

Extracts from Financial Statements of Principal Associates

for the year ended 30th June, 2003

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

	Six months ended 30th June, 2003 HK\$' Million (unaudited)	(Restated) Six months ended 30th June, 2002 HK\$' Million (unaudited)	Year ended 31st December, 2002 HK\$' Million (audited)
Turnover	3,975.6	3,673.9	6,878.0
Profit before taxation	2,252.5	2,031.8	3,581.0
Taxation	(438.5)	(330.8)	(482.3)
Profit after taxation	1,814.0	1,701.0	3,098.7
Minority interests	(8.9)	(6.0)	(11.7)
Profit attributable to shareholders	1,805.1	1,695.0	3,087.0
Dividends	677.2	682.9	1,991.8

Profit before taxation for the twelve-month period ended 30th June, 2003 is arrived at after deducting depreciation and amortisation charge of HK\$428.2 million (2002: HK\$437.6 million).

Consolidated Balance Sheet

	At 31st December, 2002 HK\$' Million (audited)	(Restated) At 31st December, 2001 HK\$' Million (audited)
Property, plant and equipment	9,324.2	11,862.6
Associates	2,539.8	2,460.2
Jointly controlled entities	241.6	208.7
Investment securities	1,651.9	1,490.2
Net current assets	3,880.7	2,203.9
	17,638.2	18,225.6
Share capital	1,422.7	1,300.9
Share premium	3,907.8	4,037.1
Reserves	9,971.8	10,665.7
Proposed dividend	1,308.9	1,196.9
Total shareholders' fund	16,611.2	17,200.6
Minority interests	123.6	128.7
Long-term liabilities and deferred items	903.4	896.3
	17,638.2	18,225.6

Note: Certain comparative figures have been restated as a result of change in accounting policy for employee benefits and income tax, details of which have been set out in the respective annual report.

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.

HONG KONG FERRY (HOLDINGS) COMPANY LIMITED
Consolidated Income Statement

	Six months ended 30th June, 2003 HK\$' Million (unaudited)	(Restated) Six months ended 30th June, 2002 HK\$' Million (unaudited)	Year ended 31st December, 2002 HK\$' Million (audited)
Turnover	<u>490.8</u>	<u>494.0</u>	<u>1,345.0</u>
Profit before taxation	<u>138.6</u>	140.5	357.6
Taxation	<u>(1.7)</u>	<u>(4.8)</u>	<u>0.8</u>
Profit after taxation	<u>136.9</u>	<u>135.7</u>	<u>358.4</u>
Dividends	<u>28.5</u>	<u>28.5</u>	<u>99.8</u>

Profit before taxation for the twelve-month period ended 30th June, 2003 is arrived at after deducting depreciation and amortisation charge of HK\$11.5 million (2002: HK\$19.9 million).

Note: Certain comparative figures have been restated as a result of change in accounting policies for income tax, details of which have been set out in the respective annual report.

Consolidated Balance Sheet

	At 31st December, 2002 HK\$' Million (audited)	At 31st December, 2001 HK\$' Million (audited)
Property, plant and equipment	<u>281.3</u>	356.5
Investment properties	<u>132.5</u>	150.5
Properties under development	<u>1,538.0</u>	2,071.2
Other non-current financial assets	<u>233.8</u>	48.3
Net current assets	<u>857.2</u>	288.0
Deferred taxation	<u>(0.8)</u>	<u>(2.8)</u>
	<u>3,042.0</u>	<u>2,911.7</u>
Share capital	<u>356.3</u>	356.3
Reserves	<u>2,685.7</u>	<u>2,555.4</u>
	<u>3,042.0</u>	<u>2,911.7</u>

