



ZEN Wei Pao, William
Chairman

Dear Shareholders,

In 2003, the Group continued to develop its core business steadily in China with solid and stable direction.

The Group's consolidated net profit for the year was HK\$318.3 million and earnings per share was HK55 cents. The Board of Directors has proposed a final dividend of HK10 cents per share. Together with the interim dividend, the total dividend per ordinary share for 2003 is HK25 cents, representing an increase of 4% over that of 2002.

The Group's toll road business generated stable and strong cash inflow. In 2003, the Group received a total amount of HK\$677 million. Even though capital investments on new projects during the year amounted to over HK\$900 million, the Group's cash and bank balances at the end of the year still maintained at HK\$488 million. The gearing and net gearing ratio were at low level of 22% and 11% respectively. This healthy operational and financial structure provided flexibility for the Group to further develop its business.

Following the persistent economic growth in China, car ownership in China is at a fast growing stage and hence traffic volume increased tremendously. The increase of traffic volume recorded in the second half of 2003 not only compensated the revenue loss due to Severe Acute Respiratory Syndrome ("SARS") in the first half of the year but also exceeded the Group's annual forecast. The Group is optimistic about toll road business in China. The Group will continue to develop this core business with its reputable goodwill, valuable experience and outstanding human resources. In September 2003, the Group successfully acquired 40% equity interest in Baoding-Tianjin Expressway project in Hebei Province, which has already made profit contribution to the Group. In 2004, the Group will be more aggressive and is targeting to secure two to three more highway projects.





Since our establishment, the Group strongly believed China's economic growth would be the fastest in the world and with plenty of business opportunities. The economic development in recent years in China has confirmed this belief. With the improving economic and business environment, the Group will rest upon our solid foundation to further expand its business developments with more aggressive pace and controllable risk. This will further strengthen the Group's foundation and also deliver a more reliable and substantial medium to long term return to shareholders.

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

Zen Wei Pao, William

Chairman

Hong Kong, 26 March 2004