

Financial Highlights

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER

	2005 HK\$'000	2004 HK\$'000 (Restated)	Changes %
Revenue	5,249,158	5,109,127	2.7
Profit for the year attributable to shareholders	1,303,495	895,776	45.5
Earnings per share — Basic	22.69 HK cents	16.00 HK cents	41.8
Dividends per share			
Interim	4.00 HK cents	2.50 HK cents	
Proposed final	5.00 HK cents	3.50 HK cents	
	9.00 HK cents	6.00 HK cents	50.0
EBITDA	3,430,511	3,090,831	11.0
Shareholders' equity	11,478,289	10,044,682	14.3
Total assets	30,549,119	30,355,119	0.6
Net financial borrowings ⁷	13,051,824	15,112,165	(13.6)

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KEY RATIOS (As at 31 December)

	2005	2004 (Restated)
Gearing ¹	1.17X	1.54X
Interest cover ²	4.55X	3.87X
Liquidity ³	1.45X	1.66X
Return on average shareholders' equity ⁴	12.37%	9.29%
Post-tax return on average assets ⁵	4.96%	3.49%
Dividend payout ratio ⁶	40%	38%

SHARE INFORMATION (As at 31 December)

	2005	2004 (Restated)
Ordinary shares (HK\$0.5 per share) in issue	6,018m	5,562m
Market capitalisation	HK\$17,451m	HK\$14,460m
Closing market price per share	HK\$2.90	HK\$2.60
Basic earnings per share	22.69 HK cents	16.00 HK cents
Diluted earnings per share	21.51 HK cents	15.32 HK cents
Net asset value ⁸ per share	HK\$1.91	HK\$1.81

Notes:

- | | |
|--|---|
| 1. $\frac{\text{Financial indebtedness}}{\text{Net asset value}^8}$ | 5. $\frac{\text{Profit for the year}}{(\text{opening total assets} + \text{closing total assets})/2}$ |
| 2. $\frac{\text{EBITDA}}{\text{Finance costs}}$ | 6. $\frac{\text{Dividends per share}}{\text{Basic earnings per share}}$ |
| 3. $\frac{\text{Current assets}}{\text{Current liabilities}}$ | 7. Financial borrowings – cash and cash equivalents |
| 4. $\frac{\text{Profit for the year attributable to shareholders}}{(\text{opening equity}^8 + \text{closing equity}^8)/2}$ | 8. Excluded minority interests |

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ANALYSIS OF GROSS FINANCIAL BORROWINGS (As at 31 December)

	2005 HK\$'000	2004 HK\$'000 (Restated)
Loans maturity profile		
Within 1 year	163,860	159,942
In the 2nd year	381,345	655,790
In the 3rd to 5th years, inclusive	3,740,938	2,955,267
Over 5 years	10,879,725	12,983,854
	15,165,868	16,754,853
Currency	%	%
Hong Kong dollars	91.0	91.5
Renminbi	9.0	8.5
Interest rate	%	% (Restated)
Floating	*78.6	77.3
Fixed	8.1	10.0
Non-interest bearing	13.2	12.7

Note:

* Borrowings amounted to HK\$7.9 billion is hedged by certain fixed interest rate swap agreements.

SOURCE OF FINANCING (As at 31 December 2005)

	Available, committed and utilised %
Fixed rate Tranche B Credit	6.0
Bank and other borrowings	82.5
Non-interest-bearing borrowing	11.5
	100.0

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ANALYSIS OF THE GROUP'S BUSINESS

An analysis of the Group's revenue, profit before tax and earnings before interest, tax, depreciation and amortisation ("EBITDA") by principal activities and geographical area of operations for the year ended 31 December 2005 is as follows:

Year ended 31 December 2005

	Revenue		Profit before tax		EBITDA	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
By activities:						
Water distribution	3,192,988	60.83	1,039,229	60.13	2,695,417	78.57
Electric power generation	403,526	7.69	1,331	0.08	20,626	0.60
Toll roads and bridges	12,234	0.23	94,580	5.47	18,114	0.53
Property investment and development	340,449	6.48	423,376	24.50	427,276	12.46
Department stores	1,045,495	19.92	82,284	4.76	107,855	3.14
Hotel operations and management	254,466	4.85	66,069	3.83	123,378	3.60
Others	—	—	21,306	1.23	37,845	1.10
	5,249,158	100.00	1,728,175	100.00	3,430,511	100.00
By geographical area:						
Mainland China	5,088,233	96.93				
Hong Kong	160,925	3.07				
	5,249,158	100.00				

