

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2003.

### **Principal Activities**

The Company acts as an investment holding company. The principal activities of the subsidiaries and infrastructure joint ventures are investment holding and the investment in, development, operation and management of toll roads and expressways in the People's Republic of China ("PRC") and details of which are set out in notes 17 and 18 to the financial statements.

### **Results and Appropriations**

The results of the Group for the year ended 31 December 2003 are set out in the consolidated income statement on page 44.

An interim dividend of HK15 cents per share amounting to HK\$86,385,000 was paid to the shareholders on 21 August 2003. The convertible preference shares dividend of HK\$14,013,000 was paid during the year.

The directors recommend the payment of a final dividend of HK10 cents per share to the shareholders on the register of members on 12 May 2004 amounting to HK\$58,445,000.

### **Share Capital, Share Options and Warrants**

Details of the movements during the year in the share capital, share options and warrants of the Company are set out in notes 25, 26 and 27 to the financial statements respectively.

### **Reserves**

Movements during the year in the reserves of the Group and the Company are set out in note 28 to the financial statements.

### **Property, Plant and Equipment**

Details of movements during the year in the property, plant and equipment of the Group are set out in note 16 to the financial statements.

### **Issue of Equity Securities**

On 12 June 2003, all the outstanding 418,380 convertible preference shares held by Stagecoach Asia Limited were automatically converted into 48,876,168 ordinary shares of the Company at a conversion price of HK\$8.56 pursuant to a subscription agreement dated 30 April 1998 and the supplemental letter dated 5 June 1998 made between Stagecoach Group PLC (formerly known as Stagecoach Holdings PLC) and the Company.

On 28 August 2003, the Company entered into a subscription agreement with Value Partners Limited (the "Subscriber"), as fund manager, pursuant to which the Subscriber had agreed to subscribe for 2,500,000 ordinary shares of the Company at a price of HK\$4.8 per share. The purpose of the placement was to restore the public float of the Company to at least 25%. The Company used the net proceeds of HK\$12 million as general working capital.

## Connected Transaction

On 11 September 2000, a revolving credit agreement (the "Revolving Credit Agreement") was entered into between More Growth Finance Limited ("More Growth"), an indirectly wholly owned subsidiary of the Company, and Chai-Na-Ta Corp. ("CNT"), an indirect subsidiary in which 78% is currently owned by the Company.

Pursuant to the Revolving Credit Agreement, More Growth agreed to provide C\$5 million (approximately HK\$25,000,000) unsecured revolving credit bearing interest at the Canadian prime rate plus 2.5% per annum. Following maturity in March 2001, this facility was further extended until March 2003. For each extension, More Growth charged an extension fee equal to 1% of the commitment amount. The purpose of the facility was to provide general working capital to CNT.

In 2002, CNT repaid C\$2 million to More Growth. On 12 March 2003, CNT fully settled C\$3 million of principal and the balance of accrued interest due to More Growth.

The above transaction was structured on normal commercial terms and was approved by the Board of Directors of the Company.

## Directors and Directors' Service Contracts

The directors of the Company during the year and up to the date of this report are:

### Executive directors:

Zen Wei Pao, William (*Chairman*)

Ko Yuk Bing (*Managing Director and Chief Executive Officer*)

Chan Kam Hung (*Finance Director*)

Zen Wei Peu, Derek

Fong Shiu Leung, Keter

### Non-executive directors:

Hu Aimin (appointed on 3 February 2004)

Liu Zixian (appointed on 3 February 2004)

James Herbert Stewart

Chiang Wen Chee, Wendy (alternate to James Herbert Stewart)

Wu Chang, Tom (resigned on 14 January 2003)

Bharat Parashar (ceased to act as alternate to Wu Chang, Tom on 14 January 2003)

Cheng Wai Po, Samuel (ceased to act as alternate to Brian Souter on 21 July 2003)

Brian Souter (resigned on 3 February 2004)

Ross Thomas Martin (resigned on 3 February 2004)

Martin Andrew Griffiths (ceased to act as alternate to Ross Thomas Martin on 3 February 2004)

### Independent non-executive directors:

Chan Hing Chiu, Vincent

Chow Shiu Kee, Stephen

### **Directors and Directors' Service Contracts** (Continued)

In accordance with Bye-laws 86 and 87 of the Company's Bye-laws, Zen Wei Peu, Derek, Fong Shiu Leung, Keter, James Herbert Stewart, Hu Aimin and Liu Zixian shall retire by rotation and, being eligible, offer themselves for re-election. All other remaining directors continue in office.

Each of Zen Wei Pao, William and Zen Wei Peu, Derek entered into a service agreement with the Company for a term of three years commencing from 1 May 2003.

Ko Yuk Bing entered into service agreements with the Group for a term of three years commencing from 1 May 2003.

Each of Chan Kam Hung and Fong Shiu Leung, Keter entered into service agreements with the Group. The service agreements with Chan Kam Hung are for a term of three years commencing from 1 September 2002. The service agreement with Fong Shiu Leung, Keter is for a term of three years commencing from 25 July 2003.

