

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 September 2007

	Note	Unaudited 30/9/2007 HK\$ Million	Unaudited 30/9/2006 HK\$ Million (restated)
<b>Continuing operations</b>			
Turnover	2	<b>13,856</b>	8,302
Other net income	4	<b>112</b>	48
		<b>13,968</b>	8,350
Direct costs and operating expenses		<b>(4,978)</b>	(3,402)
Selling and marketing expenses		<b>(556)</b>	(426)
Administrative expenses		<b>(537)</b>	(344)
Operating profit before depreciation, amortisation, interest and tax		<b>7,897</b>	4,178
Depreciation and amortisation		<b>(935)</b>	(599)
Operating profit	3	<b>6,962</b>	3,579
Increase in fair value of investment properties		<b>4,991</b>	5,411
		<b>11,953</b>	8,990
Borrowing costs	5	<b>(766)</b>	(525)
Share of profits less losses of associates		<b>189</b>	69
Share of profits less losses of jointly controlled entities		<b>22</b>	(1)
Profit before taxation		<b>11,398</b>	8,533
Income tax	6(e)	<b>(2,750)</b>	(1,497)
Profit for the period from continuing operations		<b>8,648</b>	7,036
<b>Discontinued operation</b>			
Profit for the period from a discontinued operation	7	-	56
Profit on disposal of subsidiaries		-	585
Profit from a discontinued operation		-	641
Profit for the period		<b>8,648</b>	7,677
Attributable to:			
Equity shareholders of the Company		<b>4,030</b>	3,735
Minority interests		<b>4,618</b>	3,942
		<b>8,648</b>	7,677
Interim dividend declared after the balance sheet date	8	<b>51</b>	51
Earnings per share	9		
Continuing operations		<b>HK\$1.98</b>	HK\$1.66
Discontinued operation		-	HK\$0.18
		<b>HK\$1.98</b>	HK\$1.84
Interim dividend per share	8	<b>2.5 cents</b>	2.5 cents

# CONSOLIDATED BALANCE SHEET

At 30 September 2007

	Note	Unaudited 30/9/2007 HK\$ Million	Unaudited 31/3/2007 HK\$ Million (restated)
<b>Non-current assets</b>			
Fixed assets			
Investment properties		99,708	95,085
Leasehold land		3,671	3,662
Other property, plant and equipment		14,240	12,509
		<b>117,619</b>	111,256
Goodwill and other intangible assets		303	306
Interest in associates		4,566	531
Interest in jointly controlled entities		824	788
Available-for-sale investments		12,445	7,088
Long-term receivables		465	498
Programming library		194	186
Deferred tax assets		395	429
Defined benefit pension scheme assets		296	230
Derivative financial assets		1	17
		<b>137,108</b>	121,329
<b>Current assets</b>			
Inventories		15,290	14,890
Trade and other receivables	10	4,643	2,561
Derivative financial assets		5	12
Bank balances and deposits		8,179	10,235
		<b>28,117</b>	27,698
<b>Current liabilities</b>			
Trade and other payables	11	(5,206)	(5,855)
Bank loans and overdrafts		(8,507)	(5,682)
Derivative financial liabilities		(1)	(3)
Deposits from sale of properties		(3,641)	(2,713)
Current tax		(1,568)	(690)
		<b>(18,923)</b>	(14,943)
<b>Net current assets</b>		<b>9,194</b>	12,755
<b>Total assets less current liabilities</b>		<b>146,302</b>	134,084
<b>Non-current liabilities</b>			
Long-term loans		(22,275)	(20,124)
Deferred tax liabilities		(15,466)	(14,150)
Deferred items and other deferred liabilities		(704)	(714)
Derivative financial liabilities		(10)	–
		<b>(38,455)</b>	(34,988)
<b>Net assets</b>		<b>107,847</b>	99,096
<b>Capital and reserves</b>			
Share capital		1,016	1,016
Reserves		52,027	47,800
<b>Equity attributable to Shareholders</b>		<b>53,043</b>	48,816
<b>Minority interests</b>		<b>54,804</b>	50,280
<b>Total equity</b>	12	<b>107,847</b>	99,096

# CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the six months ended 30 September 2007

	<b>Unaudited 30/9/2007 HK\$ Million</b>	Unaudited 30/9/2006 HK\$ Million (restated)
Net gains not recognised in the consolidated profit and loss account	<b>1,108</b>	682
Profit for the period	<b>8,648</b>	7,677
Total recognised income and expense for the period		
Shareholders' equity	<b>4,430</b>	4,064
Minority interests	<b>5,326</b>	4,295
	<b>9,756</b>	8,359

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2007

	<b>Unaudited 30/9/2007 HK\$ Million</b>	Unaudited 30/9/2006 HK\$ Million (restated)
Net cash generated from operating activities	<b>4,291</b>	3,537
Net cash used in investing activities	<b>(10,407)</b>	(74)
Net cash generated from/(used in) financing activities	<b>3,983</b>	(1,415)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,133)</b>	2,048
Cash and cash equivalents at 1 April	<b>10,235</b>	6,870
Effect of foreign exchange rate changes	<b>77</b>	61
<b>Cash and cash equivalents at 30 September</b>	<b>8,179</b>	8,979
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and deposits	<b>8,179</b>	8,979

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

These unaudited interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS”) “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants and applicable discloseable provisions of the Listing Rules of the Stock Exchange.

The preparation of the 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, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The accounting policies used in the preparation of the interim financial statements are consistent with those described in the annual financial statements for the year ended 31 March 2007 except for the change in accounting policy for the basis of consolidation as set out below.

### Change in accounting policies

#### (a) Consolidation of Wharf’s financial statements

In prior years, the financial results of subsidiaries were consolidated where the Group, directly or indirectly, held more than half of the issued share capital, or controlled more than half of the voting power or controlled the composition of the board of directors. As the Group held less than 50% equity interest in The Wharf (Holdings) Limited (“Wharf”) prior to 1 April 2007, the Group had accounted for Wharf as an associate and equity-accounted for its results and net assets in prior years based on Wharf’s published consolidated financial statements for the financial reporting periods ended on 31 December each year.

With effect from the accounting period beginning on 1 April 2007, the Group has changed its basis of consolidation such that companies that are less than 50% owned, but over which the Group exercises de facto control are now also consolidated. De facto control exists where the Company is able to exert effective control by holding a substantial minority interest in an entity of which the other shareholdings are widely dispersed and thus unable to coalesce to successfully vote against the wishes of the largest shareholder.

In August 2007, the Group increased its interest in Wharf from 49.93814% to 50.00003% but in management’s view this made little difference in practice to their ability to make financial and operating policy decisions concerning Wharf compared to the de facto control that the Group was able to exert over Wharf. Accordingly, the Group considers that the revised accounting policy will provide more relevant information about the results and financial position of the enlarged Group than the previous accounting policy.

As consolidation based on de facto control constitutes a change in the Group’s accounting policy in accordance with Hong Kong Accounting Standard 8 “Accounting policies, changes in accounting estimates and errors”, prior year figures in the profit and loss account and balance sheet have been restated to take account of the fact that the Group exercised de facto control over Wharf in prior years. This change has no impact on the Group’s results and the shareholders’ equity.

On such basis, the interim consolidated financial statements under review have included Wharf's financial statements for the 9 months period from 1 January 2007 to 30 September 2007 (2006: 6 months period from 1 January 2006 to 30 June 2006). The comparative figures of the Group's financial statements have also been restated to conform to the current period's presentation.