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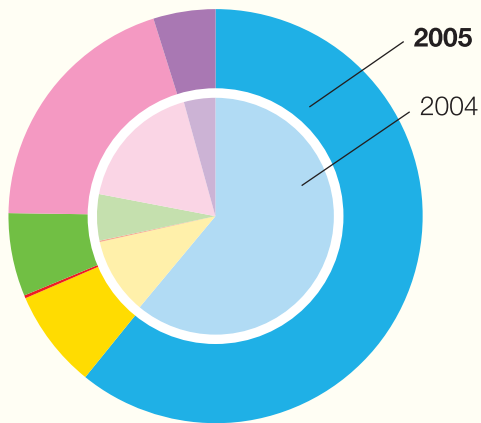
ANALYSIS OF THE GROUP'S BUSINESS (continued)

Year ended 31 December 2004

	Turnover		Profit/(loss) before tax (Restated)		EBITDA (Restated)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
By activities:						
Water distribution	3,118,627	61.04	822,831	66.02	2,591,478	83.37
Electric power generation	534,250	10.46	10,846	0.87	16,642	0.54
Toll roads and bridges	9,868	0.19	44,593	3.58	14,278	0.46
Property investment and development	322,341	6.31	290,475	23.31	329,636	10.60
Department stores	905,052	17.71	61,158	4.91	60,919	1.96
Hotel operations and management	218,989	4.29	16,382	1.31	95,528	3.07
Others	—	—	(8,192)	—	(17,650)	—
	5,109,127	100.00	1,238,093	100.00	3,090,831	100.00
By geographical area:						
Mainland China	4,969,191	97.26				
Hong Kong	139,936	2.74				
	5,109,127	100.00				

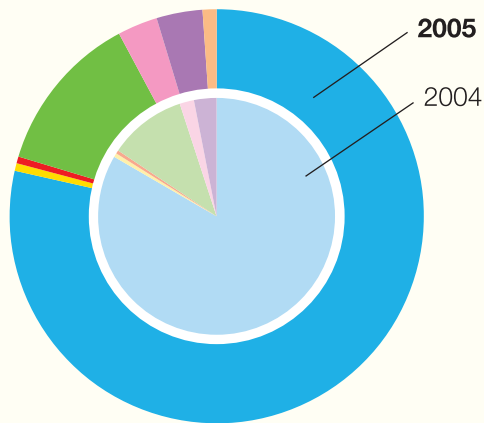
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Revenue by Business Segments



