

Extracts from Financial Statements of Principal Associates

for the year ended 30th June, 2004

THE HONG KONG AND CHINA GAS COMPANY LIMITED

Consolidated Income Statement

| | Six months ended 30th June, 2004 HK\$' Million (unaudited) | Six months ended 30th June, 2003 HK\$' Million (unaudited) (restated) | Year ended 31st December, 2003 HK\$' Million (audited) |
|-------------------------------------|---|---|--|
| Turnover | <u>4,266.9</u> | <u>3,975.6</u> | <u>7,288.8</u> |
| Profit before taxation | <u>2,147.7</u> | 2,252.5 | 3,799.7 |
| Taxation | <u>(370.5)</u> | <u>(438.5)</u> | <u>(735.2)</u> |
| Profit after taxation | <u>1,777.2</u> | 1,814.0 | 3,064.5 |
| Minority interests | <u>(11.2)</u> | <u>(8.9)</u> | <u>(13.6)</u> |
| Profit attributable to shareholders | <u>1,766.0</u> | <u>1,805.1</u> | <u>3,050.9</u> |
| Dividends | <u>677.2</u> | <u>677.2</u> | <u>1,975.2</u> |

Profit before taxation for the twelve-month period ended 30th June, 2004 is arrived at after deducting depreciation and amortisation charge of HK\$445.4 million (2003: HK\$428.2 million).

Consolidated Balance Sheet

| | At 31st December, 2003 HK\$' Million (audited) | At 31st December, 2002 HK\$' Million (audited) (restated) |
|--|--|--|
| Property, plant and equipment | <u>9,644.3</u> | 9,324.2 |
| Associates | <u>2,703.8</u> | 2,539.8 |
| Jointly controlled entities | <u>2,558.9</u> | 241.6 |
| Investment securities | <u>861.3</u> | 1,651.9 |
| Net current assets | <u>2,787.7</u> | <u>3,880.7</u> |
| | <u>18,556.0</u> | <u>17,638.2</u> |
| Share capital | <u>1,410.9</u> | 1,422.7 |
| Share premium | <u>3,907.8</u> | 3,907.8 |
| Reserves | <u>9,864.8</u> | 9,189.2 |
| Proposed dividend | <u>1,298.0</u> | <u>1,308.9</u> |
| Total shareholders' fund | <u>16,481.5</u> | 15,828.6 |
| Minority interests | <u>222.5</u> | 121.5 |
| Long-term liabilities and deferred items | <u>1,852.0</u> | <u>1,688.1</u> |
| | <u>18,556.0</u> | <u>17,638.2</u> |

Note: Certain comparative figures have been restated as a result of change in accounting policy for 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.

for the year ended 30th June, 2004

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

| | Six months ended 30th June, 2004 HK\$' Million (unaudited) | Six months ended 30th June, 2003 HK\$' Million (unaudited) | Year ended 31st December, 2003 HK\$' Million (audited) |
|------------------------|---|---|--|
| Turnover | <u>688.1</u> | <u>490.8</u> | <u>1,041.3</u> |
| Profit before taxation | <u>242.9</u> | 138.6 | 277.0 |
| Taxation | <u>(5.6)</u> | <u>(1.7)</u> | <u>(12.4)</u> |
| Profit after taxation | <u>237.3</u> | <u>136.9</u> | <u>264.6</u> |
| Dividends | <u>32.1</u> | <u>28.5</u> | <u>99.8</u> |

Profit before taxation for the twelve-month period ended 30th June, 2004 is arrived at after deducting depreciation and amortisation charge of HK\$9.8 million (2003: HK\$11.5 million).