**(b) Other new standards, amendments and interpretations**

In 2007, the Group adopted the new standards, amendments and interpretations below, which are relevant to its operations.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HK (IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) – Int 10	Interim Financial Reporting and Impairment
HKFRS 7	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these new standards, amendments and interpretations and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies, whereas the adoption of HKAS 1 (Amendment) and HKFRS 7 requires additional disclosures to be made in the annual report.

**2. SEGMENT INFORMATION**

**(a) Business segments**

	Segment Revenue		Segment Results	
	30/9/2007	30/9/2006	30/9/2007	30/9/2006
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
<b>Continuing operations</b>				
Property investment	<b>4,937</b>	2,950	<b>3,603</b>	2,048
Hong Kong	<b>3,877</b>	2,190	<b>3,175</b>	1,739
China	<b>305</b>	157	<b>148</b>	64
Singapore	<b>84</b>	152	<b>59</b>	88
Hotels	<b>671</b>	451	<b>221</b>	157
Property development	<b>3,099</b>	1,634	<b>1,286</b>	370
Hong Kong	<b>1,467</b>	1,633	<b>598</b>	378
China	<b>1,632</b>	1	<b>688</b>	(8)
Communications, media and entertainment ("CME")	<b>2,844</b>	1,959	<b>257</b>	141
Pay television	<b>1,212</b>	966	<b>132</b>	98
Internet and multimedia	<b>442</b>	296	<b>132</b>	68
Telecommunications	<b>1,075</b>	681	<b>14</b>	(4)
Others	<b>115</b>	16	<b>(21)</b>	(21)

	Segment Revenue		Segment Results	
	30/9/2007	30/9/2006	30/9/2007	30/9/2006
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Logistics	<b>2,656</b>	1,609	<b>1,383</b>	830
Terminals	<b>2,366</b>	1,407	<b>1,284</b>	749
Others	<b>290</b>	202	<b>99</b>	81
Investment and others	<b>590</b>	349	<b>662</b>	336
	<b>14,126</b>	8,501	<b>7,191</b>	3,725
Inter-segment revenue (Note)	<b>(270)</b>	(199)	<b>-</b>	-
	<b>13,856</b>	8,302	<b>7,191</b>	3,725
Unallocated expenses			<b>(229)</b>	(146)
Operating profit			<b>6,962</b>	3,579
Increase in fair value of investment properties			<b>4,991</b>	5,411
			<b>11,953</b>	8,990
Borrowing costs			<b>(766)</b>	(525)
Associates			<b>189</b>	69
Property development			<b>17</b>	26
Terminals			<b>172</b>	43
Jointly controlled entities				
Terminals			<b>22</b>	(1)
Profit before taxation			<b>11,398</b>	8,533
Income tax			<b>(2,750)</b>	(1,497)
Profit for the period from continuing operations			<b>8,648</b>	7,036
<b>Discontinued operation</b> (Note 7)				
Property agency	<b>-</b>	444	<b>-</b>	70
Borrowing costs			<b>-</b>	(1)
Share of profits less losses of associates				
Property agency			<b>-</b>	10
Profit before taxation			<b>-</b>	79
Income tax			<b>-</b>	(23)
Profit for the period from a discontinued operation			<b>-</b>	56
Profit on disposal of subsidiaries			<b>-</b>	585
Profit from a discontinued operation			<b>-</b>	641
Profit for the period			<b>8,648</b>	7,677

Note: Inter-segment revenue eliminated on consolidation includes:

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
<b>Continuing operations</b>		
Property investment	<b>78</b>	44
CME	<b>160</b>	119
Investment and others	<b>32</b>	36
	<u><b>270</b></u>	<u>199</u>

