

Notes on the Accounts

賬項附註

(Expressed in Hong Kong dollars)

1 Principal Accounting Policies

(a) Statement of compliance

These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice (“SSAP”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the principal accounting policies adopted by the Group is set out below.

(b) Basis of preparation of the accounts

The measurement basis used in the preparation of the accounts is historical cost modified by the revaluation of investment properties as explained in the accounting policy set out below.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, “HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005.

The Group has adopted in advance the following new HKFRSs in the preparation of the accounts for the year ended 30 June 2005:

Hong Kong Accounting Standard 40 (“HKAS 40”)

– Investment Property

Hong Kong (SIC) Interpretation 21
 (“HKSIC-Int 21”)

– Income Taxes – Recovery of Revalued
 Non-Depreciable Assets

In prior years, surpluses or deficits arising on the annual revaluation of the Group’s investment properties to open market value at the balance sheet date were dealt with in the investment properties revaluation reserves. Investment properties with an unexpired lease term of 20 years or less were stated at amortised cost. Deferred tax was provided on the basis that the carrying amounts of investment properties would be recovered through disposal of the properties and calculated at the applicable rate for sale of properties.

(以港幣為單位)

1 主要會計政策

(甲) 遵例聲明

本賬項已按照香港會計師公會頒布之所有適用《會計實務準則》及解釋、香港公認會計原則及香港《公司條例》之規定編製。此外，本賬項亦已符合《香港聯合交易所有限公司證券上市規則》有關之披露規定。本集團採用之主要會計政策概述如下。

(乙) 賬項編製基準

正如下文會計政策所解釋，除投資物業按重估值入賬外，本賬項是以歷史成本作為編製基準。

香港會計師公會已發出多項新訂及經修訂香港財務報告準則、香港會計準則及詮釋（統稱「香港財務報告準則」），並於二零零五年一月一日或之後開始之會計期間生效。

本集團已於編製截至二零零五年六月三十日止年度之賬目提早採納下列新訂香港財務報告準則：

《香港會計準則》第四十號（「HKAS 40」）

– 投資物業

《香港詮釋常務委員會詮釋》第二十一號
（「HKSIC-Int 21」）

– 所得稅 – 收回經重估之不可折舊資產

於過往年度，本集團投資物業於每年結算日按公開市場價值重估之盈餘或減值於投資物業重估儲備處理。未到期租期為二十年或以下之投資物業按攤銷成本列賬。遞延稅項按投資物業將透過出售物業收回其賬面值之基準撥備，並按出售物業之適用稅率計算。

1 Principal Accounting Policies (Continued)

(b) Basis of preparation of the accounts (Continued)

Following the adoption of the new HKAS 40, all investment properties are stated at fair value and any changes in fair value of the Group's investment properties are recognised in the consolidated income statement. With the introduction of HKSIC-Int 21, deferred tax is provided on the basis that the carrying amounts of investment properties will be recovered through use and calculated at applicable profits tax rates.

As a result of the adoption of HKAS 40, the Group's net profit attributable to ordinary shareholders has increased by \$5,136.1 million (2004: \$3,035.0 million) and the net assets as at the year end has increased by \$128.9 million (2004: \$130.0 million). The adoption of HKSIC-Int 21 has decreased the Group's net profit attributable to ordinary shareholders by \$828.3 million (2004: \$484.0 million) and decreased the net assets as at the year end by \$1,913.4 million (2004: \$1,085.1 million).

These changes in accounting policies have been adopted retrospectively, with the opening balances of retained profits and reserves and the comparative information adjusted for the amounts relating to prior periods as disclosed in the consolidated statement of changes in equity and note 23 of the accounts.

The Group is continuing its assessment of the impact of other new HKFRSs in the period of initial application and has so far concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

(c) Basis of consolidation

The consolidated accounts incorporate the accounts of Hang Lung Properties Limited and its subsidiaries made up to 30 June each year. The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated income statement from the effective dates of acquisition or to the effective dates of disposal respectively. All material intercompany balances and transactions are eliminated on consolidation.

1 主要會計政策(續)

(乙) 賬項編製基準(續)

採納新訂HKAS 40後，所有投資物業按公平值列賬，而本集團投資物業之公平值變動於綜合收益表確認。引入HKSIC-Int 21後，遞延稅項按投資物業將透過使用物業時收回其賬面值之基準撥備，並按適用利得稅稅率計算。

由於採納HKAS 40，本集團普通股股東應佔純利增加五十一億三千六百一十萬元(二零零四年：三十億三千五百萬元)及於年底之淨資產增加一億二千八百九十萬元(二零零四年：一億三千萬元)。採納HKSIC-Int 21後，本集團普通股股東應佔純利減少八億二千八百三十萬元(二零零四年：四億八千四百萬元)及於年底之淨資產減少十九億一千三百四十萬元(二零零四年：十億八千五百一十萬元)。

該等會計政策變動已與保留溢利及儲備之期初結餘一併追溯採用，而比較資料已就有關過往期間之款額作出調整，並於綜合權益變動表及附註23披露。

本集團持續評估當採用其他新訂香港財務報告準則之影響，至今總結採用該等準則並沒有對本集團經營業績及財務狀況造成重大影響。

(丙) 綜合賬目之編製基準

本綜合賬目包括恒隆地產有限公司及其附屬公司截至每年六月三十日止之賬項。年內購入或出售之附屬公司，自收購日起或至出售日止之業績已包括於集團之綜合收益表內。所有重大的集團內部往來結餘及交易於綜合賬內抵銷。

1 Principal Accounting Policies (Continued)

(d) Subsidiaries

A subsidiary is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

In the Company's balance sheet, investments in subsidiaries are stated at cost less any impairment losses. The results of subsidiaries are recognised by the Company to the extent of dividends received and receivable at the balance sheet date.

(e) Jointly controlled entities

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

The Group's interests in jointly controlled entities are accounted for in the consolidated accounts under the equity method and are initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the jointly controlled entities. The consolidated income statement reflects the Group's share of the post-acquisition results of operations of the jointly controlled entities for the year.

In the Company's balance sheet, interests in jointly controlled entities are stated at cost less any impairment losses. The results of jointly controlled entities are recognised by the Company to the extent of dividends received and receivable at the balance sheet date.

1 主要會計政策 (續)

(丁) 附屬公司

附屬公司乃本集團直接或間接持有其一半以上之已發行股本、或控制其一半以上之投票權、或控制其董事局組成之公司。當本公司有權直接或間接支配附屬公司的財務及經營政策，並藉此從其活動中取得利益，均視為受本公司控制。

在本公司之資產負債表內，附屬公司之投資乃按成本值減去任何減值虧損列賬。本公司按於結算日已收及應收附屬公司之股息確認附屬公司之業績。

(戊) 合營公司

合營公司乃一間由本集團或本公司與其他人士按一項合約性安排而經營之公司，而在該項合約性安排下，本集團或本公司與一名或多名其他人士對該公司之經濟活動共同行使控制權。

本集團於合營公司之權益乃以權益法在綜合賬目內列賬，最初乃以成本作記錄，其後按本集團應佔合營公司之淨資產於收購後之改變作出調整。綜合收益表反映本集團應佔合營公司於收購後之年度業績。

在本公司之資產負債表內，合營公司之權益乃按成本值減任何減值虧損列賬。本公司按於結算日已收及應收合營公司之股息確認合營公司之業績。

1 Principal Accounting Policies (Continued)

(f) Goodwill

Goodwill or negative goodwill arising on consolidation represents the excess or shortfall respectively of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired.

Goodwill arising on new acquisitions effective from 1 July 2001 is recognised as an asset and amortised to the consolidated income statement on a straight line basis over its estimated useful life. Goodwill is stated at cost less accumulated amortisation and any impairment losses. To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition, it is recognised in the consolidated income statement when future losses and expenses are recognised. Any remaining negative goodwill not exceeding the fair value of non-monetary assets acquired is recognised in the consolidated income statement over the weighted average useful life of the non-monetary assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of those non-monetary assets acquired is recognised in the consolidated income statement immediately. Any negative goodwill not yet recognised in the consolidated income statement is presented as a deduction from the assets in the same balance sheet classification as goodwill.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill or negative goodwill is included in the calculation of the profit or loss on disposal.

The Group has taken advantage of the transitional provisions in SSAP 30 and has made no retrospective adjustment to goodwill or negative goodwill that arose from acquisitions prior to 1 July 2001, which were previously taken to reserves.

(g) Properties

1. Investment properties

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. They are stated at fair value, representing the amount for which an asset could be exchanged between knowledgeable, willing parties in arm's length transaction, assessed by external qualified valuers. Any changes in fair values are recognised in the income statement. A property interest under an operating lease which is held for the above purposes is classified and accounted for as an investment property.

1 主要會計政策(續)

(己) 商譽

編製綜合賬所產生之商譽或負商譽，乃指收購成本超出或低於本集團應佔所收購可辨認資產及負債之公允價值之差額。

由二零零一年七月一日起，本集團把新收購事項產生之商譽確認為資產，並按其估計可使用年期以直線法於綜合收益表內攤銷。商譽按成本值減累積攤銷及任何減值虧損列賬。倘負商譽關乎在收購計劃內確定之預計未來虧損及開支，則有關負商譽於未來虧損及開支確認時在綜合收益表內確認。任何餘下負商譽(不超出所收購之非貨幣資產之公允價值)按可折舊或攤銷之非貨幣資產之加權平均可使用年期在綜合收益表內確認。超出所收購非貨幣資產公允價值之負商譽，則即時在綜合收益表內確認。尚未於綜合收益表內確認之負商譽，跟商譽屬於同一資產負債表類別，以資產減項呈列。

出售附屬公司或合營公司時，商譽或負商譽應佔之數額均計入出售溢利或虧損。

本集團採用《會計實務準則》第三十號內之過渡期條款，毋須就二零零一年七月一日前因收購而產生並已撥入儲備之商譽或負商譽作出追溯性調整。

(庚) 物業

1. 投資物業

投資物業是持有用作賺取租金收益或資本增值(或兩者皆是)的物業。投資物業以公平值列賬，即各方於知情且自願並按公平交易之原則下就一項資產進行交易之款額，並由外界合資格估值師評估。公平值之任何變動於收益表確認。持作上述用途的營業租約物業權益按投資物業分類及列賬。

1 Principal Accounting Policies (Continued)

(g) Properties (Continued)

2. Investment properties under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development and stated at cost, including borrowing costs capitalised, if any, and professional fees, less any impairment losses. When the construction or development is complete, it is reclassified and subsequently accounted for as investment property. At the date of transfer, the difference between fair value and cost is recorded in the consolidated income statement.

