

Financial Highlights

Financial Highlights for the Year Ended 31 December

	2003	2002
	HK\$'000	HK\$'000
		(Restated)
Turnover	5,163,943	6,737,025
Profit from operating activities	2,172,072	1,850,733
Provisions, net	51,903	317,192
Profit from operating activities (before finance costs and provisions)	2,223,975	2,167,925
Finance costs		
— Interest and other financing charges, net	616,582	1,244,999
— One-off finance costs associated with the debts refinancing of the GH Holdings Group*	—	249,120
* GH Water Supply (Holdings) Limited and its subsidiary		
Profit before tax	1,672,562	530,142
Profit from ordinary activities attributable to shareholders	1,106,721	194,904
Shareholders' funds	8,932,305	8,819,984
Total assets	31,542,363	32,233,128
Net financial borrowings ⁶	17,139,409	16,554,638

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Share Information (as at 31 December)

	2003	2002
		(Restated)
Ordinary shares (HK\$0.5 per share) in issue	5,244m	5,162m
Market capitalisation	HK\$8,181m	HK\$5,007m
Closing market price per share	HK\$1.56	HK\$0.97
Basic earnings per share	20.14 cents	2.27 cents
Diluted earnings per share	19.41 cents	2.23 cents
Net asset value per share	HK\$1.70	HK\$1.71

Financial Ratios (as at 31 December)

	2003	2002
		(Restated)
Return on average shareholders' funds ¹	12.47%	2.24%
Post-tax return on average assets ²	4.54%	0.89%
Interest cover ³	3.56X	1.39X
Gearing ⁴	2.11X	2.15X
Liquidity ⁵	1.47X	1.15X

Notes:

1 $\frac{\text{Results attributable to shareholders}}{(\text{opening equity} + \text{closing equity})/2}$

2 $\frac{\text{Results after tax}}{(\text{opening total assets} + \text{closing total assets})/2}$

3 $\frac{\text{Results before tax} + \text{Total interest expense}}{\text{Total interest expense (includes the capitalised interest)}}$

4 $\frac{\text{Financial indebtedness}}{\text{Net asset value}}$

5 $\frac{\text{Current assets}}{\text{Current liabilities}}$

6 Financial borrowings – cash and cash equivalents

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Analysis of Gross Financial Borrowings (as at 31 December)

	2003 HK\$'000	2002 HK\$'000
Loan maturity profile		
Within 1 year	355,770	1,016,173
In the 2nd year	869,034	677,237
In the 3rd to 5th years, inclusive	3,411,712	4,135,631
Over 5 years	13,852,306	12,496,506
	18,488,822	18,325,547
Currency		
	%	%
Hong Kong dollars	90.3	81.8
US dollars	0.0	10.5
Euro	0.0	0.1
Renminbi	9.7	7.6
Interest rate		
	%	%
Floating	*75.8	92.8
Fixed	12.1	7.2
Non-interest bearing	12.1	0.0

Note:

* Borrowings amounted to HK\$9.1 billion is hedged by certain fixed interest rate swap agreements.

Source of Financing (as at 31 December 2003)

	Available, committed and utilised %
Fixed rate GH Holdings Debts	6.7
Bank and other borrowings (excluding Convertible/Straight Bonds)	75.8
Non-interest bearing borrowing	12.1
Convertible/Straight bonds	5.4
	100.0

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Analysis of the Group's Business

An analysis of the Group's turnover and earnings before interest, tax, depreciation and amortization ("EBITDA") by principal activity and geographical area of operations for the year ended 31 December 2003 is as follows:

Year ended 31 December 2003

	Turnover		Profit/(loss) from operating activities after finance costs	EBITDA
	HK\$'000	%	HK\$'000	HK\$'000
By activities:				
Continuing operations:				
Water distribution	2,958,281	57.29	1,042,809	2,462,897
Electric power generation	623,786	12.08	101,157	163,478
Toll roads and bridges	8,880	0.17	(51,451)	(46,910)
Property investment and development	304,165	5.89	94,924	112,114
Hotel operations and management	154,722	3.00	77,687	126,625
Department stores operation	773,511	14.98	64,817	82,979
Corporate and others	2,439	0.05	204,372	182,504
	4,825,784	93.46	1,534,315	3,083,687
Discontinued operations:				
Brewery	110,513	2.14	12,135	34,191
Tannery	64,274	1.25	(91)	6,550
Malting	102,047	1.96	11,161	24,628
Tours	61,325	1.19	(2,030)	(200)
	338,159	6.54	21,175	65,169
	5,163,943	100	1,555,490	3,148,856
By geographical area:				
The People's Republic of China, excluding Hong Kong ("Mainland China")	4,988,083	96.59		
Hong Kong Special Administrative Region ("Hong Kong")	175,860	3.41		
Others	—	—		
	5,163,943	100		