**(b) Geographical segments**

	<b>Segment Revenue</b>		<b>Segment Results (Operating profit)</b>	
	<b>30/9/2007</b>	30/9/2006	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million	<b>HK\$ Million</b>	HK\$ Million
<b>Continuing operations</b>				
Hong Kong	<b>11,445</b>	7,904	<b>5,881</b>	3,432
Singapore	<b>453</b>	196	<b>289</b>	79
China	<b>1,958</b>	202	<b>792</b>	68
	<u><b>13,856</b></u>	<u>8,302</u>	<u><b>6,962</b></u>	<u>3,579</u>
<b>Discontinued operation</b>				
United Kingdom	-	442	-	70
Others	-	2	-	-
	<u>-</u>	<u>444</u>	<u>-</u>	<u>70</u>
	<u><b>13,856</b></u>	<u>8,746</u>	<u><b>6,962</b></u>	<u>3,649</u>

### 3. OPERATING PROFIT

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
Operating profit is arrived at after charging/(crediting):		
<b>Continuing operations</b>		
Depreciation		
– assets held for use under operating leases	<b>68</b>	43
– other fixed assets	<b>743</b>	499
	<b>811</b>	542
Amortisation		
– programming library	<b>91</b>	45
– leasehold land	<b>30</b>	12
– other intangible assets	<b>3</b>	–
Total depreciation and amortisation	<b>935</b>	599
Staff costs	<b>1,836</b>	1,297
Cost of properties for sale sold	<b>1,670</b>	1,145
Dividend income from listed investments	<b>(298)</b>	(81)
Dividend income from unlisted investments	<b>(81)</b>	(60)
<b>Discontinued operation</b>		
Staff costs	<b>–</b>	155

### 4. OTHER NET INCOME

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
<b>Continuing operations</b>		
Net profit on disposal of investments	<b>113</b>	54
Profit on disposal of investment properties	<b>–</b>	37
Others	<b>(1)</b>	(43)
	<b>112</b>	48

## 5. BORROWING COSTS

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
<b>Continuing operations</b>		
Interest on		
Bank loans, bonds and overdrafts	<b>780</b>	370
Other loans repayable within 5 years	<b>132</b>	163
Other loans repayable over five years	<b>32</b>	31
Other borrowing costs	<b>30</b>	15
	<b>974</b>	579
Less: Amount capitalised	<b>(208)</b>	(54)
	<b>766</b>	525
<b>Discontinued operation</b>		
Interest on bank loans and overdrafts	<b>-</b>	1
	<b>766</b>	526

The Group's effective borrowing interest rate for the six-month period was approximately 4.8% (2006: 4.6%) per annum.

## 6. INCOME TAX

- (a) The provision for Hong Kong profits tax is based on the profit for the period as adjusted for tax purposes at the rate of 17.5% (2006: 17.5%).
- (b) Other overseas taxation is calculated at rates of tax applicable in countries in which the Group is assessed for tax.
- (c) Under the Provisional Regulations on land appreciation tax ("LAT") implemented upon the issuance of the Provisional Regulations of the People's Republic of China ("PRC") on 27 January 1995, all gains arising from transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including borrowing costs and all property development expenditures.
- (d) On 16 March 2007, the Standing Committee of the Tenth National People's Congress of PRC approved the income tax law, which will change the tax rate from 33% to 25% for certain subsidiaries operating in the PRC from 1 January 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

(e) Taxation in the consolidated profit and loss account represents:

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
<b>Continuing operations</b>		
<i>Current tax</i>		
Hong Kong profits tax for the period	<b>729</b>	434
Under provision in respect of prior years	<b>252</b>	54
Overseas taxation for the period	<b>222</b>	19
	<b>1,203</b>	507
<i>Land appreciation tax in PRC</i>	<b>188</b>	–
<i>Deferred tax</i>		
Change in fair value of investment properties	<b>1,280</b>	956
Reversal on disposal of investment properties	–	(4)
Origination and reversal of temporary differences	<b>79</b>	53
Benefit of previously unrecognised tax losses now recognised	–	(15)
	<b>1,359</b>	990
	<b>2,750</b>	1,497
<b>Discontinued operation</b>		
<i>Current tax</i>		
Overseas taxation for the period	–	22
Under provision in prior years	–	3
	–	25
<i>Deferred tax</i>		
Origination and reversal of temporary differences	–	(2)
	–	23
	<b>2,750</b>	1,520

(f) Share of associates' and jointly controlled entities' tax for the six months ended 30 September 2007 of HK\$14 million (2006: HK\$8 million) is included in the share of profits less losses of associates and jointly controlled entities.