3. Properties under development for sale

Properties under development for sale are classified under current assets and stated at the lower of cost and net realisable value. Property development costs include borrowing costs capitalised, if any, and professional fees, plus attributable profit taken to date, less sums received from stakeholders. Net realisable value represents the estimated selling price as determined by reference to management estimates based on prevailing market conditions, less costs to be incurred in selling the property.

4. Completed properties for sale

Completed properties for sale are classified under current assets and stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price as determined by reference to management estimates based on prevailing market conditions, less costs to be incurred in selling the property.

When properties are sold, the carrying amount of those properties is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of properties to net realisable value is recognised as an expense in the period the write-down occurs. The amount of any reversal of any write-down of properties, arising from an increase in net realisable value, is recognised as a reduction in the amount of properties recognised as an expense in the period in which the reversal occurs.

1 主要會計政策 (續)

(庚) 物業 (續)

2. 發展中投資物業

興建或發展中用作日後投資物業的物業列作發展中投資物業，並按成本(包括資本化之借貸支出(如有)及專業服務費)減任何減值虧損列賬。當工程或發展完成時，物業會重新分類，並於其後按投資物業列賬。於轉讓當日，公平值與成本的差額於綜合收益表列賬。

3. 發展中可供出售物業

發展中可供出售物業皆列入流動資產內，並以成本值及可變現淨值兩者中較低者列賬。物業發展費用包括資本化之借貸支出(如有)及專業服務費，加上截至結算日之應佔溢利減已收取代管人之款項。可變現淨值乃按管理層參照目前市況而決定之估計物業售價減出售物業涉及之費用。

4. 待售已建成物業

待售已建成物業皆列入流動資產，並以成本值及可變現淨值之較低者入賬。可變現淨值乃按管理層參照目前市況而決定之估計物業售價減出售物業涉及之費用。

物業出售時，該等物業之賬面值乃於有關收入之確認期內確認為開支。物業之任何減值至可變現淨值均於減值期內確認為開支。倘若可變現淨值增加導致已作出之任何減值出現逆轉時，則於增值期內扣減同期的確認開支。

1 Principal Accounting Policies (Continued)

(h) Other fixed assets

1. Other fixed assets are stated at cost less accumulated depreciation and any impairment losses.

2. Leased assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

(i) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Finance charges implicit in the lease payments are charged to the income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Impairment losses, if any, are accounted for in accordance with the accounting policy as set out below.

(ii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies as set out below. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies as set out below.

1 主要會計政策(續)

(辛) 其他固定資產

1. 其他固定資產按成本值減累計折舊及任何減值虧損列賬。

2. 租賃資產

由承租人承擔資產擁有權之絕大部份風險及利益之資產租約均列為融資租約，而租賃人未有把資產擁有權之全部風險及利益轉移之資產租約則列為營業租約。

(i) 根據融資租約購買之資產

本集團根據融資租約而購買供使用之資產，乃按其公允價值或最少應付租金之現值較低者計入固定資產內，而相應之負債在扣除融資費用後，則列作融資租約承擔入賬。包含在租金內之融資費用於租約期內在收益表內扣除，使每個會計期間在負債餘額中扣除之融資費用大致維持相若水平。減值虧損(如有)乃按下文會計政策計算。

(ii) 按營業租約持有供使用之資產

本集團根據營業租約出租之資產，乃按其性質而計入資產負債表內，並在適用情況下按下文會計政策所述之本集團折舊政策作出折舊。來自營業租約之收入按下文會計政策所述之本集團收入確認政策作出確認。

1 Principal Accounting Policies (Continued)

(i) Depreciation

1. Investment properties

No depreciation is provided for investment properties and investment properties under development.

2. Other fixed assets

Depreciation on other fixed assets is provided so as to write off the cost on a straight line basis over their estimated useful lives as follows:

Leasehold land	unexpired lease term
Buildings	50 years or unexpired lease term, whichever is shorter
Furniture and equipment	4-20 years
Motor vehicles	5 years

(j) Impairment of assets

An assessment is carried out at each balance sheet date to determine whether there is any indication that assets other than investment properties are impaired. If any such indication exists, the recoverable amount of the asset, being the greater of its net selling price or value in use, is estimated. The carrying amount of the asset is reduced to its recoverable amount where appropriate. Such impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case it is treated as a revaluation decrease.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(k) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

1 主要會計政策(續)

(壬) 折舊

1. 投資物業

投資物業及發展中投資物業毋須提撥折舊準備。

2. 其他固定資產

其他固定資產之折舊乃按個別資產下列預計可使用年期以直線折舊法撇銷其成本值：

契約土地	地契尚餘年期
樓宇	五十年或地契尚餘年期 (取較短者)
傢俬及設備	四至二十年
車輛	五年

(癸) 資產減值

本集團於每個結算日均會進行評估，決定投資物業以外之資產是否出現任何減值跡象。倘出現減值跡象時，則估計資產之可收回值(以售價淨值或使用價值較高者為準)，並在適當時把資產賬面值減至其可收回值。除非資產以重估值入賬，其減值虧損將被視為重估減值，否則減值虧損於收益表內確認。

撥回減值虧損僅限於在過往年度確認且並無減值虧損的資產賬面值。減值虧損乃於撥回確認的年度於收益表入賬。

(子) 借貸支出

除收購、興建或製造之資產因需較長時間方可供所擬用途或供出售而將有關借貸支出资本化外，借貸支出於產生期間在收益表列支。

1 Principal Accounting Policies (Continued)

(l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or the Group has a legal or constructive obligation arising as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

(m) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

1. Sale of properties

Revenue from sale of properties is recognised upon the signing of sale and purchase agreements. Revenue from pre-sale of properties under development is recognised by reference to the degree of completion of the development and the terms of payment for properties pre-sold, with due allowance for contingencies where appropriate in respect of contracts entered into before 1 January 2005, while the completion method is adopted for contracts entered into on or after 1 January 2005 pursuant to Hong Kong Interpretation 3 “Revenue – Pre-completion Contracts for the Sale of Development Properties” issued by the HKICPA. The adoption of the above has no impact to the consolidated accounts of the Group for the year ended 30 June 2005.

2. Rental income

Rental income under operating leases is recognised on a straight line basis over the terms of the respective leases. Contingent rentals are recognised as income in the accounting period in which they are earned.

3. Interest income

Interest on bank deposits is accrued on a time-apportioned basis on the principal outstanding and at the rate applicable.

4. Dividends

Dividends are recognised when the right to receive payment is established.

1 主要會計政策(續)

(丑) 撥備及或然負債

倘若本公司或本集團須就過往事件承擔法律或推定責任，而且履行責任可能涉及經濟效益的流出，並可作出可靠的估計，則需就未能確定時間或數額的負債確認撥備。

倘若不大可能涉及經濟效益流出，或無法對有關數額作出可靠估計，則會將責任披露為或然負債，惟倘若流出經濟效益的可能性極低則除外。

(寅) 收入確認

於經濟效益會流入本集團及收入跟適當之成本能可靠地計算時，收入乃按以下方法於收益表內確認：

1. 銷售物業

物業之銷售收入乃於簽訂買賣合約時確認，而預售發展中物業之收入則按二零零五年一月一日前訂立的合約中有關物業之建築完成比率、預售之付款方式及其他適用之或然預備作參考，而完成方式則根據香港會計師公會發出的香港詮釋第3號「收益－出售發展物業之未完成合約」於二零零五年一月一日或之後訂立的合約採納。採納上述條文對本集團截至二零零五年六月三十日止年度的綜合賬目並無影響。

2. 租金收入

營業租約所得租金收入乃按個別租約之年期以直線法入賬。或然租金乃於其賺取之會計期內確認為收入。

3. 利息收入

銀行存款之利息收入以時間比例按尚餘本金及適用利率計算。

4. 股息

股息收入於收款權確立時確認。

1 Principal Accounting Policies (Continued)

(n) Taxation

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income and the initial recognition of assets and liabilities that affect neither accounting nor taxable profit.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

1 主要會計政策(續)

(卯) 稅項

本年度所得稅項包括是期稅項、遞延稅項資產及負債的變動。除某些在股東權益內入賬的項目，其相關的稅項亦應記入股東權益外，其他是期稅項及遞延稅項資產及負債的變動則於收益表確認。

是期稅項為年度對應課稅收入按結算日已生效或基本上已生效的稅率計應付稅項，並已包括以往年度的應付稅項的任何調整。

遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時差異。遞延稅項資產也包括未使用的稅項虧損額及稅項抵免。

除有限的特別情況外，所有遞延稅項負債及未來可能有應課稅盈利予以抵銷的遞延稅項資產均予確認。有限的特別情況，包括由不可扣稅的商譽、已計入遞延收入的負商譽及於開始確認資產或負債時對會計盈利及可課稅盈利皆無影響所產生的暫時差異。

確認遞延稅項的金額是根據該項資產及負債的賬面值之預期收回及結算的方式，按在結算日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於各結算日，本集團將重新審閱有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅盈利以實現相關稅務利益予以扣減。被扣減的遞延稅項資產若於預期將來出現足夠的應課稅盈利時，則予以轉回。

1 Principal Accounting Policies (Continued)

(o) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the rates of exchange prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the market rates of exchange ruling at the balance sheet date. Exchange gains and losses are dealt with in the income statement, except for those arising from the retranslation of opening foreign currency net investments which are dealt with in the exchange fluctuation reserve. The results of overseas subsidiaries and jointly controlled entities are translated into Hong Kong dollars at the weighted average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

(p) Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products, or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segment be presented as the primary reporting format and geographical segment as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions which are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group companies within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

1 主要會計政策(續)

(辰) 外幣換算

年內之外幣交易按交易日匯率換算為港元。外幣資產及負債則按資產負債表結算日之市場匯率換算為港元。除因換算期初之外幣淨投資而產生之換算差額需計入滙兌變動儲備內，換算收益及虧損均計入收益表。海外附屬公司及合營公司之業績按照年內之加權平均匯率換算為港元；資產負債表項目則按資產負債表結算日之市場匯率換算為港元。所產生的滙兌差額作為儲備變動處理。

(巳) 關連人士

如本集團有權直接或間接監控另一方人士或對另一方人士的財務及經營決策作出重要影響，或另一方人士有權直接或間接監控本集團或對本集團的財務及經營決策作出重要影響，又或本集團與另一方人士均受制於共同的監控或共同的重要影響下，另一方人士將被視為關連人士。關連人士可為個別人士或其他公司。

(午) 分部報告

分部指本集團內可明顯區分之組成部分，可分為提供產品或服務(業務分部)，或在某一特定經濟環境內提供產品或服務(地區分部)。不同分部承受着不同於其他分部之風險及回報。

根據本集團之內部財務報告方式，本集團決定把業務分部作為主要之報告方式，地區分部則作為次要之報告方式。

分部收入、支出、業績、資產及負債包括直接屬於該分部及按合理基準分配至該分部之項目。分部收入、支出、資產及負債需包含在編製綜合賬項過程中已抵銷之集團內部往來結餘及交易，惟倘該等內部結餘和交易同屬一個分部則除外，分部之間之交易定價是按與其他外界人士相若之條款釐定。

1 Principal Accounting Policies (Continued)

(q) Segment reporting (Continued)

Segment capital expenditure is the total cost incurred during the period on additions of segment assets (both tangible and intangible) that are expected to be used for more than one period.

