

Extracts from Financial Statements of Principal Associates

for the year ended 30 June 2006

The Hong Kong and China Gas Company Limited

Consolidated Income Statement

	Six months ended 30 June 2006 HK\$ million (unaudited)	Six months ended 30 June 2005 HK\$ million (unaudited)	Year ended 31 December 2005 HK\$ million (audited)
Turnover	5,418.4	4,837.2	9,350.9
Profit before taxation	2,874.4	3,512.6	5,920.4
Taxation	(369.3)	(379.9)	(628.6)
Profit for the year	2,505.1	3,132.7	5,291.8
Profit attributable to shareholders	2,509.5	3,125.2	5,281.4
Dividends	661.1	669.5	1,935.7

Profit before taxation for the twelve-month period ended 30 June 2006 is arrived at after deducting depreciation and amortisation charge of HK\$545.9 million (2005: HK\$485.0 million).

Consolidated Balance Sheet

	At 31 December 2005 HK\$ million (audited)	At 31 December 2004 re-stated HK\$ million (audited)
Property, plant and equipment	10,604.5	8,566.6
Leasehold land	462.5	403.3
Associates	2,060.9	1,206.7
Jointly controlled entities	5,197.5	1,709.5
Available-for-sale financial assets	768.0	—
Other non-current asset	45.8	—
Investment securities	—	624.3
Net current assets	2,275.2	4,401.4
	21,414.4	16,911.8
Share capital	1,377.2	1,403.7
Share premium	3,907.8	3,907.8
Reserves	9,863.9	8,001.0
Proposed dividend	1,267.0	1,291.4
Shareholders' fund	16,415.9	14,603.9
Minority interests	428.4	285.0
Total equity	16,844.3	14,888.9
Non-current liabilities	4,570.1	2,022.9
	21,414.4	16,911.8

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.

Extracts from Financial Statements of Principal Associates

for the year ended 30 June 2006

Hong Kong Ferry (Holdings) Company Limited

Consolidated Income Statement

	Six months ended 30 June 2006 HK\$ million (unaudited)	Six months ended 30 June 2005 HK\$ million (unaudited)	Year ended 31 December 2005 HK\$ million (audited)
Turnover	298.3	496.6	764.1
Profit before taxation	104.0	168.6	229.4
Taxation	17.8	21.3	13.8
Profit attributable to shareholders	121.8	189.9	243.2
Dividends	32.0	32.1	117.6

Profit before taxation for the twelve-month period ended 30 June 2006 is arrived at after deducting depreciation and amortisation charge of HK\$11.0 million (2005: HK\$9.4 million).

Consolidated Balance Sheet

	At 31 December 2005 HK\$ million (audited)	At 31 December 2004 re-stated HK\$ million (audited)
Investment properties	692.3	830.5
Properties held for development	—	550.5
Other property, plant and equipment	149.0	148.6
Interest in leasehold land	73.0	74.8
Other non-current financial assets	382.1	313.0
Net current assets	2,085.3	1,300.6
Deferred taxation	(16.8)	(10.8)
	3,364.9	3,207.2
Share capital	356.3	356.3
Reserves	3,008.6	2,850.9
	3,364.9	3,207.2

Extracts from Financial Statements of Principal Associates

for the year ended 30 June 2006

Hong Kong Ferry (Holdings) Company Limited *(cont'd)*

Segmental Information

For the twelve months ended 30 June 2006

	Total revenue HK\$ million (unaudited)	Inter-segment transactions HK\$ million (unaudited)	Revenue from external customers HK\$ million (unaudited)
Segment revenue			
Property development and investment	238.8	0.1	238.7
Ferry, shipyard and related operations	155.2	2.3	152.9
Travel and hotel operations	160.8	—	160.8
Others	80.0	39.3	40.7
	634.8	41.7	593.1
Analysed by:			
Turnover			565.8
Other revenue			27.3
			593.1
	Segment results HK\$ million (unaudited)	Inter-segment transactions HK\$ million (unaudited)	Consolidated results HK\$ million (unaudited)
Segment results			
Property development and investment	147.0	—	147.0
Ferry, shipyard and related operations	(21.2)	—	(21.2)
Travel and hotel operations	(1.9)	—	(1.9)
Others	40.4	—	40.4
	164.3	—	164.3
Share of results of associates			0.4
Profit from ordinary activities before taxation			164.7
Taxation			10.3
Profit attributable to shareholders			175.0

Extracts from Financial Statements of Principal Associates

for the year ended 30 June 2006

Hong Kong Ferry (Holdings) Company Limited (cont'd)

Segmental Balance Sheet

At 31st December

	Segmental assets		Inter-segment elimination		Total assets	
	2005	2004 re-stated	2005	2004	2005	2004 re-stated
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Property development and investment	2,064.3	2,276.3	—	—	2,064.3	2,276.3
Ferry, shipyard and related operations	212.3	210.7	—	—	212.3	210.7
Travel and hotel operations	53.6	54.4	—	—	53.6	54.4
Others	1,255.9	996.3	—	—	1,255.9	996.3
Total assets	3,586.1	3,537.7	—	—	3,586.1	3,537.7

	Segmental liabilities		Inter-segment elimination		Total liabilities	
	2005	2004 re-stated	2005	2004	2005	2004 re-stated
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Property development and investment	141.6	256.2	—	—	141.6	256.2
Ferry, shipyard and related operations	17.4	19.8	—	—	17.4	19.8
Travel and hotel operations	25.2	25.0	—	—	25.2	25.0
Others	36.9	29.4	—	—	36.9	29.4
Total liabilities	221.1	330.4	—	—	221.1	330.4