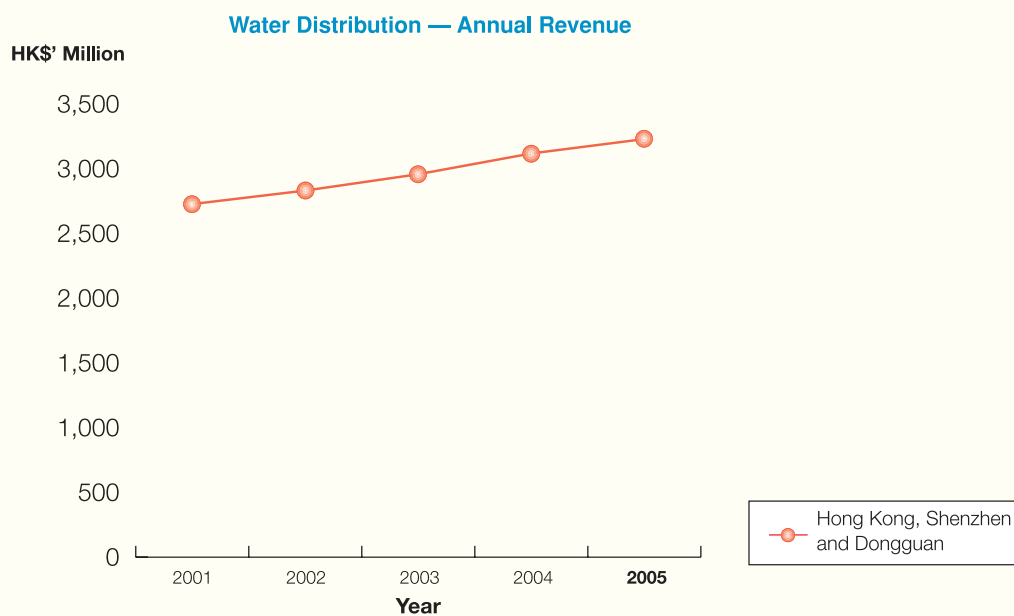
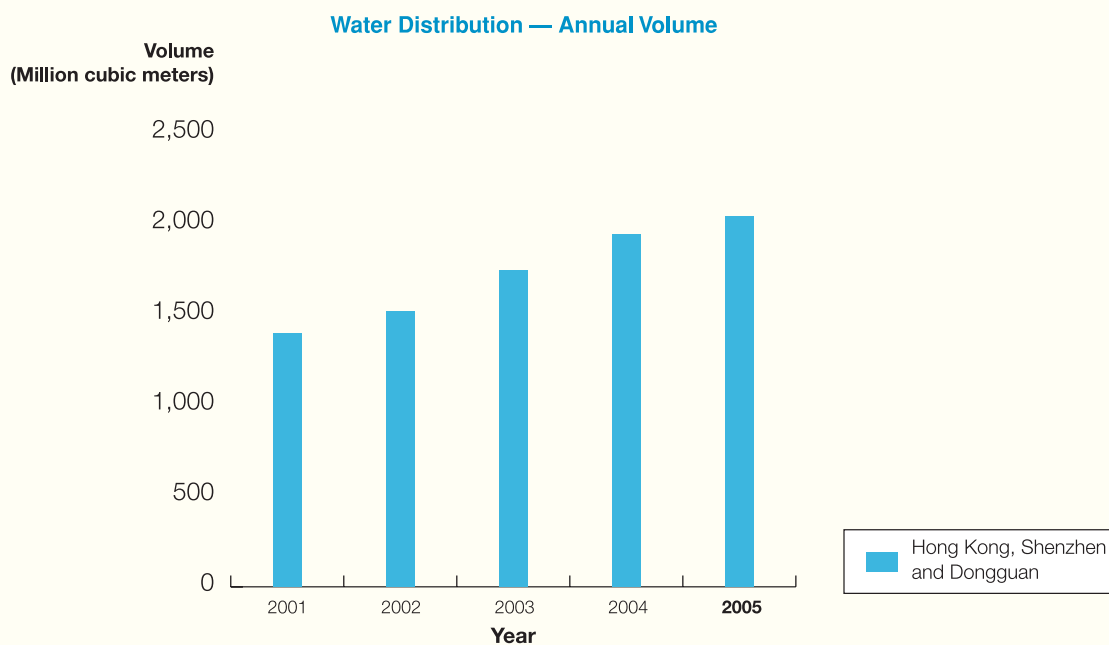
	2005	2004
Water distribution	60.83%	61.04%
Electric power generation	7.69%	10.46%
Toll roads and bridges	0.23%	0.19%
Property investment and development	6.48%	6.31%
Department stores	19.92%	17.71%
Hotel operations and management	4.85%	4.29%
Others	—	—

