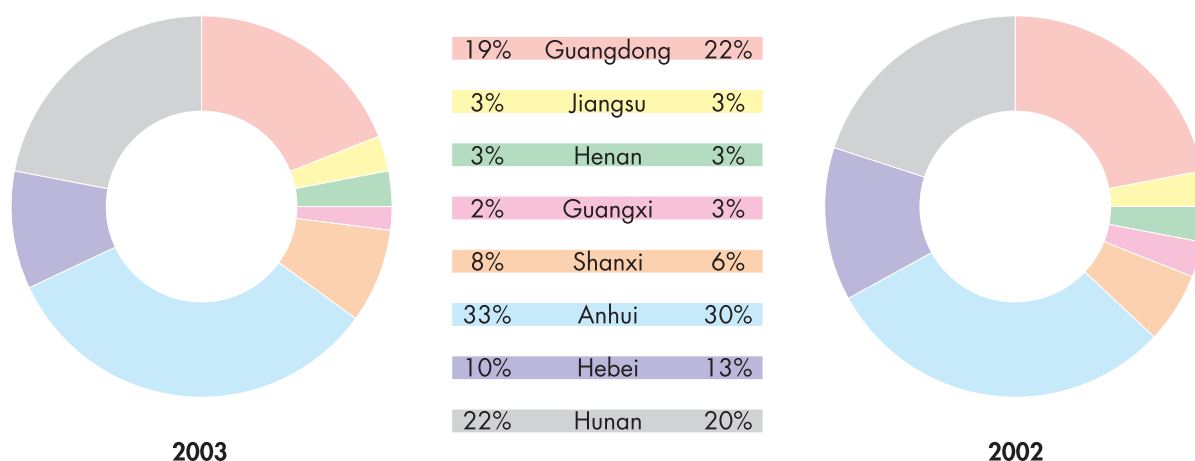


(A) Financial Results**Summary of Consolidated Income Statement**

HK\$ million	2003	2002	% changes
Turnover: Group and share of infrastructure joint ventures			
Toll revenue	815	748	+9%
Minimum income undertakings	14	45	-69%
Sales of goods	93	80	+16%
	922	873	+6%
Less: Share of infrastructure joint ventures' toll revenue	(803)	(709)	+13%
Turnover: Group	119	164	-27%
Net income recognised in respect of goodwill and negative goodwill	7	21	-67%
Other operating income	19	20	-5%
Cost of inventories sold	(63)	(72)	-13%
Allowance for doubtful receivables	-	(25)	N/A
Operating expenses	(83)	(95)	-13%
Share of operating profit of joint ventures	433	417	+4%
Operating profit: Group and share of joint ventures	432	430	-
Finance costs	(66)	(81)	-19%
Profit before taxation	366	349	+5%
Taxation	(42)	(30)	+40%
Minority interests	(6)	(6)	-
Profit for the year	318	313	+2%
Weighted average number of issued shares	551,738,081	513,769,004	+7%
Basic earnings per share	HK\$0.55	HK\$0.55	-
Dividend per share in respect of current year	HK25 cents	HK24 cents	+4%
HK\$ million			
Dividend in respect of current year			
Interim dividend	86	82	+5%
Proposed final dividend	59	41	+44%
Dividend on convertible preference shares	14	33	-58%

Profit Contribution by Geographic Region



Group's share of toll revenue

The Group's share of toll revenue increased by 9% mainly attributable to the increase in total traffic. Excluding the effect of the disposed Zhongshan Qijiang Highway project in 2003, the Group's share of toll revenue had increased by 13% as compared to 2002.

Minimum income undertakings

The decrease of minimum income undertakings was mainly due to the fact that some of the Group's projects had already reached the stage to recover their original investment amounts and, therefore, the provision of minimum income undertakings for some projects had been expired.

Sales of goods

The amount mainly represented sales of goods from the North American ginseng business.

Net income recognised in respect of goodwill and negative goodwill

The amount mainly represented the amortisation of negative goodwill arising from the acquisition of Chai-Na-Ta Corp. The negative goodwill is being recognised as income over three years which is the remaining weighted average useful life of the acquired non-monetary assets.

Other operating income

Other operating income mainly consisted of interest income.

Operating expenses

A saving of operating expenses was mainly attributable to cost savings following disposal of a toll road subsidiary during the year.

Share of operating profit of joint ventures

Share of joint ventures' operating profit increased by 4% mainly attributable to the increase of total traffic.

