 6 months	387.7	775.0
	1,303.1	1,436.6

## Notes on the Condensed Interim Financial Statements (unaudited)

## 14. Share capital

	Number of shares		Nominal value	
	At 31 December 2006 Million	At 30 June 2006 Million	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
<b>Authorised:</b>				
Ordinary shares of HK\$2.00 each	2,600.0	2,600.0	5,200.0	5,200.0
<b>Issued and fully paid:</b>				
Ordinary shares of HK\$2.00 each At the beginning of the period/year	1,814.6	1,814.6	3,629.2	3,629.2
Issue of shares	128.0	–	256.0	–
At the end of the period/year	1,942.6	1,814.6	3,885.2	3,629.2

During the period, 128.0 million ordinary shares in the Company were placed at a price of HK\$43.05 per share (the “Placing Price”) through a share placement arrangement. Subsequently, the Company issued 128.0 million new ordinary shares for cash at a subscription price of HK\$43.031 per share to increase the capital base of the Company. The subscription price is equivalent to the Placing Price less expenses borne by the Company of approximately HK\$2.4 million which included commissions, professional fees and other ancillary expenses in relation to the placement arrangement. Accordingly, the Company’s share capital and share premium account were increased by HK\$256.0 million and HK\$5,252.0 million respectively.

**Notes on the Condensed Interim Financial Statements (unaudited)****15. Commitments**

Capital commitments outstanding at 31 December 2006 not provided for in these condensed interim financial statements were as follow:

	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
(i) Contracted for acquisition of property and future development expenditure and the related costs of internal fixtures and fittings	2,622.3	1,085.9
(ii) Contracted obligations to fund the subsidiaries and associates established outside Hong Kong	1,748.5	1,655.4
(iii) Future development expenditure and the related costs of internal fixtures and fittings approved by the directors but not contracted for	4,761.2	4,523.4
	<b>9,132.0</b>	<b>7,264.7</b>

**16. Contingent liabilities**

As at 31 December 2006, contingent liabilities of the Group were as follows:

	At 31 December 2006 HK\$ million	At 30 June 2006 HK\$ million
(a) Guarantees given by the Company and its subsidiaries to financial institutions on behalf of purchasers of flats	9.4	119.3
(b) Guarantees given by the Company to banks to secure banking facilities of a jointly controlled entity	–	1,915.7
	<b>9.4</b>	<b>2,035.0</b>

(c) At 31 December 2006, the Group had contingent liabilities in respect of performance bonds to guarantee the due and proper performance of the subsidiaries' obligations amounting to HK\$19.7 million (30 June 2006: HK\$53.3 million).

**Notes on the Condensed Interim Financial Statements (unaudited)****16. Contingent liabilities (cont'd)**

- (d) In connection with the sale of property subsidiaries to Sunlight REIT (the "Sale"), the Group entered into Deeds of Tax Covenants with Sunlight REIT. Under the Deeds of Tax Covenants, the Group has undertaken to indemnify Sunlight REIT for any tax liabilities relating to events occurring on or before the Sale, clawback of commercial building allowances and capital allowances granted up to the Sale and re-classification upon the Sale of the properties from "Completed properties for sale" to "Investment properties".

**17. Material related party transactions**

In addition to the transactions disclosed elsewhere in these condensed interim financial statements, the Group entered into the following material related party transactions:

**(a) Transactions with fellow subsidiaries**

Details of material related party transactions between the Group and its fellow subsidiaries are as follows:

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
Other interest expense (note i)	<b>29.8</b>	21.6

**(b) Transactions with associates and jointly controlled entities**

Details of material related party transactions between the Group and its associates and jointly controlled entities are as follows:

	For the six months ended 31 December	
	2006 HK\$ million	2005 HK\$ million
Other interest income (note i)	<b>6.6</b>	31.9
Building construction income (note ii)	<b>74.5</b>	739.4
Professional fee income (note iii)	<b>12.0</b>	8.8
Sales commission income (note iii)	<b>12.3</b>	16.8
Rental expenses (note iii)	<b>23.7</b>	16.5

**Notes on the Condensed Interim Financial Statements (unaudited)****17. Material related party transactions (cont'd)****(c) Transactions with related companies**

Details of material related party transactions between the Group and its related companies which represented trust funds managed by the directors of the Group are as follows:

	<b>For the six months ended 31 December</b>	
	<b>2006</b>	2005
	<b>HK\$ million</b>	HK\$ million
Building management service income (note iii)	<b>13.2</b>	12.5
Rental commission income (note iii)	<b>6.1</b>	6.1

In addition, the Group and one of its related companies entered into a rental agreement dated 30 March 2004 for leasing certain units of the Group's investment properties with a monthly rental charged at 8% of the tenant's monthly turnover. According to the rental agreement, the related company was entitled to a rent-free period from 1 April 2004 to 30 September 2004. The total rental income earned from the related company during the six months ended 31 December 2006 was HK\$2.3 million (2005: HK\$0.5 million) and the outstanding balance as at 31 December 2006 was HK\$4.5 million (30 June 2006: HK\$2.2 million).

Notes:

- (i) Interest income and expenses are calculated on the balance of loans outstanding from time to time by reference to Hong Kong Inter-bank Offered Rate or prime rate.
- (ii) These transactions represent cost reimbursements plus certain percentage thereon as service fees.
- (iii) These transactions were carried out on normal commercial terms and in the ordinary course of business.

**(d) Transactions with companies controlled by a director of the Company**

Mr. Lee Ka Kit, a director of the Company, through companies controlled or owned by him has separate interests in certain subsidiaries and associates of the Company or the Group and through which the Group holds its interest in certain development projects in the PRC. Mr. Lee through companies controlled or owned by him had provided finance in the form of advances to these subsidiaries and associates in accordance with the percentage of his equity interest in these companies. At 31 December 2006, the advances made to these subsidiaries and associates through companies controlled or owned by Mr. Lee amounting to HK\$587.6 million (30 June 2006: HK\$612.6 million) and HK\$537.4 million (30 June 2006: HK\$537.4 million) respectively were unsecured. No interest was charged to these subsidiaries and associates by the companies controlled or owned by Mr. Lee under such arrangements during six months ended 31 December 2005 and 2006.

**18. Comparative figures**

Certain comparative figures have been reclassified to conform with the current period's presentation.



## Notes on the Condensed Interim Financial Statements (unaudited)

### 19. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ending 30 June 2007

Up to the date of issue of these condensed interim financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ending 30 June 2007.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the accounts:

		Effective for accounting periods beginning on or after
HKFRS 7	Financial instruments: disclosures	1 January 2007
Amendments to HKAS 1	Presentation of financial statements: capital disclosures	1 January 2007