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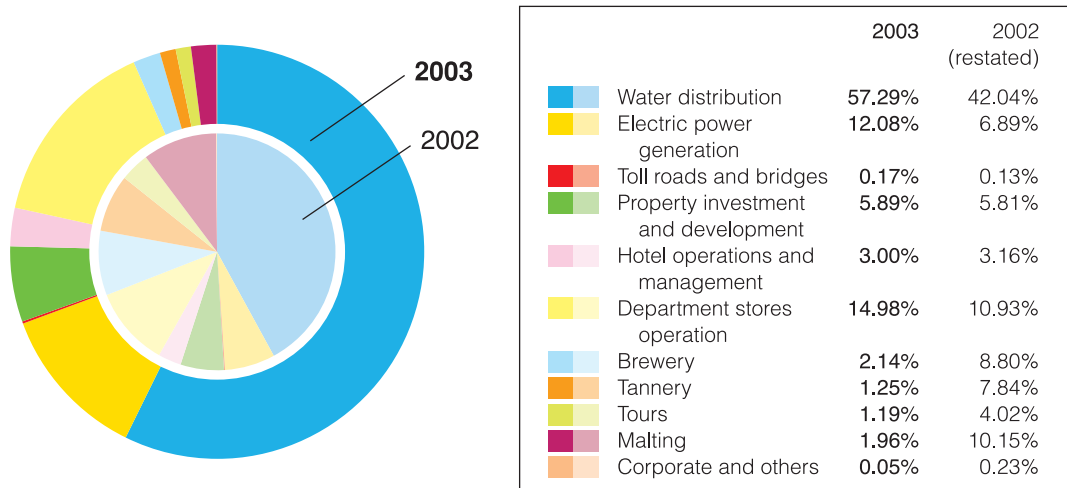
Analysis of the Group's Business (continued)

Year ended 31 December 2002

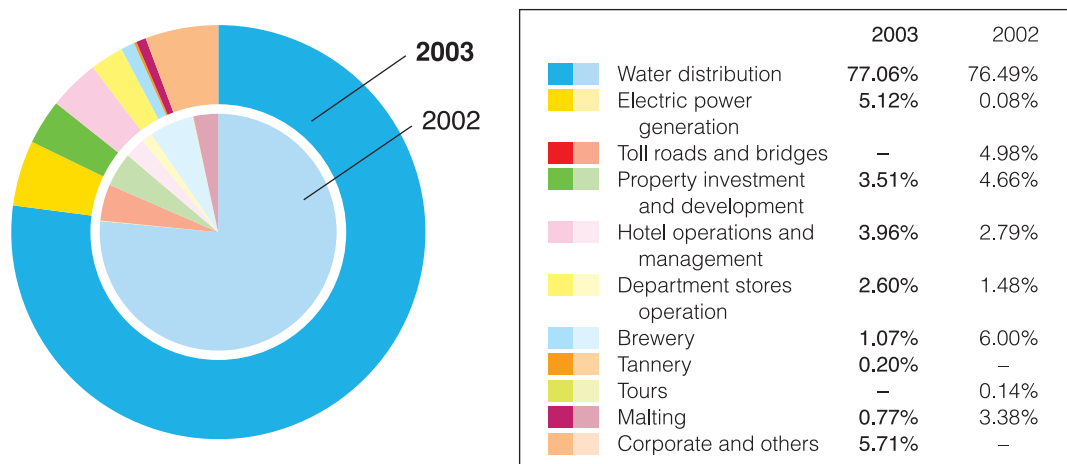
	Turnover		Profit/(Loss) from operating activities after finance costs	EBITDA
	HK\$'000	%	HK\$'000	HK\$'000
	(Restated)	(Restated)	(Restated)	(Restated)
By activities:				
Continuing operations:				
Water distribution	2,831,978	42.04	302,765	2,415,241
Electric power generation	464,370	6.89	(65,409)	2,579
Toll roads and bridges	8,587	0.13	39,755	157,151
Property investment and development	391,113	5.81	106,926	147,171
Hotel operations and management	212,615	3.16	73,811	87,948
Department stores operation	736,032	10.93	30,037	46,673
Corporate and others	15,261	0.23	(207,243)	(53,631)
	4,659,956	69.19	280,642	2,803,132
Discontinued operations:				
Brewery	593,052	8.80	104,943	189,469
Tannery	529,055	7.84	(73,672)	(47,710)
Malting	683,931	10.15	57,821	106,814
Tours	271,031	4.02	(13,120)	4,546
	2,077,069	30.81	75,972	253,119
	6,737,025	100	356,614	3,056,251
By geographical area:				
Mainland China	6,246,485	92.72		
Hong Kong	476,235	7.07		
Others	14,305	0.21		
	6,737,025	100		