(r) Employee benefits

Obligation for contributions to defined contribution retirement schemes, including those payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are expensed in the income statement as incurred.

When the Group grants employees options to acquire shares of the Company, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.

(s) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash and deposits with banks which are within three months of maturity at acquisition, less bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1 主要會計政策 (續)

(午) 分部報告 (續)

分部資本開支指期內添置預計將可使用超過一個會計期間之分部資產 (包括有形及無形資產)，所產生之成本總額。

(未) 僱員福利

本集團對界定供款計劃之供款，包括根據香港《強制性公積金計劃條例》之供款，均於產生時在收益表列支。

當本集團授予僱員認購本公司股份期權時，並無確認任何僱員福利成本或負擔。於行使股份期權時，股東權益將根據其所得之金額而增加。

(申) 現金及現金等價物

於現金流量表之現金及現金等價物包括現金及由購入後三個月內到期之銀行存款，減按要求時償還及屬於本集團現金管理中一部份之銀行透支。

2 Turnover and Segment Information

The principal activities of the Company are investment holding and, through its subsidiaries, property development for sale and investment, property leasing, car park management and property management.

Turnover represents revenue from property sales and leasing. An analysis of turnover by business and geographical segments is set out below.

(a) Business segment

(i) Segment revenue and results

		Segment revenue 分部收入		Segment results 分部業績	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Property sales	物業銷售				
Development properties	發展物業	4,532.9	2,287.0	1,612.8	1,296.3
Investment properties	投資物業	—	53.9	—	4.2
		4,532.9	2,340.9	1,612.8	1,300.5
Property leasing	物業租賃	2,422.4	2,192.5	1,837.0	1,613.4
		6,955.3	4,533.4	3,449.8	2,913.9
Other income	其他收入			105.5	74.2
Administrative expenses	行政費用			(121.1)	(122.7)
Finance costs	財務費用			(228.2)	(187.4)
Operating profit	營業溢利			3,206.0	2,678.0
Increase in fair value of investment properties – property leasing	投資物業之公平值增加—物業租賃			5,402.9	3,234.8
Share of results of jointly controlled entities – property leasing	應佔合營公司業績—物業租賃			143.1	110.9
Profit before taxation	除稅前溢利			8,752.0	6,023.7

2 營業額及分部資料

本公司之主要業務為控股投資，並透過其附屬公司從事物業發展以供銷售及投資、物業租賃、停車場管理及物業管理。

營業額指物業銷售及租賃之收入。按業務及地區分部分分析之營業額已載於下文。

(甲) 業務分部

(i) 分部收入及業績

		Segment revenue 分部收入		Segment results 分部業績	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Property sales	物業銷售				
Development properties	發展物業	4,532.9	2,287.0	1,612.8	1,296.3
Investment properties	投資物業	—	53.9	—	4.2
		4,532.9	2,340.9	1,612.8	1,300.5
Property leasing	物業租賃	2,422.4	2,192.5	1,837.0	1,613.4
		6,955.3	4,533.4	3,449.8	2,913.9
Other income	其他收入			105.5	74.2
Administrative expenses	行政費用			(121.1)	(122.7)
Finance costs	財務費用			(228.2)	(187.4)
Operating profit	營業溢利			3,206.0	2,678.0
Increase in fair value of investment properties – property leasing	投資物業之公平值增加—物業租賃			5,402.9	3,234.8
Share of results of jointly controlled entities – property leasing	應佔合營公司業績—物業租賃			143.1	110.9
Profit before taxation	除稅前溢利			8,752.0	6,023.7

2 Turnover and Segment Information

(Continued)

- (a) Business segment (Continued)
(ii) Segment assets and liabilities

		Assets 資產		Liabilities 負債	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)	2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Property sales	物業銷售	11,356.8	13,788.8	398.2	907.9
Property leasing	物業租賃				
The Company and its subsidiaries	本公司及其附屬公司	37,956.1	31,926.7	1,045.6	992.2
Jointly controlled entities	合營公司	482.4	393.6	—	—
Unallocated (Note)	未分類 (附註)	3,214.9	1,117.0	9,956.5	13,372.7
		53,010.2	47,226.1	11,400.3	15,272.8

Note:

Unallocated items mainly comprise financial and corporate assets including cash and deposits of \$3,205.8 million (2004: \$1,062.6 million), interest-bearing borrowings including bank loans of \$4,113.4 million (2004: \$9,592.5 million) and other liabilities of \$2,143.3 million (2004: \$1,246.9 million), and taxation of \$3,423.5 million (2004 restated: \$2,230.8 million).

- (iii) Capital expenditure and depreciation

		Capital expenditure 資本開支		Depreciation 折舊	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Property leasing	物業租賃	560.5	157.3	3.3	4.9

2 營業額及分部資料 (續)

- (甲) 業務分部 (續)
(ii) 分部資產及負債

		Assets 資產		Liabilities 負債	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)	2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Property sales	物業銷售	11,356.8	13,788.8	398.2	907.9
Property leasing	物業租賃				
The Company and its subsidiaries	本公司及其附屬公司	37,956.1	31,926.7	1,045.6	992.2
Jointly controlled entities	合營公司	482.4	393.6	—	—
Unallocated (Note)	未分類 (附註)	3,214.9	1,117.0	9,956.5	13,372.7
		53,010.2	47,226.1	11,400.3	15,272.8

附註：

未分類之項目主要包括金融及共同資產，包括現金及存款三十二億零五百八十萬元 (二零零四年：十億六千二百六十萬元)，帶息借貸包括銀行貸款四十一億一千三百四十萬元 (二零零四年：九十五億九千二百五十萬元) 以及其他負債二十一億四千三百三十萬元 (二零零四年：十二億四千六百九十萬元)，另稅項三十四億二千三百五十萬元 (二零零四年重列：二十二億三千零八十萬元)。

- (iii) 資本開支及折舊

2 Turnover and Segment Information

(Continued)

(b) Geographical segment

(i) Segment revenue and results

Group	集團	Segment revenue 分部收入		Segment results 分部業績	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Hong Kong	香港	6,387.7	4,058.1	3,033.5	2,568.1
Mainland China	中國大陸	567.6	475.3	416.3	345.8
		6,955.3	4,533.4	3,449.8	2,913.9
Jointly controlled entities	合營公司				
Hong Kong	香港			143.1	110.9

(ii) Segment assets

Group	集團	2005	2004
		\$Million 百萬元	\$Million 百萬元 (restated) (重列)
Hong Kong	香港	41,885.7	39,567.1
Mainland China	中國大陸	7,427.2	6,148.4
		49,312.9	45,715.5

(iii) Capital expenditure

Group	集團	2005	2004
		\$Million 百萬元	\$Million 百萬元
Hong Kong	香港	75.7	87.1
Mainland China	中國大陸	484.8	70.2
		560.5	157.3

2 營業額及分部資料 (續)

(乙) 地區分部

(i) 分部收入及業績

Group	集團	Segment revenue 分部收入		Segment results 分部業績	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Hong Kong	香港	6,387.7	4,058.1	3,033.5	2,568.1
Mainland China	中國大陸	567.6	475.3	416.3	345.8
		6,955.3	4,533.4	3,449.8	2,913.9
Jointly controlled entities	合營公司				
Hong Kong	香港			143.1	110.9

(ii) 分部資產

Group	集團	2005	2004
		\$Million 百萬元	\$Million 百萬元 (restated) (重列)
Hong Kong	香港	41,885.7	39,567.1
Mainland China	中國大陸	7,427.2	6,148.4
		49,312.9	45,715.5

(iii) 資本開支

Group	集團	2005	2004
		\$Million 百萬元	\$Million 百萬元
Hong Kong	香港	75.7	87.1
Mainland China	中國大陸	484.8	70.2
		560.5	157.3

3 Operating Profit

3 營業溢利

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Operating profit is arrived at after charging:	營業溢利已扣除下列各項：		
Interest on bank loans and other borrowings repayable within 5 years	須於五年內償還之銀行貸款及其他借貸之利息	96.1	175.4
Interest on bank loans repayable after 5 years	須於五年後償還之銀行貸款利息	55.8	14.4
Finance lease charges	融資租約費用	51.6	55.1
Amortisation of issuing costs net of premium of Convertible Bonds	攤銷已扣除溢價之可換股債券發行費用淨額	—	35.9
Other ancillary borrowing costs	其他輔助借貸支出	44.9	33.8
Total borrowing costs	借貸支出總額	248.4	314.6
Less: Borrowing costs capitalised (Note)	減：借貸支出资本化 (附註)	(20.2)	(127.2)
Finance costs	財務費用	228.2	187.4
Auditors' remuneration	核數師酬金	3.9	2.6
Depreciation	折舊	3.3	4.9
Cost of property sold:	已出售物業之成本：		
Development properties	發展物業	2,722.1	940.7
Investment properties	投資物業	—	48.4
Operating lease charges	營業租約費用	92.8	90.5
Staff costs	職工成本	234.3	247.6
and after crediting:	並已計入：		
Rental income less direct outgoings of \$582.1 million (2004: \$574.2 million), including contingent rentals of \$84.6 million (2004: \$63.4 million)	租金收入，已扣除直接支出五億八千二百一十萬元 (二零零四年：五億七千四百二十萬元)，包括或然租金八千四百六十萬元 (二零零四年：六千三百四十萬元)	1,840.3	1,618.3
Interest income	利息收入	105.5	7.5

Note:

The borrowing costs have been capitalised at an average rate of 1.8% (2004: 2.6%) per annum for properties under development.

附註：

發展中物業之借貸支出按每年百分之一點八 (二零零四年：百分之二點六) 之平均率資本化。

4 Emoluments of Directors and Senior Management

The Nomination and Remuneration Committee consists of four independent non-executive Directors. The Committee makes recommendation to the Board on the Directors' remuneration packages and terms of employment. The emoluments of Directors are determined by the scope of responsibility and accountability, and individual performance of directors, taking into consideration of the Company's performance and profitability, market practice and prevailing business conditions.

