

Extracts from Financial Statements of Principal Associates

for the year ended 30th June, 2002

THE HONG KONG AND CHINA GAS COMPANY LIMITED**Consolidated Income Statement**

	Six months ended 30th June, 2002 HK\$' Million (unaudited)	Six months ended 30th June, 2001 HK\$' Million (unaudited)	Year ended 31st December, 2001 HK\$' Million (audited)
Turnover	3,673.9	3,713.8	6,857.4
Profit before taxation	2,031.8	2,030.8	3,656.9
Taxation	(321.7)	(327.2)	(470.0)
Profit after taxation	1,710.1	1,703.6	3,186.9
Minority interests	(6.0)	(2.1)	(4.2)
Profit attributable to shareholders	1,704.1	1,701.5	3,182.7
Dividends	682.9	633.7	1,830.5

Profit before taxation for the twelve-month period ended 30th June, 2002 is arrived at after deducting depreciation and amortisation charge of HK\$437.6 million (2001: HK\$463.7 million).

Consolidated Balance Sheet

	At 31st December, 2001 HK\$' Million (audited)	(Restated) At 31st December, 2000 HK\$' Million (audited)
Property, plant and equipment	11,862.6	11,635.9
Associates	2,460.2	2,440.1
Jointly controlled entities	208.7	25.0
Investment securities	1,490.2	627.7
Net current assets	2,377.1	6,423.9
	18,398.8	21,152.6
Share capital	1,300.9	1,284.4
Share premium	4,037.1	4,165.5
Reserves	10,881.8	13,661.8
Proposed dividend	1,196.9	1,181.6
Total shareholders' fund	17,416.7	20,293.3
Minority interests	128.7	50.0
Long-term liabilities and deferred items	853.4	809.3
	18,398.8	21,152.6

Note: Certain comparative figures have been restated as a result of change in accounting policy for dividend, details of which have been set out in the respective annual reports.

No segmental analysis is presented as the principle activity of The Hong Kong and China Gas Company Limited ("China Gas") is the production, distribution and marketing of gas and related activities in Hong Kong which accounts for more than 90 per cent of China Gas's turnover and trading results.

Extracts from Financial Statements of Principal Associates (*cont'd*)

for the year ended 30th June, 2002

HONG KONG FERRY (HOLDINGS) COMPANY LIMITED**Consolidated Income Statement**

	Six months ended 30th June, 2002 HK\$' Million (unaudited)	Six months ended 30th June, 2001 HK\$' Million (unaudited)	Year ended 31st December, 2001 HK\$' Million (audited)
Turnover	494.0	1,046.2	1,402.6
Profit before taxation	140.5	272.8	296.7
Taxation	(0.5)	(14.6)	(14.8)
Profit after taxation	140.0	258.2	281.9
Dividends	28.5	28.5	99.8

Profit before taxation for the twelve-month period ended 30th June, 2002 is arrived at after deducting depreciation and amortisation charge of HK\$19.9 million (2001: HK\$23.8 million).

Consolidated Balance Sheet

	At 31st December, 2001 HK\$' Million (audited)	(Restated) At 31st December, 2000 HK\$' Million (audited)
Property, plant and equipment	356.5	425.8
Investment properties	150.5	179.5
Properties under development	2,071.2	2,823.4
Other non-current financial assets	48.3	53.4
Net current liabilities	288.0	(450.7)
Deferred taxation	(2.8)	(15.5)
	2,911.7	3,015.9
Share capital	356.3	356.3
Reserves	2,555.4	2,659.6
	2,911.7	3,015.9

Note: Certain comparative figures have been restated as a result of change in accounting policies for properties under development and dividend, details of which have been set out in the respective annual reports.