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Business Segments
(Turnover)

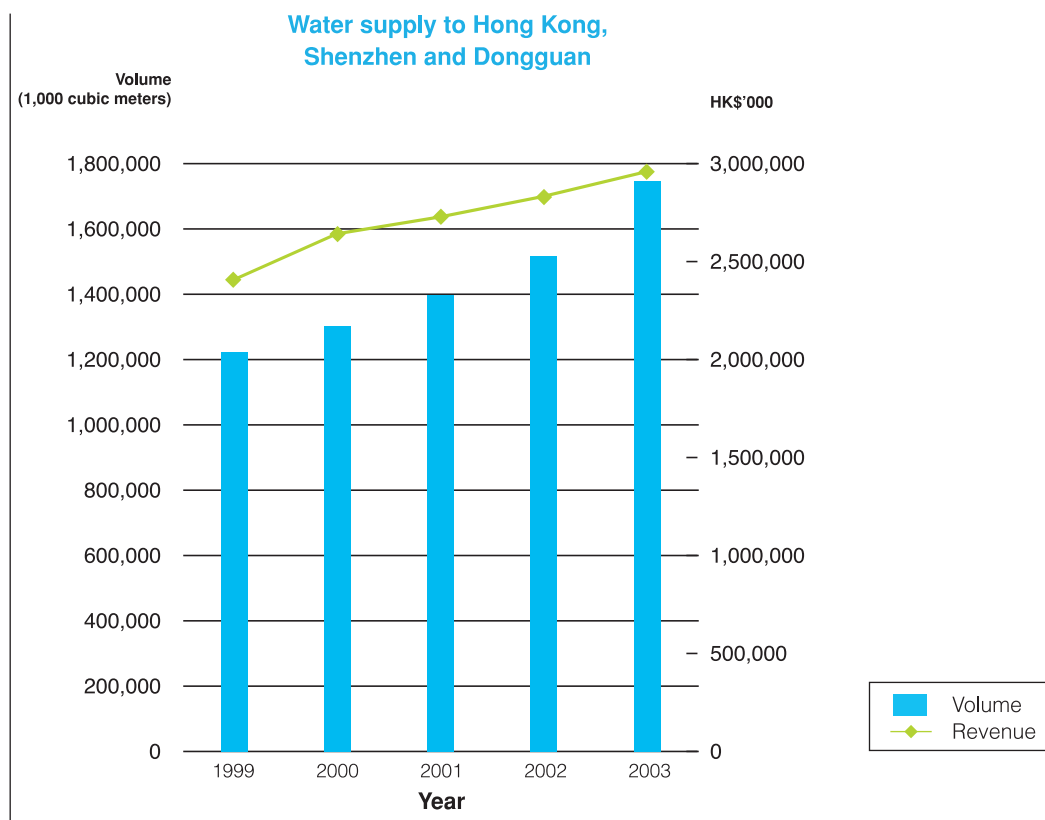


Business Segments
(EBITDA)