Directors' emoluments disclosed pursuant to Sections 161 and 161A of the Hong Kong Companies Ordinance are as follows:

Name 姓名	Fees 袍金 \$Million 百萬元	Salaries, allowances and benefits in kind 薪金、 津貼及 實物利益 \$Million 百萬元	Discretionary bonuses 酌定花紅 \$Million 百萬元	Group's contributions to retirement scheme 本集團對 退休金計劃 之供款 \$Million 百萬元	Total 合計 \$Million 百萬元
Ronnie C. Chan 陳啟宗	0.2	4.4	6.6	0.4	11.6
S.S. Yin 殷尚賢	0.1	—	—	—	0.1
Nelson W.L. Yuen 袁偉良	0.1	4.2	6.3	1.6	12.2
Ronald J. Acrulli 夏佳理	0.2	—	—	—	0.2
Laura L.Y. Chen 陳樂怡	0.2	—	—	—	0.2
H.K. Cheng 鄭漢鈞	0.2	—	—	—	0.2
Wilfred S.L. Ho 何世良	0.1	1.9	2.9	0.2	5.1
P.W. Liu 廖柏偉	0.2	—	—	—	0.2
Terry S. Ng 吳士元	0.1	2.2	3.3	0.1	5.7
2005 二零零五年	1.4	12.7	19.1	2.3	35.5
2004 二零零四年	1.4	8.0	17.4	14.4	41.2

Payment of bonus to Executive Directors, due at the end of a financial year ending 30 June, is normally made in January/February in the following year.

In addition to the above emoluments, certain directors were granted share options under the share option scheme of the Company and its ultimate holding company, Hang Lung Group Limited. Details of the share options granted by the Company are disclosed in note 27 to the accounts.

4 董事及高級管理層之酬金

提名及薪酬委員會包括四名獨立非執行董事。該委員會向董事會提供有關董事薪酬福利及僱傭條款的建議。董事的酬金乃按照負責及問責的範圍、個別董事的表現，經考慮本公司的表現及盈利、市場慣例及現行的業務條件而釐定。

根據香港《公司條例》第一百六十一條及一百六十一甲條所列報之董事酬金如下：

分派給執行董事之花紅於每財政年度六月三十日結算，並慣常於次年之一月/二月付款。

除以上酬金外，部分董事根據本公司及其最終控股公司恒隆集團有限公司的股份期權計劃獲授予股份期權。本公司之股份期權詳情已於賬項附註27內披露。

4 Emoluments of Directors and Senior Management (Continued)

The number of directors whose emoluments fell within the following bands is as follows:

	Number of directors 董事數目	
	2005	2004
\$0 – \$1,000,000	5	5
\$4,000,001 – \$4,500,000	—	1
\$4,500,001 – \$5,000,000	—	1
\$5,000,001 – \$5,500,000	1	—
\$5,500,001 – \$6,000,000	1	—
\$8,500,001 – \$9,000,000	—	1
\$11,500,001 – \$12,000,000	1	—
\$12,000,001 – \$12,500,000	1	—
\$22,000,001 – \$22,500,000	—	1
	9	9

The emoluments of the five highest paid individuals in the Group, including 4 directors for 2005 (2004: 4 directors), are as follows:

4 董事及高級管理層之酬金 (續)

酬金介乎下列組別之董事數目如下：

本集團五名最高薪酬人士，包括於二零零五年度四名董事（二零零四年：四名董事）之酬金如下：

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Fees	袍金	0.6	0.6
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	14.2	9.8
Group's contributions to retirement scheme	本集團對退休金計劃之供款	3.9	14.5
Discretionary bonuses	酌定花紅	19.2	17.8
		37.9	42.7

4 Emoluments of Directors and Senior Management (Continued)

The emoluments of the five highest paid individuals, including 4 directors for 2005 (2004: 4 directors) within the following bands:

	Number of individuals 人數	
	2005	2004
\$2,000,001 – \$2,500,000	—	1
\$3,000,001 – \$3,500,000	1	—
\$4,000,001 – \$4,500,000	—	1
\$4,500,001 – \$5,000,000	—	1
\$5,000,001 – \$5,500,000	1	—
\$5,500,001 – \$6,000,000	1	—
\$8,500,001 – \$9,000,000	—	1
\$11,500,001 – \$12,000,000	1	—
\$12,000,001 – \$12,500,000	1	—
\$22,000,001 – \$22,500,000	—	1
	5	5

4 董事及高級管理層之酬金 (續)

五名最高薪酬人士，包括於二零零五年度四名董事 (二零零四年：四名董事) 之酬金，介乎下列組別內：

5 Taxation in the Consolidated Income Statement

(a) Taxation in the consolidated income statement represents:

5 綜合收益表內之稅項

(甲) 綜合收益表內之稅項為：

		集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Provision for Hong Kong Profits Tax	本年度香港利得稅準備		
Tax for the year	本年度稅項	408.0	317.9
(Over)/Underprovision in respect of previous years	以往年度之準備 (多提)/少提	(9.9)	99.9
Share of jointly controlled entities	應佔合營公司	4.5	4.0
		402.6	421.8
Provision for PRC Income Tax for the year	中國企業所得稅本年度稅項準備	14.2	—
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (note 17(b))	源自及撥回暫時性差額 (附註17(乙))	1,170.3	786.9
Share of jointly controlled entities	應佔合營公司	20.3	15.3
		1,190.6	802.2
		1,607.4	1,224.0

Provision for Hong Kong Profits Tax and PRC Income Tax is calculated at 17.5% and 33% respectively of the estimated assessable profits for the year.

香港利得稅及中國企業所得稅稅項準備乃按期內之估計應課稅溢利分別乘以稅率百分之十七點五及百分之三十三計算。

5 Taxation in the Consolidated Income Statement (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

5 綜合收益表內之稅項(續)

(乙) 稅項支出與會計盈利以適用稅率計算之對賬:

		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Profit before taxation	除稅前溢利	8,752.0	6,023.7
Tax on profit before taxation at applicable rates	按除稅前溢利以適用稅率計算之稅項	1,681.8	1,184.9
Tax effect of non-taxable income	非應課稅收入的稅項影響	(28.5)	(23.6)
Tax effect of non-deductible expenses	非扣減支出的稅項影響	2.6	1.1
Tax effect of tax losses utilised and other deductible temporary differences	已使用之稅務虧損及其他之暫時性差異的稅項影響	(34.4)	(34.6)
Tax effect of unrecognised tax losses	未確認使用之稅務虧損的稅項影響	4.3	12.9
Tax effect of release of deferred tax assets	因遞延稅項資產回撥的稅項影響	—	2.9
Others	其他	(8.5)	(19.5)
(Over)/Underprovision in prior years	以往年度之準備(多提)/少提	(9.9)	99.9
Actual tax expense	實際稅項支出	1,607.4	1,224.0

6 Net Profit Attributable to Ordinary Shareholders

Net profit attributable to ordinary shareholders includes a profit of \$1,485.6 million (2004: \$969.1 million) which has been dealt with in the accounts of the Company.

6 普通股股東應佔純利

普通股股東應佔純利包括本公司賬項內之溢利為十四億八千五百六十萬元(二零零四年:九億六千九百一十萬元)。

7 Dividends

7 股息

		2005 \$Million 百萬元	2004 \$Million 百萬元
Preference dividend	優先股股息		
Dividend on the convertible cumulative preference shares of HK\$7,500 each issued in November 1993 which bear dividend at 5.5% per annum on a reference amount of US\$1,000 each	就一九九三年十一月所發行每股面值港幣七千五百元並可參照每股一千美元之款額收取年息五點五厘股息之可換股累積優先股而派發之股息		
Amount paid	已派發	12.0	18.1
Amount payable	應派發	15.5	20.1
		27.5	38.2
Ordinary dividends	普通股股息		
Interim dividend paid of 13 cents (2004: 11 cents) per share	已派中期股息每股一角三仙 (二零零四年：一角一仙)	478.8	350.3
Proposed final dividend of 37 cents (2004: 33 cents) per share	擬派末期股息每股三角七仙 (二零零四年：三角三仙)	1,362.9	1,089.0
		1,841.7	1,439.3

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

於結算日後擬派之末期普通股股息，並無確認為結算日之負債。

8 Earnings Per Ordinary Share

(a) The calculation of basic and diluted earnings per ordinary share is based on the following data:

8 每股普通股盈利

(甲) 每股普通股之基本及攤薄盈利乃按下列數據計算：

		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Earnings for calculation of basic earnings per ordinary share (net profit attributable to ordinary shareholders)	用以計算每股普通股基本盈利之盈利 (即普通股股東應佔純利)	6,845.4	4,616.0
Effect of dilutive potential ordinary shares Dividend on convertible cumulative preference shares	具攤薄作用之潛在普通股之影響 可換股累積優先股股息	27.5	38.2
Earnings for calculation of diluted earnings per ordinary share	用以計算每股普通股攤薄盈利之盈利	6,872.9	4,654.2

8 Earnings Per Ordinary Share (Continued)

(a) The calculation of basic and diluted earnings per ordinary share is based on the following data: (Continued)

		Number of shares 股份數目	
		2005	2004
Weighted average number of shares used in calculating basic earnings per ordinary share	用以計算每股普通股基本盈利之股份加權平均數	3,513,680,303	3,013,585,212
Effect of dilutive potential ordinary shares	具攤薄作用之潛在普通股之影響		
Share options	股份期權	5,745,770	286,906
Convertible cumulative preference shares	可換股累積優先股	44,362,890	57,564,900
Weighted average number of shares used in calculating diluted earnings per ordinary share	用以計算每股普通股攤薄盈利之股份加權平均數	3,563,788,963	3,071,437,018

8 每股普通股盈利 (續)

(甲) 每股普通股之基本及攤薄盈利乃按下列數據計算：(續)

(b) The calculation of basic and diluted earnings per ordinary share excluding changes in fair value of investment properties net of deferred tax and minority interests is based on the profit adjusted as follows:

(乙) 每股普通股之基本及攤薄盈利(不包括已扣除遞延稅項及少數股東權益之投資物業公平值變動)乃根據以下經調整之溢利計算：

		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Net profit attributable to ordinary shareholders	普通股股東應佔純利	6,845.4	4,616.0
Effect of changes in fair value of investment properties	投資物業公平值變動之影響	(5,125.1)	(3,035.0)
Effect of corresponding deferred tax	相應遞延稅項之影響	828.3	484.0
Adjusted earnings for calculation of basic earnings per ordinary share	用以計算每股普通股基本盈利之經調整盈利	2,548.6	2,065.0
Effect of dilutive potential ordinary shares	具攤薄作用之潛在普通股之影響		
Dividend on convertible cumulative preference shares	可換股累積優先股股息	27.5	38.2
Adjusted earnings for calculation of diluted earnings per ordinary share	用以計算每股普通股攤薄盈利之經調整盈利	2,576.1	2,103.2