Consolidated Balance Sheet

| | At 31st December, 2003 HK\$' Million (audited) | At 31st December, 2002 HK\$' Million (audited) (restated) |
|------------------------------------|---|--|
| Property, plant and equipment | <u>254.5</u> | 281.3 |
| Investment properties | <u>740.8</u> | 132.5 |
| Properties under development | <u>76.5</u> | 1,538.0 |
| Other non-current financial assets | <u>329.6</u> | 233.8 |
| Net current assets | <u>1,592.9</u> | 857.2 |
| Deferred taxation | <u>11.5</u> | 17.3 |
| | <u>3,005.8</u> | <u>3,060.1</u> |
| Share capital | <u>356.3</u> | 356.3 |
| Reserves | <u>2,649.5</u> | 2,703.8 |
| | <u>3,005.8</u> | <u>3,060.1</u> |

Extracts from Financial Statements of Principal Associates

for the year ended 30th June, 2004

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

Segmental Information

For the twelve months ended 30th June, 2004

| | Total revenue HK\$'000 (unaudited) | Inter-segment transactions HK\$'000 (unaudited) | Revenue from external customers HK\$'000 (unaudited) |
|---|---|--|--|
| Segment revenue | | | |
| Property development and investment | 967,541 | — | 967,541 |
| Ferry, shipyard and related operations | 141,890 | (1,464) | 140,426 |
| Travel and hotel operations | 145,127 | (617) | 144,510 |
| Others | 46,437 | (40,709) | 5,728 |
| | <u>1,300,995</u> | <u>(42,790)</u> | <u>1,258,205</u> |
| Analysed by: | | | |
| Turnover | | | 1,238,609 |
| Other revenue | | | <u>19,596</u> |
| | | | <u>1,258,205</u> |
| | Segment results HK\$'000 (unaudited) | Inter-segment transactions HK\$'000 (unaudited) | Consolidated results HK\$'000 (unaudited) |
| Segment results | | | |
| Property development and investment | 374,513 | — | 374,513 |
| Ferry, shipyard and related operations | 2,173 | — | 2,173 |
| Travel and hotel operations | 2,998 | — | 2,998 |
| Others | 377 | — | 377 |
| | <u>380,061</u> | <u>—</u> | <u>380,061</u> |
| Share of results of associates | | | <u>1,226</u> |
| Profit from ordinary activities before taxation | | | 381,287 |
| Taxation | | | <u>(16,260)</u> |
| Profit attributable to shareholders | | | <u>365,027</u> |

for the year ended 30th June, 2004

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 | |
|--|------------------|------------------------|---------------------------|----------|------------------|------------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 (restated) | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 (restated) |
| Property development and investment | 2,212,396 | 2,525,138 | — | — | 2,212,396 | 2,525,138 |
| Ferry, shipyard and related operations | 221,049 | 253,415 | — | — | 221,049 | 253,415 |
| Travel and hotel operations | 81,644 | 75,379 | — | — | 81,644 | 75,379 |
| Others | 908,392 | 958,701 | — | — | 908,392 | 958,701 |
| Total assets | 3,423,481 | 3,812,633 | — | — | 3,423,481 | 3,812,633 |

| | Segmental liabilities | | Inter-segment elimination | | Total liabilities | |
|--|-----------------------|------------------------|---------------------------|----------|-------------------|------------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 (restated) | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 (restated) |
| Property development and investment | 359,619 | 700,612 | — | — | 359,619 | 700,612 |
| Ferry, shipyard and related operations | 21,216 | 18,948 | — | — | 21,216 | 18,948 |
| Travel and hotel operations | 23,697 | 24,394 | — | — | 23,697 | 24,394 |
| Others | 13,163 | 8,532 | — | — | 13,163 | 8,532 |
| Total liabilities | 417,695 | 752,486 | — | — | 417,695 | 752,486 |

Other Segmental Information

| | Depreciation | | Impairment loss | | Capital expenditure incurred | |
|--|---------------|---------------|-----------------|---------------|------------------------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Property development and investment | 64 | 50 | — | — | 87,548 | 129,246 |
| Ferry, shipyard and related operations | 9,159 | 12,711 | 19,032 | 62,127 | 1,320 | 162 |
| Travel and hotel operations | 375 | 397 | — | — | 1,249 | 310 |
| Others | 449 | 478 | — | — | 82 | 69 |
| | 10,047 | 13,636 | 19,032 | 62,127 | 90,199 | 129,787 |

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

No geographical analysis is shown as less than 10% of the Hong Kong Ferry (Holdings) Company Limited revenue and profit from operations were derived from activities outside Hong Kong.