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

for the year ended 30th June, 2003

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

for the twelve months ended 30th June, 2003

	Total revenue HK\$'000 (unaudited)	Inter-segment HK\$'000 (unaudited)	Revenue from external customers HK\$'000 (unaudited)
Segment revenue			
Property development and investment	1,115,044	—	1,115,044
Ferry, shipyard and related operations	126,457	(1,932)	124,525
Travel and hotel operations	100,972	(37)	100,935
Others	60,197	(45,131)	15,066
	<u>1,402,670</u>	<u>(47,100)</u>	<u>1,355,570</u>
Analysed by:			
Turnover			1,341,900
Other revenue			<u>13,670</u>
			<u>1,355,570</u>
	Segment results HK\$'000 (unaudited)	Inter-segment transactions HK\$'000 (unaudited)	Consolidated result HK\$'000 (unaudited)
Segment results			
Property development and investment	438,500	—	438,500
Ferry, shipyard and related operations	(234,590)	141,100	(93,490)
Travel and hotel operations	(351)	—	(351)
Others	10,887	—	10,887
	<u>214,446</u>	<u>141,100</u>	<u>355,546</u>
Share of results of associates			<u>145</u>
Profit from ordinary activities before taxation			355,691
Taxation			<u>3,906</u>
Profit attributable to shareholders			<u>359,597</u>

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 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Property development and investment	2,525,138	2,516,413	—	—	2,525,138	2,516,413
Ferry, shipyard and related operations	253,415	478,427	—	142,916	253,415	335,511
Travel and hotel operations	75,379	76,137	—	—	75,379	76,137
Others	940,607	215,733	—	—	940,607	215,733
Total assets	3,794,539	3,286,710	—	142,916	3,794,539	3,143,794

	Segmental liabilities		Inter-segment elimination		Total liabilities	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Property development and investment	700,612	170,315	—	—	700,612	170,315
Ferry, shipyard and related operations	19,563	25,171	—	—	19,563	25,171
Travel and hotel operations	24,394	24,485	—	—	24,394	24,485
Others	7,917	12,121	—	—	7,917	12,121
Total liabilities	752,486	232,092	—	—	752,486	232,092

Other segmental information

	Depreciation		Impairment loss		Capital expenditure incurred	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Property development and investment	50	8,312	—	41,224	129,246	70,665
Ferry, shipyard and related operations	12,711	14,577	62,127	3,195	162	260
Travel and hotel operations	397	446	—	—	310	217
Others	478	474	—	—	69	29
	13,636	23,809	62,127	44,419	129,787	71,171

No geographical analysis is shown as less than 10% of Hong Kong Ferry (Holdings) Company Limited'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, 2003

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

	Year ended 31st March, 2003 HK\$' Million (audited)	Year ended 31st March, 2002 HK\$' Million (audited)
Turnover	<u>1,381.0</u>	<u>1,546.8</u>
Profit from operations	305.9	392.7
Finance costs	(43.3)	(69.2)
Share of profits of associates	<u>0.8</u>	<u>2.3</u>
Profit from ordinary activities before taxation	263.4	325.8
Taxation	<u>(35.6)</u>	<u>(69.7)</u>
Profit from ordinary activities after taxation	227.8	256.1
Minority interests	<u>6.0</u>	<u>0.8</u>
Profit attributable to shareholders	<u>233.8</u>	<u>256.9</u>
Dividends	<u>190.5</u>	<u>190.5</u>

Operating profit for the twelve-month period ended 31st March, 2003 is arrived at after deducting depreciation and amortisation charge of HK\$52.6 million (2002: HK\$55.3 million).

Consolidated Balance Sheet

	At 31st March, 2003 HK\$' Million (audited)	At 31st March, 2002 HK\$' Million (audited)
Investment properties	5,416.1	6,189.4
Property, plant and equipment	2,057.7	2,458.1
Properties under development	270.4	380.4
Interests in associates	42.5	46.7
Non-trading securities	17.1	19.1
Restricted cash	29.8	50.4
Pledged deposits	38.7	38.7
Net current (liabilities) assets	(83.1)	44.2
Other deferred items	<u>(1,113.5)</u>	<u>(1,597.8)</u>
	<u>6,675.7</u>	<u>7,629.2</u>
Share capital	404.1	404.1
Share premium	287.6	287.6
Reserves	<u>5,790.3</u>	<u>6,738.3</u>
Total shareholders' fund	6,482.0	7,430.0
Minority interests	<u>193.7</u>	<u>199.2</u>
	<u>6,675.7</u>	<u>7,629.2</u>