9 Fixed Assets – Group

9 固定資產 – 集團

		Investment properties 投資物業 \$Million 百萬元	Investment properties under development 發展中投資物業 \$Million 百萬元	Other fixed assets 其他固定資產 \$Million 百萬元	Total 合計 \$Million 百萬元
Cost or valuation:	成本值或估值：				
At 1 July 2004	於二零零四年七月一日				
– as previously reported	– 上年度報告	30,688.7	1,286.6	56.1	32,031.4
– prior period adjustments	– 前期調整	(126.6)	—	—	(126.6)
– as restated	– 重列	30,562.1	1,286.6	56.1	31,904.8
Additions	添置	66.9	485.4	8.2	560.5
Disposals	出售	—	—	(0.1)	(0.1)
Increase in fair value	公平值增加	5,402.9	—	—	5,402.9
At 30 June 2005	於二零零五年六月三十日	36,031.9	1,772.0	64.2	37,868.1
Accumulated depreciation:	累計折舊：				
At 1 July 2004	於二零零四年七月一日				
– as previously reported	– 上年度報告	256.6	—	14.1	270.7
– prior period adjustments	– 前期調整	(256.6)	—	—	(256.6)
– as restated	– 重列	—	—	14.1	14.1
Charge for the year	本年度折舊	—	—	3.3	3.3
Written back on disposal	因出售撥回	—	—	(0.1)	(0.1)
At 30 June 2005	於二零零五年六月三十日	—	—	17.3	17.3
Net book value:	賬面淨值：				
At 30 June 2005	於二零零五年六月三十日	36,031.9	1,772.0	46.9	37,850.8
At 30 June 2004 (restated)	於二零零四年六月三十日 (重列)	30,562.1	1,286.6	42.0	31,890.7
Cost or valuation of the fixed assets at 30 June 2005 is made up as follows:	固定資產於二零零五年六月三十日之成本值或估值如下：				
Valuation	估值	36,031.9	—	—	36,031.9
Cost	成本值	—	1,772.0	64.2	1,836.2
		36,031.9	1,772.0	64.2	37,868.1

9 Fixed Assets – Group (Continued)

An analysis of net book value of properties is as follows:

		Investment properties 投資物業		Investment properties under development 發展中投資物業	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)	2005 \$Million 百萬元	2004 \$Million 百萬元
Long leases in Hong Kong	香港長期地契	21,669.3	18,078.2	676.7	675.5
Long leases outside Hong Kong	香港以外地區長期地契	—	—	371.1	—
Medium term leases in Hong Kong	香港中期地契	7,864.6	6,757.0	—	—
Medium term leases outside Hong Kong	香港以外地區中期地契	6,298.0	5,515.0	724.2	611.1
Short lease in Hong Kong	香港短期地契	200.0	211.9	—	—
		36,031.9	30,562.1	1,772.0	1,286.6

- (a) Investment properties of the Group carried at fair value were revalued as at 30 June 2005 by Mr Charles C.K. Chan, Registered Professional Surveyor (General Practice), of Chesterton Petty Limited, on an open market value basis with reference to the total rental income after taking into account reversionary income potential.

The net book value of investment properties of the Group of \$36,031.9 million (2004 restated: \$30,562.1 million) includes an amount of \$2,592.0 million (2004: \$2,215.0 million) in respect of an asset held under a finance lease.

- (b) The Group leases out its investment properties under operating leases and subleases under finance lease. Leases typically run for an initial period of two to five years, with some having the option to renew, at which time all terms are renegotiated. Long term leases contain rent review or adjustment clauses and the Group has a regular proportion of its leases up for renewal each year. Certain leases include contingent rentals calculated with reference to the revenue of tenants.

9 固定資產 – 集團 (續)

物業之賬面淨值分析如下：

		Investment properties 投資物業		Investment properties under development 發展中投資物業	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)	2005 \$Million 百萬元	2004 \$Million 百萬元
Long leases in Hong Kong	香港長期地契	21,669.3	18,078.2	676.7	675.5
Long leases outside Hong Kong	香港以外地區長期地契	—	—	371.1	—
Medium term leases in Hong Kong	香港中期地契	7,864.6	6,757.0	—	—
Medium term leases outside Hong Kong	香港以外地區中期地契	6,298.0	5,515.0	724.2	611.1
Short lease in Hong Kong	香港短期地契	200.0	211.9	—	—
		36,031.9	30,562.1	1,772.0	1,286.6

- (甲) 集團所有以公平值列賬之投資物業均於二零零五年六月三十日經卓德測計師行有限公司之註冊專業測量師(產業測量)陳超國先生按公開市值，參考租金總值，並計入租約屆滿續租時租值升幅後之可能收益而進行之估值釐定。

集團投資物業之賬面淨值三百六十億三千一百九十萬元(二零零四年重列：三百零五億六千二百一十萬元)內包括根據融資租約而持有之資產，其賬面淨值為二十五億九千二百萬元(二零零四年：二十二億一千五百萬元)。

- (乙) 本集團根據營業租約出租及按融資租約分租其投資物業。該等租約一般初步為期兩至五年，其中部分有權選擇續約，屆時重新協商所有條款。長期租約通常會訂明重新檢討或調整之條款，而本集團每年均有一定比例的租約期滿續約。若干租約包括或然租金，並參考物業之收入而釐定。

9 Fixed Assets – Group (Continued)

At 30 June, the Group's total future minimum lease income under non-cancellable operating leases were as follows:

		2005		
		Subleases 分租 \$Million 百萬元	Other leases 其他租約 \$Million 百萬元	Total 總額 \$Million 百萬元
Within 1 year	一年內	161.9	1,675.7	1,837.6
After 1 year but within 5 years	一年後但五年內	221.3	1,610.1	1,831.4
After 5 years	五年後	83.8	123.3	207.1
		467.0	3,409.1	3,876.1

		2004		
		Subleases 分租 \$Million 百萬元	Other leases 其他租約 \$Million 百萬元	Total 總額 \$Million 百萬元
Within 1 year	一年內	155.0	1,659.4	1,814.4
After 1 year but within 5 years	一年後但五年內	216.8	1,698.1	1,914.9
After 5 years	五年後	146.7	251.3	398.0
		518.5	3,608.8	4,127.3

10 Interest in Subsidiaries

		Company 公司	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Unlisted shares, at cost	非上市股份，成本值	8.1	3,894.4
Amounts due from subsidiaries	應收附屬公司款項	29,680.4	25,280.5
Amounts due to subsidiaries	應付附屬公司款項	(1,903.6)	(5,638.6)
		27,784.9	23,536.3

Details of principal subsidiaries are set out in note 32.

9 固定資產－集團(續)

於六月三十日，根據不可撤銷之營業租約最少應收之未來租金總額如下：

10 附屬公司權益

各主要附屬公司之詳細資料載於附註32項內。

11 Interest in Jointly Controlled Entities

11 合營公司權益

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Share of net assets - unlisted shares	應佔資產淨值－非上市股份	471.4	
– as previously reported	– 上年度報告		424.9
– prior period adjustments	– 前期調整		(47.8)
– as restated	– 重列		377.1
Amounts due from jointly controlled entities	應收合營公司款項	11.0	16.5
		482.4	393.6

Details of jointly controlled entities are set out in note 33.

各合營公司之詳細資料載於附註33項內。

12 Loans and Investments

12 貸款及投資

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Unlisted shares at cost	非上市股份，成本值	0.1	0.1
Advances	貸款	9.0	10.2
		9.1	10.3

13 Inventories

13 存貨

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Located in Hong Kong:	於香港：		
Completed properties for sale	待售已建成物業	10,693.4	7,004.6
Properties under development	發展中物業	—	5,018.0
		10,693.4	12,022.6

14 Trade and Other Receivables

Included in trade and other receivables are trade debtors with the following ageing analysis:

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Within 1 month	一個月內	438.3	1,774.1
1 – 3 months	一至三個月	3.7	3.7
Over 3 months	三個月以上	2.3	3.5
		444.3	1,781.3

The Group maintains a defined credit policy. An ageing analysis of trade debtors is prepared on a regular basis and is closely monitored to minimise any credit risk associated with receivables.

14 應收賬款及其他應收款

已計入應收賬款及其他應收款之應收賬款其賬齡分析如下：

本集團設有特定之信貸政策，並定期編製應收賬款之賬齡分析及作出密切監察，以便把任何與應收賬款有關之信貸風險減至最低。

15 Trade and Other Payables

		Group 集團		Company 公司	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元
Creditors and accrued expenses (Note i)	應付款及應計費用 (附註i)	886.0	1,397.7	5.1	4.6
Deposits received (Note ii)	已收按金 (附註ii)	557.8	502.4	—	—
Amounts due to fellow subsidiaries	應付同系附屬公司款項	260.8	282.4	—	—
		1,704.6	2,182.5	5.1	4.6

Notes:

- (i) Creditors and accrued expenses include retention money payable of \$10.9 million (2004: \$135.8 million) which is not expected to be settled within one year.
- (ii) Deposits received of \$556.5 million (2004: \$502.4 million) are not expected to be settled within one year.

附註：

- (i) 應付款及應計費用包括預期於一年內不會償付之保留款項一千零九十萬元 (二零零四年：一億三千五百八十萬元)。
- (ii) 已收之五億五千六百五十萬元 (二零零四年：五億零二百四十萬元) 按金預期於一年內不會償付。

15 Trade and Other Payables (Continued)

Included in trade and other payables are trade creditors with the following ageing analysis:

		Group 集團		Company 公司	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元
Within 1 month	一個月內	645.9	396.9	—	—
Over 3 months	三個月以上	94.3	781.2	0.3	0.3
		740.2	1,178.1	0.3	0.3

16 Floating Rate Notes Due 2004

The floating rate notes were issued by the Company's subsidiary and were listed in October 1999 on The Stock Exchange of Hong Kong Limited. These notes were redeemed at par upon maturity in October 2004.