The term of office for each non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### **Directors' Interests in Contracts**

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## Disclosure of Interests

### Directors' Interests and Short Positions

As at 31 December 2003, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

#### (I) The Company

##### (a) Interests in shares

Name of Director	Capacity/ Nature of interest	Number of Shares held		Percentage of holding
		Long position	Short position	
				(%)*
Zen Wei Pao, William	Personal	2,500,000 ( <i>note 2</i> )	–	0.43
Ko Yuk Bing	Personal	550,000 ( <i>note 1</i> )	–	0.09
		2,300,000 ( <i>note 2</i> )	–	0.39
Chan Kam Hung	Personal	1,500,000 ( <i>note 2</i> )	–	0.26
Zen Wei Peu, Derek	Personal	300,000 ( <i>note 1</i> )	–	0.05
		1,300,000 ( <i>note 2</i> )	–	0.22
Fong Shiu Leung, Keter	Personal	1,000,000 ( <i>note 2</i> )	–	0.17
Brian Souter	Personal	250,000 ( <i>note 2</i> )	–	0.04
Ross Thomas Martin	Personal	250,000 ( <i>note 2</i> )	–	0.04
James Herbert Stewart	Personal	250,000 ( <i>note 2</i> )	–	0.04
Chan Hing Chiu, Vincent	Personal	250,000 ( <i>note 2</i> )	–	0.04
Chow Shiu Kee, Stephen	Personal	160,000 ( <i>note 1</i> )	–	0.03
		250,000 ( <i>note 2</i> )	–	0.04

Notes:

- 1 Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
  - 2 Long position in the underlying shares of the Company pursuant to unlisted equity derivatives (including physically settled, cash settled and other equity derivatives). Share options granted to directors or chief executives are included in this category, the particulars of which are set out in (I)(b) below.
- \* As at 31 December 2003, the issued share capital of the Company is 584,136,566 shares. Accordingly, the percentage has been adjusted.

## Disclosure of Interests (Continued)

### Directors' Interests and Short Positions (Continued)

#### (I) The Company

(b) Interests in underlying shares through equity derivatives

Name of Director	Date granted	Exercisable period	Exercise price	Number of share options
			HK\$	
Zen Wei Pao, William	17 October 2003	17 October 2003 to 16 October 2008	5.15	2,500,000
Ko Yuk Bing	17 October 2003	17 October 2003 to 16 October 2008	5.15	2,300,000
Chan Kam Hung	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,500,000
Zen Wei Peu, Derek	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,300,000
Fong Shiu Leung, Keter	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,000,000
Brian Souter	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000
Ross Thomas Martin	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000
James Herbert Stewart	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000
Chan Hing Chiu, Vincent	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000
Chow Shiu Kee, Stephen	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000

## Disclosure of Interests (Continued)

### Directors' Interests and Short Positions (Continued)

#### (II) Details of share options

The share option scheme of the Company adopted on 3 June 1996 (the "Old Share Option Scheme") was terminated and a new share option scheme (the "New Share Option Scheme") was adopted by the Company at the annual general meeting held on 12 May 2003 to comply with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Particulars of the Company's share option schemes are set out in note 26 to the financial statements.

The total number of shares which may be issued under the New Share Option Scheme and any other schemes of the Company was 22,236,620 shares (excluding exercised, cancelled and outstanding options) representing approximately 3.80% of the issued share capital as at the date of this report.

The Directors consider that it is not appropriate to disclose the fair value of share options granted during the year ended 31 December 2003 as any valuation of the share options would be subject to a number of subjective and uncertain assumptions. The Directors believe that the evaluation of share options based upon speculative assumptions would not be meaningful and would be misleading to shareholders.

A summary of movement during the year under the Old Share Option Scheme is as follows:

Name	Date granted	Exercisable period	Exercise price	Number of share options				
				Balance at 1.1.2003	Granted during the year	Exercised during the year**	Cancelled during the year	Balance at 31.12.2003
				HK\$				
<b>Directors</b>								
Zen Wei Pao, William	8 August 2000	8 August 2001 to 7 August 2003	3.20	2,900,000	—	(2,900,000)	—	—
Ko Yuk Bing	8 August 2000	8 August 2001 to 7 August 2003	3.20	2,600,000	—	(2,600,000)	—	—
Zen Wei Peu, Derek	8 August 2000	8 August 2001 to 7 August 2003	3.20	1,500,000	—	(1,500,000)	—	—
Fong Shiu Leung, Keter	8 August 2000	8 August 2001 to 7 August 2003	3.20	320,000	—	(320,000)	—	—
Brian Souter	8 August 2000	8 August 2001 to 7 August 2003	3.20	190,000	—	(190,000)	—	—
Chan Hing Chiu, Vincent	8 August 2000	8 August 2001 to 7 August 2003	3.20	320,000	—	(320,000)	—	—
Chow Shiu Kee, Stephen	8 August 2000	8 August 2001 to 7 August 2003	3.20	320,000	—	(320,000)	—	—
Chui Chi Keung, Raymond	27 November 2000	27 November 2001 to 26 November 2003	3.20	200,000	—	—	(200,000)	—
				8,350,000	—	(8,150,000)	(200,000)	—
<b>Others</b>								
Employees	8 August 2000	8 August, 2001 to 7 August, 2003	3.20	2,405,000	—	(2,405,000)	—	—
				2,405,000	—	(2,405,000)	—	—
				10,755,000	—	(10,555,000)	(200,000)	—

\*\* The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$4.21.