Other Segmental Information

	Depreciation and amortisation		Impairment loss		Capital expenditure incurred	
	2005	2004 re-stated	2005	2004	2005	2004
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Property development and investment	—	0.1	—	—	32.7	557.0
Ferry, shipyard and related operations	7.6	9.2	—	1.3	7.8	6.0
Travel and hotel operations	2.3	2.1	—	—	0.9	0.5
Others	0.2	0.4	3.1	—	0.2	0.4
	10.1	11.8	3.1	1.3	41.6	563.9

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 30 June 2006

Miramar Hotel & Investment Company, Limited

Consolidated Income Statement

	Year ended 31 March 2006	Year ended 31 March 2005 re-stated
	HK\$ million (audited)	HK\$ million (audited)
Turnover	1,662.9	1,362.1
Profit from operations	1,541.2	1,084.6
Finance costs	(37.0)	(16.0)
Share of profits less losses of associates	5.3	2.9
Profit before taxation	1,509.5	1,071.5
Income tax	(301.9)	(213.3)
Profit for the year	1,207.6	858.2
Profit attributable to shareholders	1,169.4	846.1
Dividends	225.1	213.6

Profit before taxation for the twelve-month period ended 31 March 2006 is arrived at after deducting depreciation and amortisation charge of HK\$37.4 million (2005: HK\$35.1 million).

Consolidated Balance Sheet

	At 31 March 2006	At 31 March 2005 re-stated
	HK\$ million (audited)	HK\$ million (audited)
Investment properties	7,211.8	6,329.9
Other fixed assets	210.2	234.1
Interests in associates	7.3	2.0
Available-for-sale securities	28.9	33.0
Pledged deposits	—	38.7
Other non-current assets	17.1	1.3
Net current assets	306.2	105.1
Non-current liabilities	(1,790.6)	(1,748.5)
	5,990.9	4,995.6
Share capital	404.1	404.1
Reserves	5,535.6	4,580.8
Shareholders' fund	5,939.7	4,984.9
Minority interests	51.2	10.7
Total equity	5,990.9	4,995.6

Extracts from Financial Statements of Principal Associates

for the year ended 30 June 2006

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	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million
Revenue from external customers	366.7	349.3	450.5	259.1	340.2	315.2	194.6	132.7	310.9	305.9	—	—	1,662.9	1,362.2
Inter-segment revenue	14.4	14.1	—	—	4.3	4.9	—	—	0.6	0.6	(19.3)	(19.6)	—	—
Other revenue from external customers	2.8	2.6	—	—	3.2	4.1	1.7	1.1	1.5	1.9	—	—	9.2	9.7
Total	383.9	366.0	450.5	259.1	347.7	324.2	196.3	133.8	313.0	308.4	(19.3)	(19.6)	1,672.1	1,371.9
Contribution from operations	287.7	263.7	287.5	106.5	145.4	128.5	—	(8.4)	(8.9)	(9.1)	—	—	711.7	481.2
Reversal impairment of interest in associates													1.3	0.5
Provision for impairment of properties held for resale													0.1	(6.5)
Net increase in fair value of investment properties	878.5	655.2	—	—	—	—	—	—	—	—	—	—	878.5	655.2
Unallocated operating income and expenses													(50.4)	(45.8)
Profit from operations													1,541.2	1,084.6
Finance costs													(37.0)	(16.0)
Share of profits less losses of associates	0.3	0.3	(0.2)	0.6	5.1	2.2	0.1	(0.2)	—	—	—	—	5.3	2.9
Income tax													(301.9)	(213.3)
Profit for the year													1,207.6	858.2

Extracts from Financial Statements of Principal Associates

for the year ended 30 June 2006

Miramar Hotel & Investment Company, Limited (cont'd)

Segmental Information (cont'd)

For the year ended 31st March

Segmental balance sheet

	Property investment		Property development and sales		Hotel ownership and management		Food and beverage operation		Travel operation		Inter-segment elimination		Consolidated	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million
Segment assets	7,375.5	6,507.8	627.1	478.8	144.5	141.8	43.8	44.7	35.0	39.0	(6.7)	(9.0)	8,219.2	7,203.1
Investment in associates	0.3	0.2	(13.6)	(12.0)	14.5	9.0	6.1	4.8	—	—	—	—	7.3	2.0
Unallocated assets													79.3	89.7
Total assets													8,305.8	7,294.8
Segment liabilities	130.1	116.3	18.1	12.3	30.6	31.7	14.5	16.1	35.4	39.8	(6.7)	(9.0)	222.0	207.2
Unallocated liabilities													2,092.9	2,092.0
Total liabilities													2,314.9	2,299.2

Other segment information

	Property investment		Property development and sales		Hotel ownership and management		Food and beverage operation		Travel operation	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million
Capital expenditure incurred during the year	3.5	6.9	—	84.8	3.8	11.2	3.7	29.2	1.7	1.7
Depreciation for the year	17.6	17.5	0.7	2.0	11.7	11.0	5.0	3.5	0.9	0.5

Geographical Segments

At 31st March

	Hong Kong		PRC		United States of America	
	2006	2005	2006	2005	2006	2005
	HK\$ million	re-stated HK\$ million	HK\$ million	re-stated HK\$ million	HK\$ million	HK\$ million
Revenue from external customers	1,160.6	1,052.2	63.9	66.0	438.4	244.0
Segment assets	7,120.2	6,295.8	559.8	535.5	545.8	380.8
Capital expenditure incurred during the year	12.0	48.0	0.7	1.0	—	84.8