17 Taxation in the Balance Sheets

(a) Current taxation in the balance sheet represents:

		Group 集團		Company 公司	
		2005 \$Million 百萬元	2004 \$Million 百萬元	2005 \$Million 百萬元	2004 \$Million 百萬元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	408.0	317.9	3.3	0.3
Provision for PRC Income Tax for the year	本年度中國企業所得稅準備	4.5	—	—	—
Provision for Hong Kong Profits Tax relating to prior years	以往年度之香港利得稅準備	186.7	258.9	—	—
		599.2	576.8	3.3	0.3

15 應付賬款及其他應付款 (續)

已計入應付賬款及其他應付款之應付賬款其賬齡分析如下：

16 於二零零四年到期贖回之浮息票據

浮息票據由本公司之附屬公司發行，並於一九九九年十月起在香港聯合交易所有限公司上市。該等浮息票據已於二零零四年十月按面值贖回。

17 於資產負債表上之稅項

(甲) 於資產負債表上之現時稅項：

17 Taxation in the Balance Sheets (Continued)

(b) Deferred taxation

The components of deferred tax liabilities/(assets) recognised in the consolidated balance sheet and the movements during the year are as follows:

Deferred tax arising from: 遞延稅項產生於：		Depreciation allowances in excess of related depreciation 折舊免稅額多於相關的折舊 \$Million 百萬元	Revaluation of properties 物業重估 \$Million 百萬元	Future benefit of tax losses 因稅務虧損產生之將來得益 \$Million 百萬元	Interest capitalised 資本化之利息 \$Million 百萬元	Total 總數 \$Million 百萬元
At 1 July 2003	於二零零三年七月一日					
– as previously reported	– 上年度報告	359.3	72.3	(48.3)	(84.4)	298.9
– prior period adjustments	– 前期調整	—	568.2	—	—	568.2
– as restated	– 重列	359.3	640.5	(48.3)	(84.4)	867.1
Charged/(Credited) to consolidated income statement (restated) (note 5(a))	於綜合收益表內扣除 / (撥入) (重列) (附註5 (甲))	96.2	652.2	(4.4)	42.9	786.9
At 30 June 2004 and 1 July 2004 (restated)	於二零零四年六月三十日及二零零四年七月一日 (重列)	455.5	1,292.7	(52.7)	(41.5)	1,654.0
Charged/(Credited) to consolidated income statement (note 5(a))	於綜合收益表內扣除 / (撥入) (附註5 (甲))	94.6	1,066.9	(1.8)	10.6	1,170.3
At 30 June 2005	於二零零五年六月三十日	550.1	2,359.6	(54.5)	(30.9)	2,824.3

(c) Deferred tax assets not recognised

The group has not recognised deferred tax assets in respect of tax losses of \$94.1million (2004: \$280.2 million) sustained in the operations of certain subsidiaries as the availability of future taxable profits against which the assets can be utilised is uncertain at 30 June 2005. The tax losses arising from Hong Kong operations do not expire under current tax legislation. The tax losses arising from Mainland China operations expire five years after the relevant accounting year end date.

17 於資產負債表上之稅項 (續)

(乙) 遞延稅項

於資產負債表上確認之遞延稅項負債 / (資產) 成份及年內之變動如下：

(丙) 未確認之遞延稅項資產

本集團尚未就若干附屬公司營運期間出現的九千四百一十萬元 (二零零四年：二億八千零二十萬元) 稅務虧損所產生的遞延稅項資產作出確認，因為截至二零零五年六月三十日，可用作抵銷有關資產的日後應課稅溢利尚未確定。此等香港業務的稅務虧損於現時稅務法規上並未逾時，而中國內地業務的稅務虧損則於相關會計年結日五年後逾時。

18 Bank Loans

At 30 June, bank loans were unsecured and repayable as follows:

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
After 1 year but within 2 years	一年後但兩年內	—	821.1
After 2 years but within 5 years	兩年後但五年內	—	6,924.3
Total after 1 year but within 5 years	一年後但五年內總計	—	7,745.4
After 5 years	五年後	4,188.5	1,920.7
		4,188.5	9,666.1
Less: unamortised front end fees	減：未攤銷之財務費用	(75.1)	(73.6)
		4,113.4	9,592.5

18 銀行貸款

於六月三十日無抵押銀行貸款之還款期如下：

19 Floating Rate Notes Due 2009

The floating rate notes were issued by the Company's subsidiary. These notes fall due in December 2009.

19 於二零零九年到期贖回之 浮息票據

浮息票據由本公司之附屬公司發行。該等浮息票據將於二零零九年十二月到期。

20 Other Long Term Liabilities

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Finance lease obligations (Note 21)	融資租約承擔 (附註21)	642.6	706.2
Land premium	須補地價	0.7	0.7
		643.3	706.9

20 其他長期負債

21 Finance Lease Obligations

Total minimum lease payments under finance lease and their present values are as follows:

		Group 集團		
		Present value of minimum lease payments 最少應付之租金額之現值	Interest expenses relating to future periods 將於未來年度計入之利息費用 2005	Total minimum lease payments 最少應付之租金總額
		\$Million 百萬元	\$Million 百萬元	\$Million 百萬元
Amounts payable	應付金額			
Within 1 year	一年內	63.6	47.5	111.1
After 1 year but within 5 years	一年後但五年內	355.4	135.5	490.9
After 5 years	五年後	287.2	24.3	311.5
Total after 1 year	一年後總計	642.6	159.8	802.4
		706.2	207.3	913.5

		2004		
		\$Million 百萬元	\$Million 百萬元	\$Million 百萬元
Amounts payable	應付金額			
Within 1 year	一年內	55.0	51.6	106.6
After 1 year but within 5 years	一年後但五年內	313.2	158.7	471.9
After 5 years	五年後	393.0	48.6	441.6
Total after 1 year	一年後總計	706.2	207.3	913.5
		761.2	258.9	1,020.1

21 融資租約承擔

融資租約最少應付之租金總額及其現值如下：

22 Share Capital

22 股本

		2005		2004	
		Number of shares 股份數目 (‘000) (千)	\$Million 百萬元	Number of shares 股份數目 (‘000) (千)	\$Million 百萬元
Authorised	法定				
Ordinary shares of \$1 each	普通股每股面值一元	4,500,000	4,500.0	4,500,000	4,500.0
5.5% convertible cumulative preference shares of \$7,500 each	可換股累積優先股息率 五點五厘，每股面值 七千五百元	200	1,500.0	200	1,500.0
			6,000.0		6,000.0
Issued and fully paid	已發行及繳足				
Ordinary shares	普通股				
At 1 July	於七月一日	3,299,901	3,299.9	2,889,334	2,889.3
Issue of shares	發行股份				
– from placement (Note i)	– 來自配售 (附註 i)	370,000	370.0	–	–
– from exercise of options	– 來自行使股份期權	50	0.1	–	–
Convertible cumulative preference shares conversion (Note ii)	從可換股累積優先股 轉換 (附註 ii)	13,202	13.2	28,560	28.6
Convertible bonds conversion	從可換股債券轉換	–	–	382,007	382.0
At 30 June	於六月三十日	3,683,153	3,683.2	3,299,901	3,299.9
Convertible cumulative preference shares	可換股累積優先股				
At 1 July	於七月一日	75	563.6	112	843.3
Shares converted into ordinary shares	已轉換至普通股	(17)	(129.2)	(37)	(279.7)
At 30 June	於六月三十日	58	434.4	75	563.6
Total at 30 June	六月三十日之總數		4,117.6		3,863.5

(i) Issue of shares under subscription

On 9 December 2004, 370 million ordinary shares of \$1 each were issued at a premium of \$11 per share which were fully paid in cash.

(ii) Convertible Cumulative Preference Shares

During the year, 17,235 (2004: 37,285) convertible cumulative preference shares were converted which resulted in the issue of 13,202,010 (2004: 28,560,310) ordinary shares of the Company. As at 30 June 2005, the number of outstanding convertible cumulative preference shares is 57,915 (2004: 75,150) with conversion rights to 44,362,890 (2004: 57,564,900) ordinary shares, exercisable at any time from 26 December 1993.

(i) 發行股份以供認購

於二零零四年十二月九日，每股面值一元之三億七千萬股普通股已按溢價每股十一元發行，該等股份已以現金繳足。

(ii) 可換股累積優先股

於年內，一萬七千二百三十五股 (二零零四年：三萬七千二百八十五股) 可換股累積優先股已轉換為本公司一千三百二十萬二千零一十股 (二零零四年：二千八百五十六萬零三百一十股) 普通股。於二零零五年六月三十日，並未換股之五萬七千九百一十五股 (二零零四年：七萬五千一百五十股) 可換股累積優先股，附有可轉換四千四百三十六萬二千八百九十股 (二零零四年：五千七百五十六萬四千九百股) 普通股之換股權。有關換股權可由一九九三年十二月二十六日起隨時行使。

23 Reserves

23 儲備

		Group 集團		Company 公司	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)	2005 \$Million 百萬元	2004 \$Million 百萬元
Capital reserves	資本儲備				
Share premium	股份溢價				
At 1 July	於七月一日	11,520.5	8,464.5	11,520.5	8,464.5
Issue of shares	發行股份	3,977.0	3,056.0	3,977.0	3,056.0
At 30 June	於六月三十日	15,497.5	11,520.5	15,497.5	11,520.5
Investment property revaluation reserve:	投資物業重估儲備：				
At 1 July	於七月一日				
– as previously reported	– 上年度報告	6,219.9	3,279.5	–	–
– prior period adjustments arising from adoption of HKAS 40	– 因採納 HKAS 40 所產生之前期調整	(6,219.9)	(3,279.5)	–	–
– as restated	– 重列	–	–	–	–
Capital reserve on consolidation	編製綜合賬目而產生之資本儲備	275.3	275.3	–	–
Revaluation reserve attributable to investment properties held by jointly controlled entities:	應佔合營公司之投資物業之重估儲備：				
At 1 July	於七月一日				
– as previously reported	– 上年度報告	273.4	187.9	–	–
– prior period adjustments arising from adoption of HKAS 40	– 因採納 HKAS 40 所產生之前期調整	(273.4)	(187.9)	–	–
– as restated	– 重列	–	–	–	–
Capital redemption reserve:	資本贖回儲備：				
At 1 July	於七月一日	1,559.5	1,308.4	1,559.5	1,308.4
Conversion of convertible cumulative preference shares	轉換可換股累積優先股	116.0	251.1	116.0	251.1
At 30 June	於六月三十日	1,675.5	1,559.5	1,675.5	1,559.5
Exchange fluctuation reserve arising on translation of overseas subsidiaries	換算海外附屬公司賬項所產生滙兌變動儲備	13.8	13.8	–	–
		17,462.1	13,369.1	17,173.0	13,080.0
Retained profits	保留溢利				
At 1 July	於七月一日				
– as previously reported	– 上年度報告	8,247.8	7,371.0	6,594.5	6,813.6
– prior period adjustments arising from adoption of HKAS 40	– 因以下變更所產生之前期調整				
HKAS 40	採納 HKAS 40	6,623.3	3,588.3	–	–
HKSIC-Int 21	採納 HKSIC-Int 21	(1,085.1)	(601.1)	–	–
– as restated	– 重列	13,786.0	10,358.2	6,594.5	6,813.6
Net profit for the year	本年度純利	6,845.4	4,616.0	1,485.6	969.1
Final dividend in respect of previous year	去年度末期股息	(1,089.0)	(837.9)	(1,089.0)	(837.9)
Interim dividend in respect of current year	本年度中期股息	(478.8)	(350.3)	(478.8)	(350.3)
At 30 June	於六月三十日	19,063.6	13,786.0	6,512.3	6,594.5
		36,525.7	27,155.1	23,685.3	19,674.5

23 Reserves (Continued)

23 儲備 (續)

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Statement of retained profits:	保留溢利報表：		
Group companies	集團公司	18,631.6	13,448.3
Jointly controlled entities	合營公司	432.0	337.7
		19,063.6	13,786.0

The aggregate amount of the Company's reserves available for distribution to shareholders at 30 June 2005 was \$6,512.3 million (2004: \$6,594.5 million).

