

# Extracts of Financial Statements of Hongkong Electric

## Appendix 4

The following is a summary of the audited consolidated profit and loss account and consolidated balance sheet of Hongkong Electric, a principal associate of the Company, for the year ended 31st December, 2004, as extracted from the 2004 published financial statements of Hongkong Electric.

### Consolidated Profit and Loss Account

for the year ended 31st December

HK\$ million	2004	2003
<b>Turnover</b>	<b>11,407</b>	11,250
Direct costs	<b>(3,999)</b>	(3,915)
	<b>7,408</b>	7,335
Other revenue and net income	<b>938</b>	1,283
Other operating costs	<b>(760)</b>	(578)
Finance costs	<b>(569)</b>	(646)
<b>Operating profit</b>	<b>7,017</b>	7,394
Share of results of associates	<b>314</b>	241
<b>Profit before taxation</b>	<b>7,331</b>	7,635
Income tax:		
Current	<b>(1,048)</b>	(1,092)
Deferred	<b>(3)</b>	(619)
<b>Profit after taxation</b>	<b>6,280</b>	5,924
<b>Scheme of Control transfers</b>		
From/(To):		
Development Fund	–	139
Rate Reduction Reserve	–	(6)
<b>Profit attributable to shareholders</b>	<b>6,280</b>	6,057
<b>Dividends</b>		
Interim dividend paid	<b>1,238</b>	1,238
Proposed final dividend	<b>2,540</b>	2,412
	<b>3,778</b>	3,650
<b>Earnings per share</b>	<b>HK\$2.94</b>	HK\$2.84
<b>Dividends per share</b>	<b>HK\$1.77</b>	HK\$1.71

# Extracts of Financial Statements of Hongkong Electric

## Appendix 4 (cont'd)

### Consolidated Balance Sheet

as at 31st December

HK\$ million	2004	2003
Fixed assets		
Property, plant and equipment	41,308	42,024
Assets under construction	3,968	3,000
Interest in associates	9,198	8,425
Other investments	39	7
Employee retirement benefit assets	296	236
Current assets	4,158	3,020
Current liabilities	(2,916)	(3,865)
Non-current liabilities	(18,195)	(17,531)
Rate Reduction Reserve	–	(5)
<b>Net assets</b>	<b>37,856</b>	35,311
Share capital	2,134	2,134
Reserves	35,722	33,177
<b>Capital and reserves</b>	<b>37,856</b>	35,311