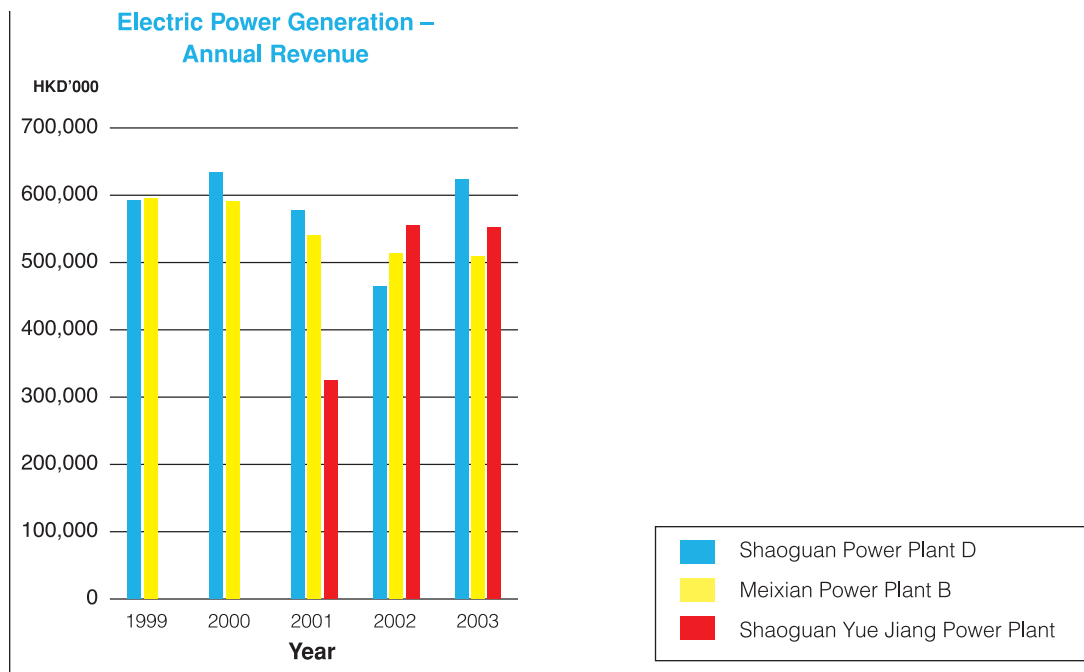
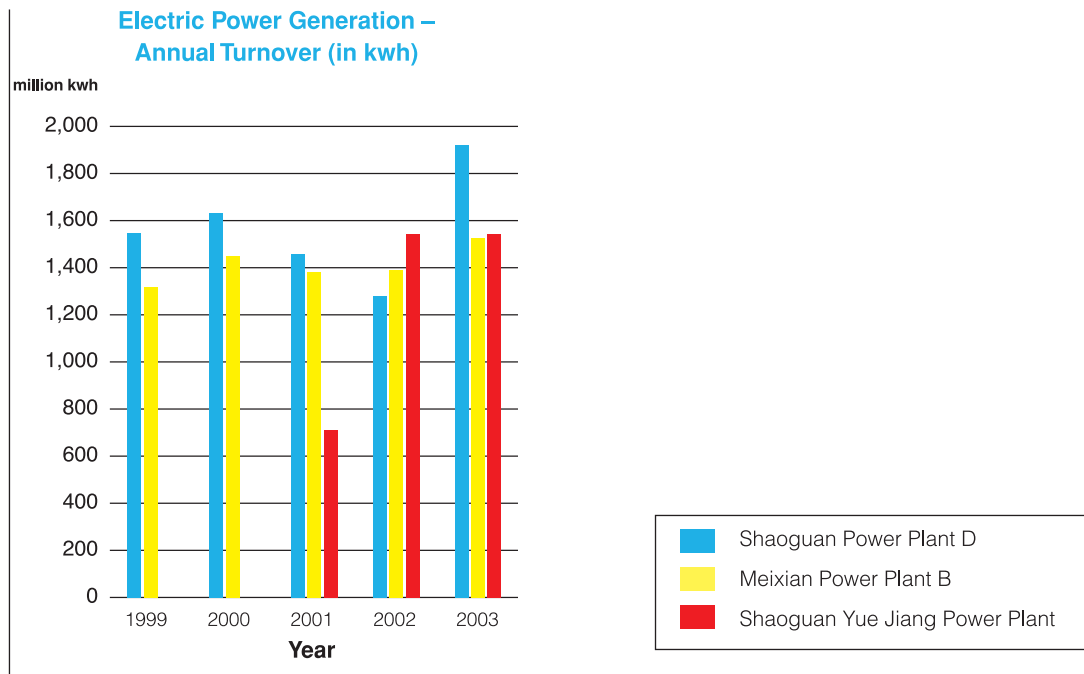
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Water Distribution