於二零零五年六月三十日，本公司可供分派予股東之儲備金總額為六十五億一千二百三十萬元（二零零四年：六十五億九千四百五十萬元）。

24 Notes to the Consolidated Cash Flow Statement

24 綜合現金流量表附註

(a) Cash generated from operations

(甲) 來自經營業務之現金

		2005 \$Million 百萬元	2004 \$Million 百萬元 (restated) (重列)
Profit before taxation	除稅前溢利	8,752.0	6,023.7
Adjustments for:	調節：		
Interest income	利息收入	(105.5)	(7.5)
Finance lease charges	融資租約費用	51.6	55.1
Interest and other ancillary borrowing costs	利息及其他輔助借貸支出	176.6	132.3
Depreciation	折舊	3.3	4.9
Profit on disposal of investment properties	出售投資物業之溢利	—	(4.2)
Other income	其他收入	—	(65.3)
Increase in fair value of investment properties	投資物業公平值之增加	(5,402.9)	(3,234.8)
Share of results of jointly controlled entities	應佔合營公司業績	(143.1)	(110.9)
Decrease/(Increase) in inventories	存貨減少 / (增加)	839.4	(606.2)
Decrease/(Increase) in trade and other receivables	應收賬款及其他應收款之減少 / (增加)	1,076.1	(1,720.9)
Increase in creditors and accrued expenses	應付款及應計費用之增加	61.8	68.7
Increase in deposits received	已收按金之增加	55.4	33.4
Decrease in amounts due from/(to) fellow subsidiaries	應收 / (應付) 同系附屬公司款項之減少	(15.6)	(19.8)
Cash generated from operations	來自經營業務之現金	5,349.1	548.5

24 Notes to the Consolidated Cash Flow Statement (Continued)

(b) Cash and cash equivalents

		2005 \$Million 百萬元	2004 \$Million 百萬元
Cash and cash equivalents in the consolidated balance sheet	綜合資產負債表的現金及現金等價物	3,205.8	1,062.6
Less: Bank deposits with maturity greater than three months	減：於三個月後到期的銀行存款	(699.5)	—
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表的現金及現金等價物	2,506.3	1,062.6

25 Contingent Liabilities

At 30 June, contingent liabilities were as follows:

		Company 公司	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Guarantees given to banks to secure credit facilities	就所獲得之銀行信貸而提供之擔保	5,714.1	11,015.2

26 Commitments

(a) At 30 June, capital commitments not provided for in the accounts were as follows:

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Contracted for	已簽約	546.1	92.6
Authorised but not contracted for	已授權但尚未簽約	2,931.2	813.5
		3,477.3	906.1

24 綜合現金流量表附註(續)

(乙) 現金及現金等價物

25 或然負債

於六月三十日之或然負債如下：

26 承擔

(甲) 於六月三十日尚未入賬之資本承擔如下：

26 Commitments (Continued)

- (b) The Group leases certain properties under non-cancellable operating leases expiring within ten years. Certain leases include contingent rentals calculated with reference to revenue from the properties. At 30 June, total future minimum lease payments were as follows:

		Group 集團	
		2005 \$Million 百萬元	2004 \$Million 百萬元
Within 1 year	一年內	75.9	75.9
After 1 year but within 5 years	一年後但五年內	317.1	283.1
After 5 years	五年後	130.0	239.9
		523.0	598.9

27 Employee Benefits

(a) Retirement benefits

The Group operates a defined contribution provident fund scheme for its employees. The assets of the scheme are held separately from those of the Group, in an independent fund administered by trustees and managed by a professional fund manager.

Contributions are made by both the employer and the employees at a certain percentage of employees' basic salaries, the percentage varying with their length of service. When an employee leaves the scheme prior to his or her interest in the Group's contributions being fully vested, forfeited contributions are credited to reserves of the fund. Depending on the level of reserves, the trustees may credit dividends to members' accounts out of the reserves of the fund. The Group's contributions may be reduced by the forfeited contributions, but there was no such reduction of the Group's contributions during the year. Total contributions made by the Group for the year amounted to \$14.5 million (2004: \$25.4 million) and forfeited sums credited to reserves amounted to \$0.5 million (2004: \$0.6 million). Total contributions made by the Group for the year included a special contribution of \$2.8 million (2004: \$13.7 million) made in respect of 2 senior executives in accordance with the provisions of the Group's retirement scheme.

26 承擔 (續)

- (乙) 本集團根據十年內屆滿之不可撤銷營業租約租用若干物業。若干租約包括參考物業收入而釐定之或然租金。於六月三十日，未來最少應付之租金總額如下：

27 僱員福利

(甲) 退休福利

本集團已為其僱員設立界定供款退休金計劃，該計劃下之資產由受託人掌管及專業基金經理管理之獨立基金所持有，與本集團之資產分開處理。

本集團及僱員均按僱員之基本薪金之若干百分比供款，有關百分比按服務年資釐定。當僱員於可全數獲得其僱主供款前退出該計劃，其遭沒收之僱主供款乃撥入計劃基金之儲備內。受託人可視乎儲備的水平而將股息自基金之儲備撥入基金成員賬戶。本集團可將沒收之供款減少其供款；但年度內本集團並無以此方式削減供款。本集團於年度內之供款總額為一千四百五十萬元（二零零四年：二千五百四十萬元），而撥入儲備金之沒收供款金額總數為五十萬元（二零零四年：六十萬元）。根據本集團之退休福利計劃條款，本集團於年內之供款總額包括為兩名高級行政人員所支付的二百八十萬元（二零零四年：一千三百七十萬元）特別供款。

27 Employee Benefits (Continued)

(a) Retirement benefits (Continued)

A master trust Mandatory Provident Fund Scheme (the “MPF Scheme”) is operated by an independent service provider. Mandatory contributions are made by both the employer and the employees at 5% of the employees’ monthly relevant income, up to a limit of \$20,000. The Group’s contributions will be fully and immediately vested in the employees’ accounts as their accrued benefits in the scheme. Total MPF contributions made by the Group for the year amounted to \$1 million (2004: \$0.7 million).

As the Group’s provident fund scheme is an MPF Exempted Occupational Retirement Scheme (the “ORSO Scheme”), eligibility for membership of the ORSO and MPF schemes is identical. New employees are offered a one-off option to join either the ORSO or the MPF scheme.

Staff in the Company’s subsidiary operating in Shanghai, the People’s Republic of China (“PRC”), are members of a retirement benefits scheme (the “PRC RB Scheme”) operated by the local municipal government in the PRC. The only obligation of the PRC subsidiary is to contribute a certain percentage of their payroll to the PRC RB Scheme to fund the retirement benefits. The local municipal government in the PRC undertakes to assume the retirement benefits obligations of all existing and future retired employees of the PRC subsidiary. Total contributions made by the PRC subsidiary for the year amounted to \$4.6 million (2004: \$2.9 million).

(b) Equity compensation benefits

The Company has a share option scheme which was adopted on 22 November 2002, whereby the Board of Directors (the “Board”) of the Company are authorised to grant options to selected participants, including directors of any company in the Group, to subscribe for ordinary shares of the Company. The exercise price of the options is determined by the Board at the time of grant, and shall be the highest of the nominal value of the shares, the closing price of the shares at the date of grant and the average closing price of the shares for the 5 business days immediately preceding the date of grant. The vesting period, the exercisable period and the number of shares subject to each option are determined by the Board at the time of grant.

27 僱員福利 (續)

(甲) 退休福利 (續)

一項集成信託強制性公積金計劃(「強積金計劃」)已成立，並交由一獨立服務機構營辦。僱主及僱員分別按僱員之每月有關收入(上限為二萬元)之百分之五作出強制性供款。本集團之供款會全數及即時歸屬於僱員之賬戶並列為僱員在計劃內之累算權益。本集團於本年度內作出之強積金供款總額為一百萬元(二零零四年：七十萬元)。

由於本集團之退休金計劃乃一項獲豁免於強積金條例的職業退休計劃(「職業退休計劃」)，職業退休計劃與強積金計劃之成員資格相同，而新僱員可一次性選擇參與職業退休計劃或強積金計劃。

本公司在中華人民共和國(「中國」)上海市經營業務之附屬公司，其僱員乃中國當地市政府所營辦之退休福利計劃(「中國退休福利計劃」)之成員。該中國附屬公司所需承擔之唯一責任，乃按僱員之支薪金額之某個百分比，向該計劃作出供款以作為退休福利資金，而中國當地市政府則承擔該等中國附屬公司之所有現職及將來退休之僱員之退休福利責任。該等中國附屬公司於本年度內作出之供款總額為四百六十萬元(二零零四年：二百九十萬元)。

(乙) 股份補償福利

本公司於二零零二年十一月二十二日設立一份股份期權計劃。此計劃授權本公司董事局向被揀選人士(包括集團內任何公司之董事)授予股份期權認購本公司普通股股份。股份期權行使價由董事局於授予股份期權時決定，並必須為股份面值、於授予當日股份之收市價及授予前五個交易日之平均收市價三者中之最高價。股份期權之有效期，行使期及每個股份期權可認購股份之數目均由董事局於授予當日決定。

27 Employee Benefits (Continued)

(b) Equity compensation benefits (Continued)

The movements of Share Options during the year are as follows:

27 僱員福利 (續)

(乙) 股份補償福利 (續)

年內股份期權之變動如下：

	Number of Share Options outstanding on 1 July 2004 於二零零四年七月一日尚未被行使之股份期權數目	Number of Share Options granted during the year 年內授出之股份期權數目	Number of Share Options exercised during the year 年內已被行使之股份期權數目	Number of Share Options lapsed during the year 年內失效之股份期權數目	Number of Share Options outstanding on 30 June 2005 於二零零五年六月三十日尚未被行使之股份期權數目	Date granted 授出日期	Period during which options are exercisable 股份期權之行使期	Exercise price 行使價 \$ 元	Weighted average share price before exercise of options 行使股份期權前之加權平均股價 \$ 元
Directors 董事	18,694,000	—	—	—	18,694,000	20 May 2004 二零零四年五月二十日	20 May 2005 to 19 May 2014 二零零五年五月二十日至二零一四年五月十九日	9.20	—
Employees 僱員	10,867,000	—	(50,000)	(550,000)	10,267,000	20 May 2004 二零零四年五月二十日	20 May 2005 to 19 May 2014 二零零五年五月二十日至二零一四年五月十九日	9.20	11.10
	—	400,000	—	—	400,000	3 May 2005 二零零五年五月三日	3 May 2006 to 2 May 2015 二零零六年五月三日至二零一五年五月二日	11.85	—
Total 總計	29,561,000	400,000	(50,000)	(550,000)	29,361,000				

27 Employee Benefits (Continued)

(b) Equity compensation benefits (Continued)

The Share Options granted are not recognised in the financial statements until they are exercised. The weighted average value per Share Option granted during the year estimated at the date of grant using the Black-Scholes pricing model ("the Model") was \$3. The weighted average assumptions used are as follows:

Risk-free interest rate	3%
Expected life (in years)	6
Volatility	0.4
Expected dividend per share	\$0.4

The Model was developed for estimating the fair value of traded options that have no vesting restrictions and are fully transferable. As the Company's Share Options have characteristics significantly different from those of traded options, the Model may not necessarily provide a reliable measure of the fair value of the Share Options.