## 7. DISCONTINUED OPERATION

	30/9/2006 HK\$ Million
Profit for the period from a discontinued operation	56
Profit on disposal of subsidiaries	585
	<hr/>
	641
	<hr/>

On 24 August 2006, Wheelock Properties (Singapore) Limited completed the disposal of its 100% interest in Hamptons Group Limited (“Hamptons”) at a cash consideration of £82 million (about HK\$1,182 million) and realised a profit of HK\$585 million (HK\$330 million attributable to the Group). Hamptons’ principal business is estate agency services in the residential property market in the United Kingdom.

The results of Hamptons are presented below:

	30/9/2006 HK\$ Million
Turnover	444
Direct costs and operating expenses	(161)
Selling and marketing expenses	(136)
Administrative expenses	(77)
	<hr/>
Operating profit	70
Borrowing costs	(1)
Share of profits less losses of associates	10
	<hr/>
Profit before taxation	79
Income tax	(23)
	<hr/>
Profit for the period	56
	<hr/>

## 8. DIVIDENDS

### (a) Dividends attributable to the period

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
Interim dividend proposed after the balance sheet date of 2.5 cents (2006: 2.5 cents) per share	<u>51</u>	<u>51</u>

The interim dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

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

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
Final dividend in respect of the previous financial year, approved and paid during the period, of 10.0 cents (2006: 10.0 cents) per share	<u>203</u>	<u>203</u>

## 9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on profit attributable to ordinary equity shareholders of the Company for the period of HK\$4,030 million (2006: HK\$3,735 million) and 2,032 million ordinary shares in issue throughout the financial period ended 30 September 2007 and the previous year's corresponding period. The profit for the period is analysed as follows:

	<b>30/9/2007</b>	30/9/2006
	<b>HK\$ Million</b>	HK\$ Million
Attributable to:		
Continuing operations	<b>4,030</b>	3,374
Discontinued operation	<u>-</u>	<u>361</u>
	<u><b>4,030</b></u>	<u>3,735</u>

## 10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (net of impairment losses for bad and doubtful debts) with an ageing analysis as at 30 September 2007 as follows:

	<b>30/9/2007</b>	31/3/2007
	<b>HK\$ Million</b>	HK\$ Million
Current	<b>816</b>	468
31 – 60 days	<b>218</b>	231
61 – 90 days	<b>48</b>	71
Over 90 days	<b>32</b>	73
	<b>1,114</b>	843
Other receivables	<b>3,529</b>	1,718
	<b>4,643</b>	2,561

The Group maintains and closely monitors defined credit policies for its businesses and trade receivables in order to control the credit risk associated with trade receivables.

## 11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with an ageing analysis as at 30 September 2007 as follows:

	<b>30/9/2007</b>	31/3/2007
	<b>HK\$ Million</b>	HK\$ Million
Amounts payable in the next:		
0 – 30 days	<b>383</b>	598
31 – 60 days	<b>124</b>	149
61 – 90 days	<b>106</b>	115
Over 90 days	<b>254</b>	375
	<b>867</b>	1,237
Rental and customer deposits	<b>1,528</b>	1,349
Other payables	<b>2,811</b>	3,269
	<b>5,206</b>	5,855