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

for the year ended 30th June, 2003

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	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	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	356,745	370,627	303,161	423,386	294,830	294,519	120,263	129,313	306,033	328,973	—	—	1,381,032	1,546,818
Inter-segment revenue	11,819	11,849	—	—	4,980	4,903	—	—	953	690	(17,752)	(17,442)	—	—
Other revenue from external customers	5,393	8,002	33	24	5,906	5,218	1,036	1,236	1,872	1,656	—	—	14,240	16,136
Total	373,957	390,478	303,194	423,410	305,716	304,640	121,299	130,549	308,858	331,319	(17,752)	(17,442)	1,395,272	1,562,954
Contribution from operation	262,917	271,499	(18,430)	120,235	110,224	116,432	(3,755)	1,542	(4,651)	(2,653)	—	—	346,305	507,055
Provision for diminution in value of interest in associates	—	—	—	—	—	—	—	—	—	—	—	—	(83)	(42,880)
Provision for diminution in value of properties held for resale	—	—	—	—	—	—	—	—	—	—	—	—	(1,758)	(17,139)
Loss on disposal of fixed assets	—	—	—	—	—	—	—	—	—	—	—	—	(4,786)	(10,541)
Unallocated operating income and expenses	—	—	—	—	—	—	—	—	—	—	—	—	(33,796)	(43,797)
Profit from operations	—	—	—	—	—	—	—	—	—	—	—	—	305,882	392,698
Finance costs	—	—	—	—	—	—	—	—	—	—	—	—	(43,349)	(69,246)
Share of profits less losses of associates	351	386	(1,932)	(2,105)	2,325	4,309	117	(278)	—	—	—	—	861	2,312
Taxation	—	—	—	—	—	—	—	—	—	—	—	—	(35,563)	(69,719)
Minority interests	—	—	—	—	—	—	—	—	—	—	—	—	5,985	812
Profit attributable to shareholders	—	—	—	—	—	—	—	—	—	—	—	—	233,816	256,857

Segmental balance sheet

	Property investment		Property development and sales		Hotel ownership and management		Food and beverage operation		Travel operation		Inter-segment elimination		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	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	5,461,526	6,290,839	535,968	784,807	2,079,285	2,339,064	16,781	24,475	27,325	33,837	(7,877)	(7,670)	8,113,008	9,465,352
Investment in associates	846	550	27,885	31,065	6,842	9,052	6,939	5,990	—	—	—	—	42,512	46,657
Unallocated assets	—	—	—	—	—	—	—	—	—	—	—	—	48,954	67,406
Total assets	6,313,218	7,071,389	563,853	815,872	2,146,967	2,447,176	23,720	30,465	27,325	33,837	(7,877)	(7,670)	8,204,474	9,579,415
Segment liabilities	125,301	123,971	25,364	29,693	36,361	31,349	5,214	5,395	33,586	50,344	(7,877)	(7,670)	217,949	233,082
Unallocated liabilities	—	—	—	—	—	—	—	—	—	—	—	—	1,310,776	1,717,115
Total liabilities	125,301	123,971	25,364	29,693	36,361	31,349	5,214	5,395	33,586	50,344	(7,877)	(7,670)	1,528,725	1,950,197

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

for the year ended 30th June, 2003

MIRAMAR HOTEL & INVESTMENT COMPANY, LIMITED (cont'd)**Other segmental information**

	Property investment		Property development and sales		Hotel ownership and management		Food and beverage operation		Travel operation	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	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	1,387	10,116	152,023	194,131	3,480	11,239	257	406	209	526
Depreciation for the year	33,545	33,479	877	3,346	10,086	9,973	4,031	4,037	872	992

Geographical Segments

at 31st March

	Hong Kong		PRC		United States	
	2003	2002	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	1,027,978	1,074,911	75,375	91,124	277,679	380,783
Segment assets	7,142,531	8,204,131	544,977	598,536	433,377	670,355
Capital expenditure incurred during the year	4,721	21,240	612	1,047	152,023	194,131