EBITDA by Business Segments



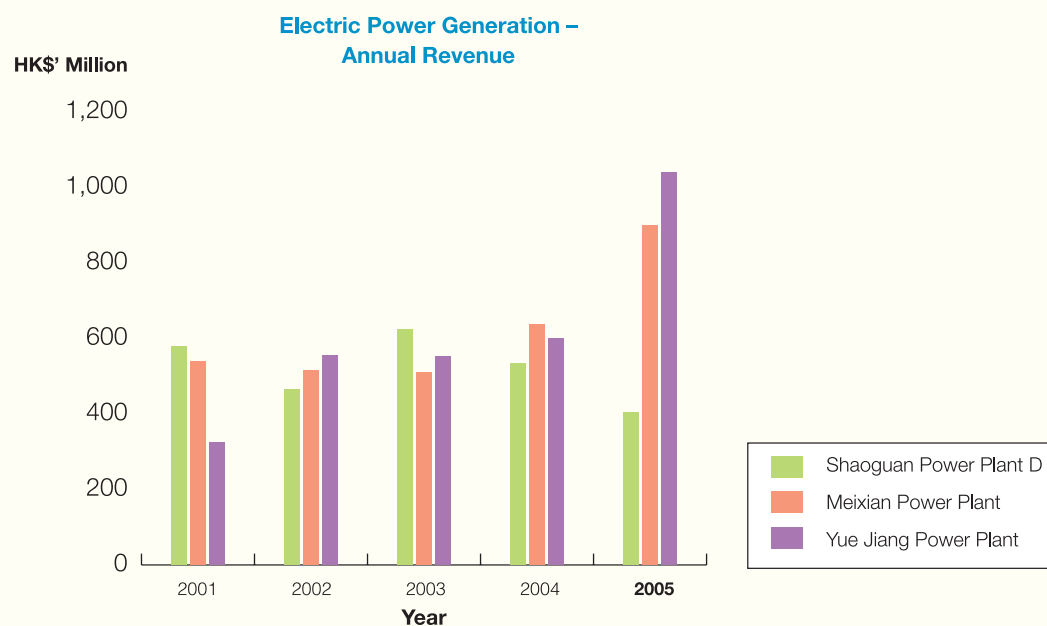
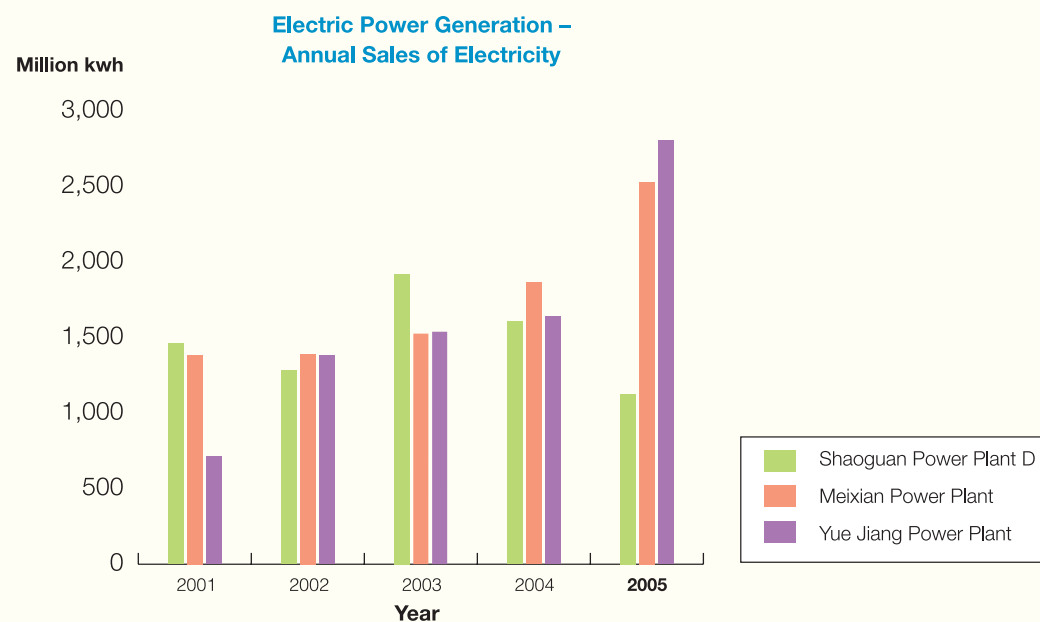
	2005	2004
Water distribution	78.57%	83.37%
Electric power generation	0.60%	0.54%
Toll roads and bridges	0.53%	0.46%
Property investment and development	12.46%	10.60%
Department stores	3.14%	1.96%
Hotel operations and management	3.60%	3.07%
Others	1.10%	—