Extracts from Financial Statements of Principal Associates (cont'd)

for the year ended 30th June, 2002

HONG KONG FERRY (HOLDINGS) COMPANY LIMITED (cont'd)**Segmental Information**

for the twelve months ended 30th June, 2002

	Total revenue HK\$'000 (unaudited)	Inter-segment HK\$'000 (unaudited)	Revenue from external customers HK\$'000 (unaudited)
Segment revenue			
Property development and investment	583,197	1,384	584,581
Ferry, shipyard and related operations	154,893	(1,871)	153,022
Travel and hotel operations	111,870	(2)	111,868
Others	60,144	(53,201)	6,943
	<u>910,104</u>	<u>(53,690)</u>	<u>856,414</u>
Analysed by:			
Turnover			850,444
Other revenue			5,970
			<u>856,414</u>
	Total revenue HK\$'000 (unaudited)	Inter-segment transactions HK\$'000 (unaudited)	Consolidated result HK\$'000 (unaudited)
Segment results			
Property development and investment	312,637	(142,916)	169,721
Ferry, shipyard and related operations	(5,956)	—	(5,956)
Travel and hotel operations	2,627	—	2,627
Others	(1,921)	—	(1,921)
	<u>307,387</u>	<u>(142,916)</u>	<u>164,471</u>
Share of results of associates			(97)
Profit from ordinary activities before taxation			164,374
Taxation			(745)
Profit attributable to shareholders			<u>163,629</u>

Extracts from Financial Statements of Principal Associates (cont'd)

for the year ended 30th June, 2002

HONG KONG FERRY (HOLDINGS) COMPANY LIMITED (cont'd)

Segmental Information (cont'd)

Segmental balance sheet

At 31st December

	Segmental assets		Inter-segment elimination		Total assets	
	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development and investment	2,516,413	3,381,669	—	—	2,516,413	3,381,669
Ferry, shipyard and related operations	478,427	121,087	142,916	—	335,511	121,087
Travel and hotel operations	76,137	73,466	—	—	76,137	73,466
Others	215,733	190,095	—	—	215,733	190,095
Total assets	3,286,710	3,766,317	142,916	—	3,143,794	3,766,317

	Segmental liabilities		Inter-segment elimination		Total liabilities	
	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development and investment	170,315	679,131	—	—	170,315	679,131
Ferry, shipyard and related operations	25,171	36,082	—	—	25,171	36,082
Travel and hotel operations	24,485	25,247	—	—	24,485	25,247
Others	12,121	9,968	—	—	12,121	9,968
Total liabilities	232,092	750,428	—	—	232,092	750,428

Other segmental information

	Depreciation		Impairment loss		Capital expenditure incurred	
	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development and investment	8,312	14,173	41,224	—	70,665	35,405
Ferry, shipyard and related operations	14,577	9,352	3,195	—	260	9,777
Travel and hotel operations	446	331	—	—	217	464
Others	474	563	—	—	29	628
Total	23,809	24,419	44,419	—	71,171	46,274

No geographical analysis is shown as less than 10% of the Group's revenue and profit from operations were derived from activities outside Hong Kong.

Extracts from Financial Statements of Principal Associates (cont'd)

for the year ended 30th June, 2002

MIRAMAR HOTEL & INVESTMENT COMPANY, LIMITED**Consolidated Income Statement**

	Year ended 31st March, 2002 HK\$' Million (audited)	Year ended 31st March, 2001 HK\$' Million (audited)
Turnover	1,546.8	1,237.9
Profit from operations	392.7	338.4
Finance costs	(69.2)	(139.3)
Share of profits of associates	2.3	4.1
Profit from ordinary activities before taxation	325.8	203.2
Taxation	(69.7)	(31.5)
Profit from ordinary activities after taxation	256.1	171.7
Minority interests	0.8	13.6
Profit attributable to shareholders	256.9	185.3
Dividends	190.5	184.7

Operating profit for the twelve-month period ended 31st March, 2002 is arrived at after deducting depreciation and amortisation charge of HK\$55.3 million (2001: HK\$56.4 million).

Consolidated Balance Sheet

	At 31st March, 2002 HK\$' Million (audited)	(Restated) At 31st March, 2001 HK\$' Million (audited)
Investment properties	6,189.4	6,204.0
Property, plant and equipment	2,458.1	2,505.5
Properties under development	380.4	394.1
Interests in associates	46.7	144.8
Non-trading securities	19.1	22.3
Restricted cash	50.4	25.1
Pledged deposits	38.7	—
Net current assets	44.2	12.2
Other deferred items	(1,597.8)	(1,712.3)
	7,629.2	7,595.7
Share capital	404.1	404.1
Share premium	287.6	287.6
Reserves	6,738.3	6,689.3
Total shareholders' fund	7,430.0	7,381.0
Minority interests	199.2	214.7
	7,629.2	7,595.7

Note: Certain comparative figures have been restated as a result of change in accounting policy for dividend, details of which have been set out in the respective annual reports.