28 Related Party Transactions

A fellow subsidiary of the Company contributed funds as capital investment to a subsidiary of the Company for the development of Plaza 66, a property project in Shanghai. The amount outstanding at the end of the year was \$260.8 million (2004 : \$282.4 million).

29 Ultimate Holding Company

The ultimate holding company is Hang Lung Group Limited, a company incorporated in Hong Kong.

30 Comparative Figures

Certain comparative figures have been re-classified due to the changes in accounting policy for valuation of investment properties and deferred taxation, details of which are set out in note 1(b).

31 Approval of Accounts

The accounts were approved and authorised for issue by the Board of Directors on 31 August 2005.

27 僱員福利 (續)

(乙) 股份補償福利 (續)

股份期權直至行使前均不會在財務報表內確認。年內授出之股份期權按於授出日期採用「柏力克－舒爾斯」期權定價模式(「該模式」)而估計之每份股份期權之加權平均價值為三元。所採用之加權平均假設如下：

無風險利率	百分之三
預期使用年限(年)	六
波幅	零點四
預期每股股息	四角

該模式乃為估計無限制賦予權及可全部轉讓之交易期權之公平價值而設。由於本公司之股份期權之某些特點與交易期權之特點明顯不同，該模式未必可就股份期權之公平價值提供可靠之計量。

28 關連人士交易

本集團之一間同系附屬公司就發展上海之物業計劃一恒隆廣場，向本公司之附屬公司注入資金作為資本投資。於年底之款項為二億六千零八十萬元(二零零四年：二億八千二百四十萬元)。

29 最終控股公司

最終控股公司為在香港註冊成立之恒隆集團有限公司。

30 比較數字

由於重估投資物業及遞延稅項之會計政策出現變動，若干比較數字已作出調整，詳情載於附註1(乙)。

31 核准賬項

董事局於二零零五年八月三十一日核准並許可發行。

32 Principal Subsidiaries

At 30 June 2005

32 主要附屬公司

於二零零五年六月三十日

Company 公司	Issued Share Capital (HK\$) 已發行股本 (港元)	% Held by The Group 集團所佔 權益百分率	% Held by The Company 公司所佔 權益百分率	Activity 業務	Place of Incorporation and Operations 註冊及 營業地點
Amoy International Treasury Limited	8	100	100	Financial services 財務	British Virgin Islands 英屬維爾京群島
Antonis Limited	10,000	100	100	Property leasing 物業租賃	Hong Kong 香港
AP City Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
AP Joy Limited*	2	100	—	Property development 物業發展	Hong Kong 香港
AP Properties Limited* 'A' shares 「A」股	34	100	—	Property development 物業發展	Hong Kong 香港
AP Properties Limited* 'B' shares 「B」股	6	—	—		
AP Star Limited	2	100	—	Investment holding 控股投資	Hong Kong 香港
AP Success Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
AP Universal Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港
AP Win Limited	1,000,000	100	—	Property leasing 物業租賃	Hong Kong 香港
AP World Limited*	2	100	100	Property development 物業發展	Hong Kong 香港
APW Finance Limited*	2	100	100	Financial services 財務	Hong Kong 香港
Bonna Estates Company Limited*	1,000,000	100	100	Property leasing 物業租賃	Hong Kong 香港
Caddo Enterprises, Limited 基道企業有限公司	4,000,000	100	—	Property leasing 物業租賃	Hong Kong 香港
Carmana Limited 嘉萬拿有限公司	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Cititop Limited*	2	100	—	Property development 物業發展	Hong Kong 香港
Country Bond Development Limited* 港邦發展有限公司*				Investment holding 控股投資	Hong Kong 香港
Country Bond Development Limited* 'A' shares 「A」股	990	79.8	—		
Country Bond Development Limited* 'B' share 「B」股	1	100	—		
Dokay Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港

32 Principal Subsidiaries (Continued)

32 主要附屬公司(續)

Company 公司	Issued Share Capital (HK\$) 已發行股本 (港元)	% Held by The Group 集團所佔 權益百分率	% Held by The Company 公司所佔 權益百分率	Activity 業務	Place of Incorporation and Operations 註冊及 營業地點
Easegood Enterprises Limited* 怡冠企業有限公司*	2	100	—	Investment holding 控股投資	Hong Kong 香港
Fu Yik Company Limited	3	100	—	Property leasing 物業租賃	Hong Kong 香港
Gala Ruby Limited 璧玉有限公司	2	100	100	Investment holding 控股投資	Hong Kong 香港
Gowily Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Grand Centre Limited*	4	100	—	Property leasing 物業租賃	Hong Kong 香港
Grand Hotel Group Limited*	10,200	100	—	Apartment operating & management 服務式住宅 經營及管理	Hong Kong 香港
Grand Hotel Holdings Limited* 格蘭酒店集團有限公司*				Investment holding 控股投資	Hong Kong 香港
'A' shares 「A」股	62,163,123	100	—		
'B' shares 「B」股	6,000,000	100	—		
Hang Chui Company Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Hang Far Company Limited	2	100	—	Investment holding 控股投資	Hong Kong 香港
Hang Fine Company Limited* 恒快有限公司*	200	100	—	Property leasing 物業租賃	Hong Kong 香港
Hang Kwok Company Limited	10,000	100	—	Property leasing 物業租賃	Hong Kong 香港
Hang Lick Company Limited	10,000	100	—	Property leasing 物業租賃	Hong Kong 香港
Hang Lung (Administration) Limited* 恒隆(行政)有限公司*	10,000	100	100	Management services 管理服務	Hong Kong 香港
Hang Lung Park-In Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Hang Lung Project Management Limited 恒隆工程策劃有限公司	10,000	100	100	Project management 物業發展 策劃及管理	Hong Kong 香港

32 Principal Subsidiaries (Continued)

32 主要附屬公司(續)

Company 公司	Issued Share Capital (HK\$) 已發行股本 (港元)	% Held by The Group 集團所佔 權益百分率	% Held by The Company 公司所佔 權益百分率	Activity 業務	Place of Incorporation and Operations 註冊及 營業地點
Hang Lung Property Management Limited 恒隆物業管理有限公司	100,000	100	—	Property management 物業管理	Hong Kong 香港
Hang Lung Real Estate Agency Limited 恒隆地產代理有限公司	2	100	100	Property agencies 物業代理	Hong Kong 香港
Hang Lung (Secretaries) Limited* 恒隆(秘書服務)有限公司*	2	100	100	Secretarial services 秘書服務	Hong Kong 香港
Hang Lung (Tianjin) Limited* 恒隆(天津)有限公司*	2	100	—	Investment holding 控股投資	Hong Kong 香港
HLP (China) Limited* 恒隆地產(中國)有限公司*	2	100	100	Investment holding 控股投資	Hong Kong 香港
HLP Treasury Limited* 恒隆地產融資有限公司*	2	100	100	Financial services 財務	Hong Kong 香港
HLP Treasury Services Limited	2	100	—	Investment holding 控股投資	Hong Kong 香港
Hoi Sang Limited	2	100	—	Investment holding 控股投資	Hong Kong 香港
Levington Limited	8	100	100	Financial services 財務	British Virgin Islands 英屬維爾京群島
Lockoo Limited 樂古有限公司	1,000,002	100	—	Property leasing 物業租賃	Hong Kong 香港
Mansita Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Modalton Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Monafat Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Ottringham Limited	20	100	—	Property leasing 物業租賃	Hong Kong 香港
Palex Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Pocaliton Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Rago Star Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港

32 Principal Subsidiaries (Continued)

32 主要附屬公司 (續)

Company 公司	Issued Share Capital (HK\$) 已發行股本 (港元)	% Held by The Group 集團所佔 權益百分率	% Held by The Company 公司所佔 權益百分率	Activity 業務	Place of Incorporation and Operations 註冊及 營業地點
Rioly Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Ronhero Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Stocket Limited*	2	100	100	Property leasing 物業租賃	Hong Kong 香港
Tegraton Limited*	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Wai Luen Investment Company, Limited 偉聯置業有限公司	100,000	100	—	Property leasing 物業租賃	Hong Kong 香港
Wililoy Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Yangli Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港
Zarat Limited	2	100	—	Property leasing 物業租賃	Hong Kong 香港

Equity Joint Venture in The People's Republic of China 中華人民共和國中外合資企業	Registered Capital (US\$) 註冊資本 (美元)	% Held by The Group 集團所佔 權益百分率	% Held by The Company 公司所佔 權益百分率	Activity 業務	Place of Incorporation and Operations 註冊及 營業地點
Shanghai Hang Bond Property Development Co., Ltd.* 上海恒邦房地產開發有限公司*	167,004,736	79	—	Property development & leasing 物業發展 及租賃	The People's Republic of China 中華人民 共和國
Shanghai Kong Hui Property Development Co., Ltd.* 上海港滙房地產開發有限公司*	165,000,000	66.3#	—	Property development & leasing 物業發展 及租賃	The People's Republic of China 中華人民 共和國

* Audited by KPMG

Represents the Group's attributable interest in the commercial portion of the properties held either directly or indirectly by the subsidiary

* 經畢馬威會計師事務所審核

指本集團應佔附屬公司直接或間接持有物業之商場部份之權益。

The above list gives the principal subsidiaries of the Group which in the opinion of the directors, principally affect the profit and assets of the Group.

上表列出董事局認為對本集團之溢利及資產有重大影響之主要附屬公司。

33 Jointly Controlled Entities

At 30 June 2005

33 合營公司

於二零零五年六月三十日

Company 公司	Issued Share Capital (HK\$) 已發行股本 (港元)	% Held by The Group 集團所佔 權益百分率	% Held by The Company 公司所佔 權益百分率	Activity 業務	Place of Incorporation and Operations 註冊及 營業地點
Country Link Enterprises Limited* 港興企業有限公司*	5,000,000	36.8	—	Investment holding 控股投資	Hong Kong 香港
Ease Smart Development Limited* 怡傑發展有限公司*				Investment holding 控股投資	Hong Kong 香港
‘A’ share 「A」股	1	—	—		
‘B’ share 「B」股	1	100	—		
Star Play Development Limited 星際發展有限公司	3	33.3	—	Property leasing 物業租賃	Hong Kong 香港

* Audited by KPMG

* 經畢馬威會計師事務所審核