WATER DISTRIBUTION

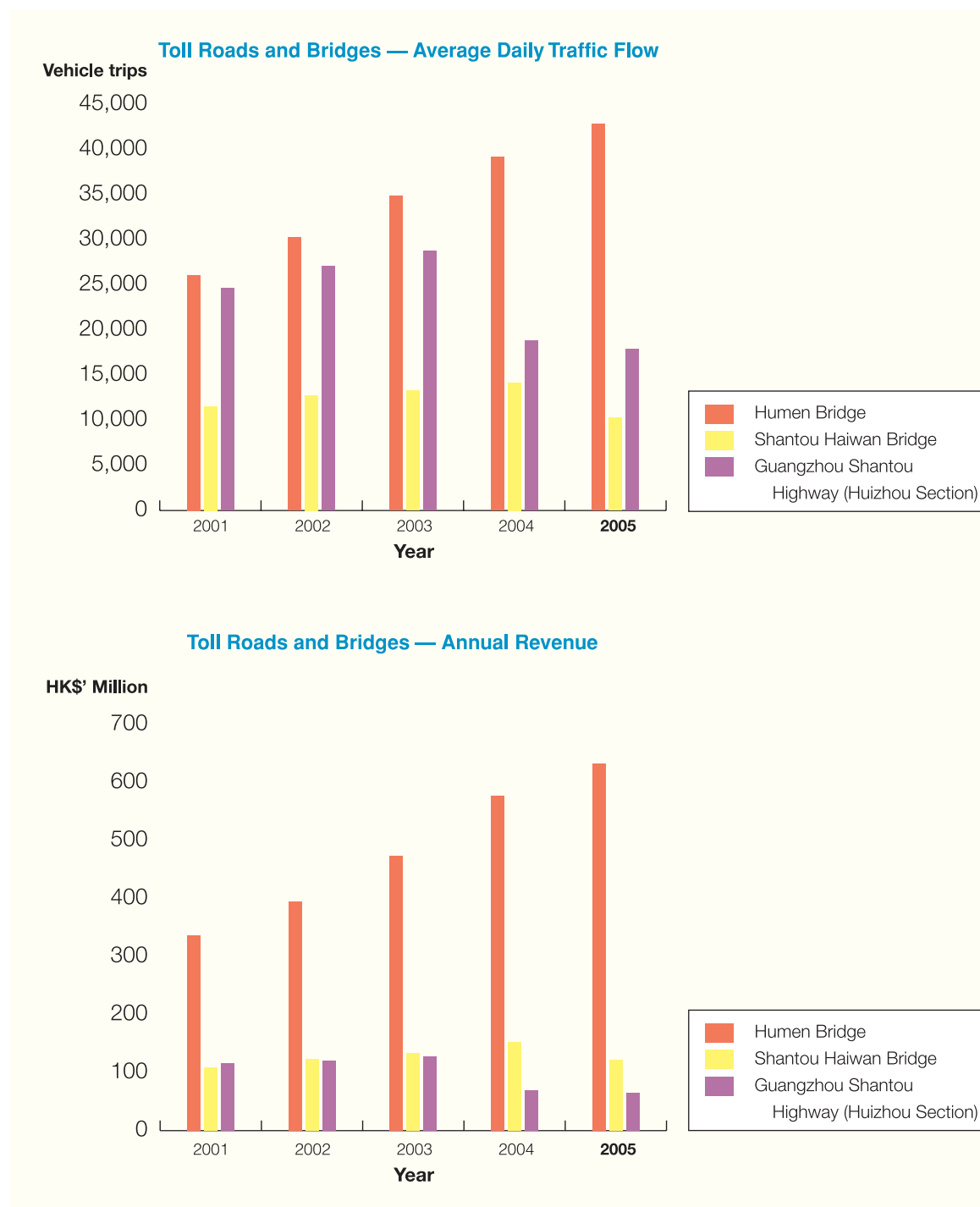


Financial Highlights

ELECTRIC POWER GENERATION



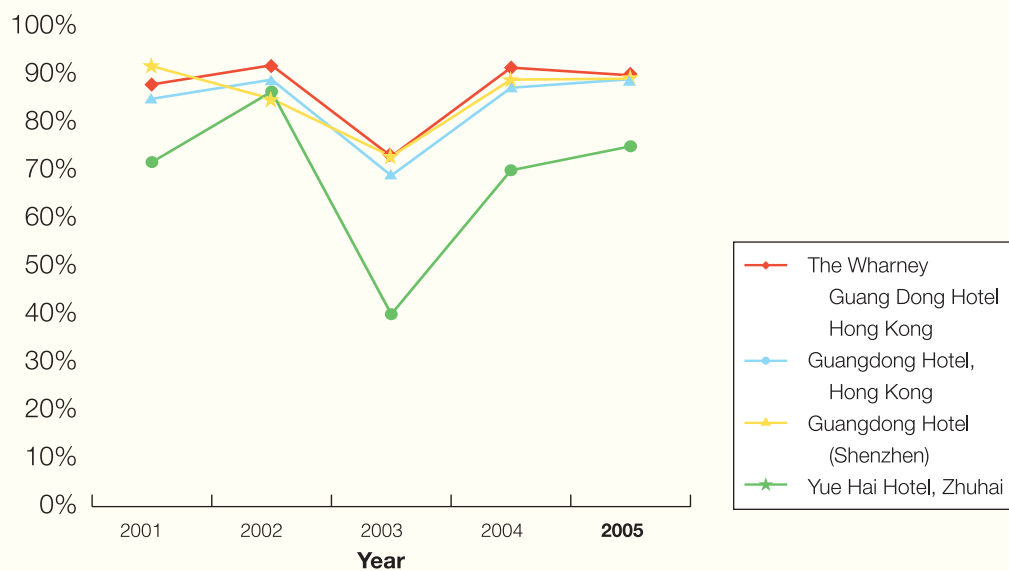
TOLL ROADS AND BRIDGES



Financial Highlights

HOTEL OPERATIONS AND MANAGEMENT

Hotels – Occupancy Rate



Hotels – Annual Revenue