Extracts from Financial Statements of Principal Associates

for the year ended 30th June, 2004

MIRAMAR HOTEL & INVESTMENT COMPANY, LIMITED

Consolidated Income Statement

| | Year ended 31st March, 2004 HK\$' Million (audited) | Year ended 31st March, 2003 HK\$' Million (audited) (restated) |
|---|---|---|
| Turnover | <u>1,402.8</u> | <u>1,381.0</u> |
| Profit from operations | 344.3 | 305.9 |
| Finance costs | (24.8) | (43.3) |
| Share of profits of associates | <u>(0.2)</u> | <u>0.8</u> |
| Profit from ordinary activities before taxation | 319.3 | 263.4 |
| Taxation | <u>(82.3)</u> | <u>(46.0)</u> |
| Profit from ordinary activities after taxation | 237.0 | 217.4 |
| Minority interests | <u>13.3</u> | <u>6.2</u> |
| Profit attributable to shareholders | <u>250.3</u> | <u>223.6</u> |
| Dividends | <u>190.5</u> | <u>190.5</u> |

Operating profit for the twelve-month period ended 31st March, 2004 is arrived at after deducting depreciation and amortisation charge of HK\$35.8 million (2003: HK\$52.6 million).

for the year ended 30th June, 2004

MIRAMAR HOTEL & INVESTMENT COMPANY, LIMITED (cont'd)**Consolidated Balance Sheet**

| | At 31st March, 2004 HK\$' Million (audited) | At 31st March, 2003 HK\$' Million (audited) (restated) |
|----------------------------------|---|---|
| Investment properties | 5,730.8 | 5,416.1 |
| Property, plant and equipment | 2,186.9 | 2,057.7 |
| Properties under development | 104.8 | 270.4 |
| Interests in associates | 5.3 | 42.5 |
| Non-trading securities | 31.2 | 17.1 |
| Restricted cash | — | 29.8 |
| Pledged deposits | 38.7 | 38.7 |
| Net current assets (liabilities) | 228.5 | (83.1) |
| Other deferred items | <u>(1,155.1)</u> | <u>(1,184.4)</u> |
| | <u>7,171.1</u> | <u>6,604.8</u> |
| Share capital | 404.1 | 404.1 |
| Share premium | 287.6 | 287.6 |
| Reserves | <u>6,285.7</u> | <u>5,720.4</u> |
| Total shareholders' fund | 6,977.4 | 6,412.1 |
| Minority interests | <u>193.7</u> | <u>192.7</u> |
| | <u>7,171.1</u> | <u>6,604.8</u> |