Extracts from Financial Statements of Principal Associates (cont'd)

for the year ended 30th June, 2002

MIRAMAR HOTEL & INVESTMENT COMPANY, LIMITED (cont'd)

Segmental Information

for the year ended 31st March

Segmental revenue and results

	Property investment		Property development and sales		Hotel ownership and management		Food and beverage operation		Travel operation		Inter-segment elimination		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	370,627	364,144	423,386	112,593	294,519	305,585	129,313	138,891	328,973	354,603	—	—	1,546,818	1,275,816
Inter-segment revenue	11,849	11,347	—	—	4,903	5,130	—	—	690	748	(17,442)	(17,225)	—	—
Other revenue from external customers	8,002	10,326	24	97	5,218	4,993	1,236	1,663	1,656	508	—	—	16,136	17,587
Total	390,478	385,817	423,410	112,690	304,640	315,708	130,549	140,554	331,319	355,859	(17,442)	(17,225)	1,562,954	1,293,403
Segment result	279,738	293,939	120,235	(3,881)	118,306	123,888	1,542	4,949	(2,659)	(4,502)	—	—	517,162	414,393
Inter-segment elimination	(8,239)	(8,398)	—	—	(1,874)	(1,981)	—	—	6	9	—	—	(10,107)	(10,370)
Contribution to profit from operation	271,499	285,541	120,235	(3,881)	116,432	121,907	1,542	4,949	(2,653)	(4,493)	—	—	507,055	404,023
Provision for diminution in value of interest in associates													(42,880)	(17,800)
Provision for diminution in value of properties held for resale													(17,139)	—
Loss on disposal of fixed assets													(10,541)	(1,898)
Unallocated operating income and expenses													(43,797)	(45,843)
Profit from operations													392,698	338,482
Finance costs													(69,246)	(139,283)
Share of profits less losses of associates	386	406	(2,105)	929	4,309	3,732	(278)	(1,009)	—	—	—	—	2,312	4,058
Taxation													(69,719)	(31,526)
Minority interests													812	13,613
Profit attributable to shareholders													256,857	185,344

Segmental balance sheet

	Property investment		Property development and sales		Hotel ownership and management		Food and beverage operation		Travel operation		Inter-segment elimination		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	6,290,839	6,375,389	784,807	654,746	2,339,064	2,353,118	24,475	31,784	33,837	35,307	(7,670)	(12,458)	9,465,352	9,437,886
Investment in associates	550	224	31,065	129,808	9,052	7,628	5,990	7,100	—	—	—	—	46,657	144,760
Unallocated assets													67,406	132,486
Total assets													9,579,415	9,715,132
Segment liabilities	123,971	125,290	29,693	56,312	31,349	42,684	5,395	5,565	50,344	43,299	(7,670)	(12,458)	233,082	260,692
Unallocated liabilities													1,717,115	1,858,692
Total liabilities													1,950,197	2,119,384

Extracts from Financial Statements of Principal Associates (cont'd)

for the year ended 30th June, 2002

Other segmental information

	Property investment		Property development and sales		Hotel ownership and management		Food and beverage operation		Travel operation	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Capital expenditure incurred during the year	10,116	8,187	194,131	107,575	11,239	11,903	406	1,367	526	1,290
Depreciation for the year	33,479	33,192	3,346	3,327	9,973	9,920	4,037	4,641	992	1,856

Geographical Segments

At 31st March

	Hong Kong		PRC		United States	
	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	1,074,911	1,111,364	91,124	122,147	380,783	42,305
Segment assets	8,204,131	8,243,049	598,536	634,202	670,355	573,093
Capital expenditure incurred during the year	21,240	21,538	1,047	1,209	194,131	107,575