Finance costs

Finance costs mainly represented interest expense of guaranteed notes and other bank loans less interest income on repurchased portion and other finance costs in association with the financing exercise during the year. The decrease in finance costs was mainly attributable to early repayment of the Group's existing borrowings.

Taxation

Taxation mainly represented share of PRC income tax attributable to the PRC infrastructure joint ventures. Deferred tax is provided mainly on temporary differences between the carrying amounts and the corresponding tax bases of the Group's toll road operation rights in PRC and the ginseng crops of an overseas subsidiary using applicable tax rates of different jurisdictions.

(B) Cash Flow

Summary of Consolidated Cash Flow Statement

HK\$ million	2003	2002	Changes
Net cash from operating activities	50	66	(16)
Net cash (used in) from investing activities	(347)	371	(718)
Net cash used in financing activities	(248)	(300)	52
(Decrease) increase in cash and bank balances	(545)	137	(682)

Net cash from operating activities was mainly attributable to decrease of debtors, deposits and prepayments by HK\$72 million and decrease of inventories and ginseng crops by HK\$13 million but offset by the decrease of creditors and accrued charges by HK\$17 million in the current year.

Net cash (used in) from investing activities mainly comprised repayment of shareholder loans from joint ventures of HK\$490 million (last year : HK\$296 million), dividends received from joint ventures of HK\$129 million (last year: HK\$153 million), proceeds from disposal of investment in securities of HK\$83 million (last year: HK\$51 million), net proceeds on disposal of interests in subsidiaries of HK\$56 million (last year: HK\$5 million), and offset by loans to joint ventures of HK\$803 million (last year: HK\$39 million) and additional investment in joint ventures of HK\$360 million (last year: HK\$35 million).

Net cash used in financing activities principally consisted of dividend payment of HK\$142 million (last year: HK\$160 million), repayment of transferable loan certificate facility of HK\$488 million (last year: HK\$98 million), interest payment of HK\$58 million (last year: HK\$72 million), new loan raised of HK\$361 million (last year: HK\$33 million) and new shares issue of HK\$79 million (last year: nil).

Capital Commitments

As at 31 December 2003, the Group's outstanding capital commitments in respect of toll road and other projects were as follows:

	HK\$ million
Within one year	3
After the fifth year	34
	<hr/> 37

The commitments will be funded by the Group's working capital.

Contingent Liabilities

As at 31 December 2003, the Group had no contingent liabilities.

(C) Financial Position

Summary of Consolidated Balance Sheet

HK\$ million	2003	2002	Changes
ASSETS			
Property, plant and equipment	46	52	-6
Interests in infrastructure joint ventures	4,891	3,962	+929
Other non-current assets	(17)	254	-271
Current assets	908	1,458	-550
Total assets	5,828	5,726	+102
LIABILITIES			
Current liabilities	98	253	-155
Non-current liabilities	974	951	+23
Minority interests	41	82	-41
Total liabilities	1,113	1,286	-173
CAPITAL			
Shareholders' funds	4,715	4,440	+275

Property, plant and equipment mainly comprised the fixed assets of Chai-Na-Ta Corp.

Interests in infrastructure joint ventures increased to HK\$4,891 million mainly due to the additional investment in a toll road project during the year.

Other non-current assets mainly comprised negative goodwill and debtors due after one year.

Current assets mainly comprised bank balances and cash, charged deposits, receivables, inventories and ginseng crops. As at 31 December 2003, bank balances, cash and charged deposits aggregated to HK\$488 million (last year: HK\$1,088 million).

Current liabilities mainly comprised HK\$54 million of the short-term portion of the secured loans (last year: HK\$196 million) and HK\$26 million (last year: HK\$26 million) of interest payables.

Non-current liabilities comprised the long term portion of the Group's bank loans and guaranteed notes of HK\$961 million (last year: HK\$945 million).

The increase in **shareholders' funds** was attributable to the change of retained profit and new issue of ordinary shares during the year.

Capital Structure

HK\$ million	2003	2002
Shareholders' funds	4,715	4,440
Secured loans	1,015	1,141
Total capital employed	5,730	5,581
Gearing ratio	22%	26%

The reduction of the Group's gearing ratio from 26% to 22% was mainly attributable to the repayment of the transferable loan certificate facility of HK\$488 million. Following the investment in a toll highway project, bank balances had decreased to HK\$432 million (last year: HK\$974 million). The Group's net gearing ratio had then increased to 11% (last year: 1%).

Interest Coverage

HK\$ million	2003	2002
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	571	552
Finance costs	66	81
Interest coverage	8.7 times	6.8 times