

Enhance profit potential
Broaden business spectrum



Chairman's Statement

Dear Shareholders,

Under the guidance of the Group's operational philosophy of prudent & practical approach, the Group has been focusing on its core highway business and has achieved steady growth even under a wide fluctuating economic environment in Year 2000.

The consolidated profit attributable to shareholders for the Year 2000 amounted to HK\$ 428 million, a net increase of 7.4% as compared with that of the same period for 1999 after deducting the exceptional gain. Earnings per share was HK\$ 0.76. The Board of Directors is recommending a final dividend of HK\$ 0.07 per share. Together with the interim dividend, the total dividend for 2000 will be HK\$ 0.26 per shares. Dividend to profit ratio is similar to that of last year.

In the past year, the Group continued to consolidate its business operation by strengthening management on toll collection, expediting procedures of repatriation, and tightening control on road maintenance and operation expenses to strike for higher yield of return on existing toll road projects. The Group also actively sought all means to improve those lackluster projects. In the first half of 2000, the Group acquired a new project, Heye Highway in Anhui, and successfully arranged a RMB project loan. The Group has been closely monitoring market situation and will invest new projects whenever opportunities arise. During the year, the Group also invested less than 2% of its total assets on a new business, medical & health products and supply of North American ginseng. The business has been healthily developing.

China's economic reforms and implementation of new policies for impending admission to World Trade Organization have created multiple business activities. These activities will benefit the Group's existing business and provide rooms for



business growth and expansion. The Group will further develop its core highway business and will vigorously explore the possibilities of investing in transport related business. The Group will also closely monitor any possible new business opportunities as a result of market development.

After seven years of steady development, the Group has been built on solid foundation. Reliable cash income, sound financial strength, strong competitive edge in China's operation, extensive business network as well as a team of professional and dedicated staff are the Group's valuable assets and ingredients for future growth and expansion. Under the guidance of prudent and practical approach, the leadership of the Board, the support from shareholders and the hard-working of our team of dedicated staff, the Group will continue to grow steadily.

I would like to take this opportunity to express my hearty gratitude to our business partners, our shareholders, and loyal and dedicated staff.

Zen Wei Pao, William

Chairman

Hong Kong, 28 March 2001

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