## 12. TOTAL EQUITY

	Shareholders' equity								Total equity
	Share capital	Share premium	Capital redemption reserve	Investment revaluation reserves	Other capital reserves	Revenue reserves	Shareholders' equity	Minority interests	
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	
Balance at 1 April 2007	1,016	1,914	19	2,047	740	43,080	48,816	50,280	99,096
Revaluation surplus	-	-	-	148	-	-	148	429	577
Transferred to the profit and loss account on disposal of available-for-sale investments	-	-	-	(45)	-	-	(45)	(62)	(107)
Actuarial gains on defined benefit pension schemes	-	-	-	-	-	20	20	41	61
Exchange differences	-	-	-	-	272	-	272	285	557
Others	-	-	-	-	5	-	5	15	20
Net income recognised directly in equity	-	-	-	103	277	20	400	708	1,108
Profit for the period	-	-	-	-	-	4,030	4,030	4,618	8,648
Total recognised income and expenses	-	-	-	103	277	4,050	4,430	5,326	9,756
Final dividend approved in respect of the previous year (Note 8b)	-	-	-	-	-	(203)	(203)	-	(203)
Dividends paid to minority interests	-	-	-	-	-	-	-	(905)	(905)
Advance from minority interests	-	-	-	-	-	-	-	152	152
Increase in interest in a subsidiary	-	-	-	-	-	-	-	(49)	(49)
<b>Balance at 30 September 2007</b>	<b>1,016</b>	<b>1,914</b>	<b>19</b>	<b>2,150</b>	<b>1,017</b>	<b>46,927</b>	<b>53,043</b>	<b>54,804</b>	<b>107,847</b>

### 13. CONTINGENT LIABILITIES

There was no material contingent liabilities as at 30 September 2007 and 31 March 2007.

### 14. COMMITMENTS

	<b>30/9/2007</b>	31/3/2007
	<b>HK\$ Million</b>	HK\$ Million
<b>(a) Expenditure commitments for trading properties under development</b>		
Authorised and contracted for	<b>15,267</b>	5,432
Authorised but not contracted for	<b>20,330</b>	13,386
	<b>35,597</b>	18,818
<b>(b) Capital expenditure commitments</b>		
Authorised and contracted for	<b>4,635</b>	4,967
Authorised but not contracted for	<b>2,306</b>	3,695
	<b>6,941</b>	8,662
<b>(c) Programming and other commitments</b>		
Authorised and contracted for	<b>717</b>	538
Authorised but not contracted for	<b>81</b>	57
	<b>798</b>	595
<b>(d) Expenditure commitments for operating leases</b>		
Within one year	<b>71</b>	78
After one year but within five years	<b>63</b>	104
Over five years	<b>69</b>	78
	<b>203</b>	260

The above commitments, apart from HK\$2.5 billion in respect of property under development undertaken by WPL group, are attributable to Wharf group. As at 30 September 2007, the Group has available-for-sale investments of HK\$12.4 billion and undrawn banking facilities of HK\$21.4 billion available for funding the above commitments. In addition, additional committed banking facilities amounted to approximately HK\$5 billion have been secured subsequent to the period under review. Other funding opportunities are under study for future investment opportunities and requirements.

## **15. MATERIAL RELATED PARTY TRANSACTIONS**

Except for the transaction noted below, the Group has not been a party to any material related party transactions during the six-month period ended 30 September 2007:

In respect of the period ended 30 September 2007, the Group earned rental income totalling HK\$265 million (2006: HK\$137 million) from various tenants which are wholly-owned by, or are non-wholly-owned subsidiaries of, companies which in turn are wholly-owned by the family interests of, or by a trust the settlor of which is, the Chairman of the Company. Such transactions are considered to be related party transactions and also constitute connected transactions as defined under the Listing Rules.

## **16. COMPARATIVE FIGURES**

As a result of the change in the Group's accounting policy on consolidation, as explained in Note 1 to the Financial Statements, comparative figures have been adjusted or reclassified to conform to the current period's presentation.

## **17. REVIEW OF UNAUDITED INTERIM FINANCIAL STATEMENTS**

The unaudited interim financial statements for the six months ended 30 September 2007 have been reviewed with no disagreement by the Audit Committee of the Company.

## MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions.

## DIRECTORS' INTERESTS IN SHARES

At 30 September 2007, Directors of the Company had the following beneficial interests, all being long positions, in the share capitals of the Company, of two subsidiaries of the Company, namely, Wharf and WPL, and the percentages which the relevant shares represented to the issued share capitals of the three companies respectively are also set out below:

	No. of Ordinary Shares (percentage of issued capital)	Nature of Interest
<b>The Company</b>		
P K C Woo	1,204,934,330 (59.3023%)	Personal Interest in 8,847,510 shares, Corporate Interest in 200,865,142 shares and Other Interest in 995,221,678 shares
G W J Li	1,486,491(0.0732%)	Personal Interest
S T H Ng	300,000 (0.0148%)	Personal Interest
B M Chang	8,629,575 (0.4247%)	Corporate Interest
<b>Wharf</b>		
G W J Li	686,549 (0.0280%)	Personal Interest
S T H Ng	650,057 (0.0266%)	Personal Interest
<b>WPL</b>		
G W J Li	2,900 (0.0001%)	Personal Interest

Notes:

- (1) *The 995,221,678 shares of the Company stated above as "Other Interest" against the name of Mr P K C Woo represented an interest comprised in certain trust properties in which Mr Woo was taken, under certain provisions in Part XV of the Securities and Futures Ordinance (the "SFO") which are applicable to a director or chief executive of a listed company, to be interested.*
- (2) *The shareholdings classified as "Corporate Interest" in which the Directors concerned were taken to be interested as stated above were interests of corporations at respective general meetings of which the relevant Directors were respectively either entitled to exercise (or taken under Part XV of the SFO to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.*
- (3) *The shareholding interests stated above as "Personal Interest" and "Corporate Interest" against the name of Mr P K C Woo totalling 209,712,652 shares of the Company represented the same block of shares as that of the shareholding interest of Mrs Bessie P Y Woo stated below under the section headed "Substantial Shareholders' Interests".*
- (4) *The 995,221,678 shares of the Company as referred to under Note (1) above are entirely duplicated or included in the shareholding interest of HSBC Trustee (Guernsey) Limited stated below under the section headed "Substantial Shareholders' Interests".*

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange by the Directors and/or Chief Executive of the Company pursuant to the SFO or to the Model Code, there were no interests, both long and short positions, held during the financial period by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any exercises during the financial period of any rights to subscribe for any shares, underlying shares or debentures of the Company.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than person(s) who is/are Director(s) of the Company, who/which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company as at 30 September 2007, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the "Register"), and the percentages which the shares represented to the issued share capital of the Company:

<b>Names</b>	<b>No. of Ordinary Shares</b> (percentage of issued capital)
(i) Third Avenue Management LLC	123,151,000 (6.06%)
(ii) Mrs Bessie P Y Woo	209,712,652 (10.32%)
(iii) HSBC Trustee (Guernsey) Limited	1,095,300,362 (53.91%)

*Note: Duplication occurred in respect of the shareholding interests under (ii) and (iii) above, as set out above in Notes (3) and (4) under the section headed "Directors' Interests in Shares".*

All the interests stated above represented long positions and as at 30 September 2007, there were no short positions interests recorded in the Register.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

## BOOK CLOSURE

The Register of Members will be closed from Wednesday, 2 January 2008 to Friday, 4 January 2008, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 31 December 2007.

By Order of the Board

**Wilson W S Chan**

*Secretary*

Hong Kong, 28 November 2007

*As at the date of this interim report, the Board of Directors of the Company comprises of Mr Peter K C Woo, Mr Gonzaga W J Li, Mr Stephen T H Ng and Mr Paul Y C Tsui, together with three independent Non-executive Directors, namely, Mr Alexander S K Au, Mr B M Chang and Mr Kenneth W S Ting.*