Extracts from Financial Statements of Principal Associates

for the year ended 30th June, 2004

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 | |
|---|---------------------|----------------|--------------------------------|----------------|--------------------------------|----------------|-----------------------------|----------------|------------------|----------------|---------------------------|-----------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | 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 | 332,512 | 356,745 | 437,314 | 303,161 | 263,638 | 294,830 | 112,431 | 120,263 | 256,905 | 306,033 | — | — | 1,402,800 | 1,381,032 |
| Inter-segment revenue | 13,599 | 11,819 | — | — | 4,431 | 4,980 | — | — | 580 | 953 | (18,610) | (17,752) | — | — |
| Other revenue from external customers | 5,712 | 5,393 | 28 | 33 | 4,363 | 5,906 | 935 | 1,036 | 3,702 | 1,872 | — | — | 14,740 | 14,240 |
| Total | 351,823 | 373,957 | 437,342 | 303,194 | 272,432 | 305,716 | 113,366 | 121,299 | 261,187 | 308,858 | (18,610) | (17,752) | 1,417,540 | 1,395,272 |
| Contribution from operation | 264,407 | 262,917 | 97,697 | (18,430) | 90,697 | 110,224 | (3,702) | (3,755) | (10,763) | (4,651) | — | — | 438,336 | 346,305 |
| Provision for diminution in value of interest in associates | | | | | | | | | | | | | (12,750) | (83) |
| Provision for diminution in value of properties held for resale | | | | | | | | | | | | | (24,382) | (1,758) |
| Loss on disposal of fixed assets | | | | | | | | | | | | | (1,393) | (4,786) |
| Unallocated operating income and expenses | | | | | | | | | | | | | (55,555) | (33,796) |
| Profit from operations | | | | | | | | | | | | | 344,256 | 305,882 |
| Finance costs | | | | | | | | | | | | | (24,788) | (43,349) |
| Share of profits less losses of associates | 350 | 351 | 1,004 | (1,932) | (859) | 2,325 | (699) | 117 | — | — | — | — | (204) | 861 |
| Taxation | | | | | | | | | | | | | (82,282) | (45,992) |
| Minority interests | | | | | | | | | | | | | 13,346 | 6,240 |
| Profit attributable to shareholders | | | | | | | | | | | | | 250,328 | 223,642 |

Segmental balance sheet

| | Property investment | | Property development and sales | | Hotel ownership and management | | Food and beverage operation | | Travel operation | | Inter-segment elimination | | Consolidated | |
|--------------------------|---------------------|-----------|--------------------------------|----------|--------------------------------|-----------|-----------------------------|----------|------------------|----------|---------------------------|----------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | 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 | 5,781,063 | 5,461,526 | 470,770 | 535,968 | 2,229,723 | 2,079,285 | 13,749 | 16,781 | 43,597 | 27,325 | (7,895) | (7,877) | 8,531,007 | 8,113,008 |
| Investment in associates | 331 | 846 | (10,101) | 27,885 | 9,596 | 6,842 | 5,518 | 6,939 | — | — | — | — | 5,344 | 42,512 |
| Unallocated assets | | | | | | | | | | | | | 64,156 | 48,954 |
| Total assets | | | | | | | | | | | | | 8,600,507 | 8,204,474 |
| Segment liabilities | 118,462 | 125,301 | 16,555 | 25,364 | 37,838 | 36,361 | 6,782 | 5,214 | 48,664 | 33,586 | (7,895) | (7,877) | 220,406 | 217,949 |
| Unallocated liabilities | | | | | | | | | | | | | 1,208,988 | 1,381,659 |
| Total liabilities | | | | | | | | | | | | | 1,429,394 | 1,599,608 |

for the year ended 30th June, 2004

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 | |
|--|---------------------|---------------|--------------------------------|------------|--------------------------------|---------------|-----------------------------|--------------|------------------|------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | 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 | 19,279 | 1,387 | 145,086 | 152,023 | 8,309 | 3,480 | 1,597 | 257 | 423 | 209 |
| Depreciation for the year | 16,833 | <u>33,545</u> | 2,663 | <u>877</u> | 9,779 | <u>10,086</u> | 3,591 | <u>4,031</u> | 751 | <u>872</u> |

Geographical Segments

At 31st March

| | Hong Kong | | PRC | | United States | |
|--|------------------|--------------|----------------|------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue from external customers | 918,011 | 1,027,978 | 61,807 | 75,375 | 422,982 | 277,679 |
| Segment assets | 7,624,032 | 7,142,531 | 563,866 | 544,977 | 351,004 | 433,377 |
| Capital expenditure incurred during the year | 29,251 | <u>4,721</u> | 357 | <u>612</u> | 145,086 | <u>152,023</u> |

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