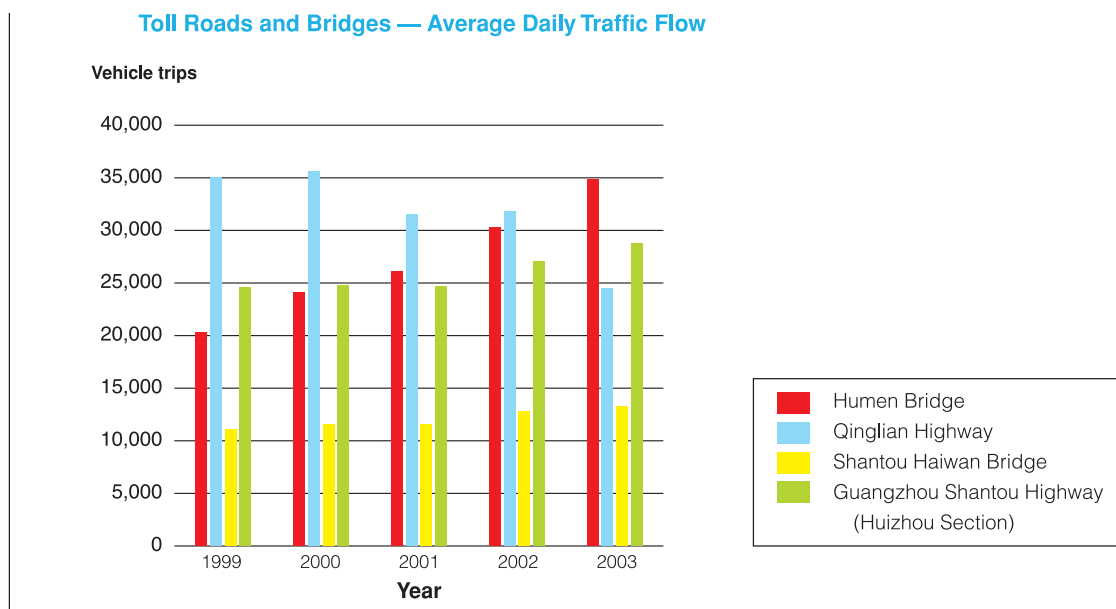
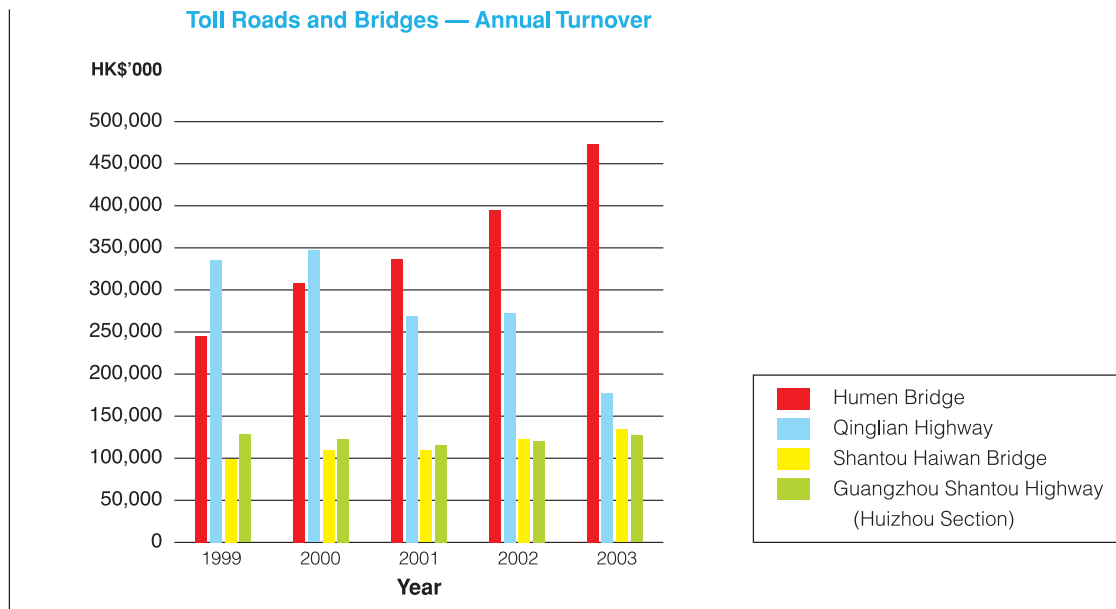
Financial Highlights

Electric Power Generation



Financial Highlights

Toll Roads and Bridges



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Hotel Operations