## Disclosure of Interests (Continued)

### Directors' Interests and Short Positions (Continued)

#### (II) Details of share options

A summary of movement during the year under the New Share Option Scheme is as follows:

Name	Date granted	Exercisable period	Exercise price	Number of share options				
				Balance at 1.1.2003	Granted during the year <sup>#</sup>	Exercised during the year <sup>**</sup>	Cancelled during the year	Balance at 31.12.2003
			HK\$					
<b>Directors</b>								
Zen Wei Pao, William	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	2,500,000	—	—	2,500,000
Ko Yuk Bing	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	2,300,000	—	—	2,300,000
Chan Kam Hung	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	1,500,000	—	—	1,500,000
Zen Wei Peu, Derek	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	1,300,000	—	—	1,300,000
Fong Shiu Leung, Keter	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	1,000,000	—	—	1,000,000
Brian Souter	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	250,000	—	—	250,000
Ross Thomas Martin	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	250,000	—	—	250,000
James Herbert Stewart	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	250,000	—	—	250,000
Chan Hing Chiu, Vincent	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	250,000	—	—	250,000
Chow Shiu Kee, Stephen	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	250,000	—	—	250,000
				—	9,850,000	—	—	9,850,000
<b>Others</b>								
Employees	17 October 2003	17 October 2003 to 16 October 2008	5.15	—	4,870,000	(70,000)	(110,000)	4,690,000
				—	4,870,000	(70,000)	(110,000)	4,690,000
				—	14,720,000	(70,000)	(110,000)	14,540,000

# The closing price of the Company's shares immediately before the date of grant was HK\$5.80.

\*\* The weighted average closing price of the Company's shares immediately before the date on which the share options were exercised was HK\$5.60.

Save as disclosed above, none of the Directors or chief executives or their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange.

Save as disclosed herein, none of the Directors nor their spouse or children under 18 years of age were granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

## Arrangements to Acquire Shares or Debentures

Other than the share option schemes as mentioned earlier, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Substantial Shareholders' Interests

As at 31 December 2003, so far as is known to any Director or chief executive of the Company, the following persons (other than directors or chief executives of the Company), who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity/ Nature of interest	Number of shares held		Percentage of holding
		Long position	Short position	
		<i>(note 1)</i>		<i>(%)*</i>
Wai Kee Holdings Limited <i>(note A)</i>	Corporate	253,066,766	–	43.32
Wai Kee (Zens) Holding Limited <i>(note B)</i>	Corporate	253,066,766	–	43.32
Groove Trading Limited <i>(note C)</i>	Personal/Beneficiary	66,000,000	–	11.30
Wai Kee China Investments (BVI) Company Limited <i>(note C)</i>	Corporate	187,066,766	–	32.02
Wai Kee China Investments Company Limited <i>(note D)</i>	Corporate	187,066,766	–	32.02
ZWP Investments Limited <i>(note E)</i>	Personal/Beneficiary	187,066,766	–	32.02
Stagecoach Group PLC <i>(note F)</i>	Corporate	178,664,704	–	30.59
Stagecoach Asia Limited <i>(note G)</i>	Personal/Beneficiary	178,664,704	–	30.59
Value Partners Limited <i>(note H)</i>	Investment Manager	64,388,852	–	11.02
Cheah Cheng Hye	Personal	450,000	–	0.08
	Family	230,000	–	0.04
	Corporate	64,388,852	–	11.02
Chow Tai Fook Enterprises Limited	Personal/Beneficiary	46,500,000	–	7.96



## Substantial Shareholders' Interests (Continued)

### Notes:

- 1 Long position in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds).
- A Wai Kee Holdings Limited is deemed to be interested in the shares through its interests in its wholly owned subsidiaries, namely Wai Kee (Zens) Holding Limited, Wai Kee China Investments (BVI) Company Limited, Groove Trading Limited, Wai Kee China Investments Company Limited and ZWP Investments Limited respectively.
- B Wai Kee (Zens) Holding Limited is a direct wholly owned subsidiary of Wai Kee Holdings Limited.
- C Wai Kee China Investments (BVI) Company Limited and Groove Trading Limited are direct wholly owned subsidiaries of Wai Kee (Zens) Holding Limited.
- D Wai Kee China Investments Company Limited is a direct wholly owned subsidiary of Wai Kee China Investments (BVI) Company Limited.
- E ZWP Investments Limited is a direct wholly owned subsidiary of Wai Kee China Investments Company Limited.
- F Stagecoach Group PLC is deemed to be interested in the shares through its interests in its wholly owned subsidiary, namely Stagecoach Asia Limited.
- G Stagecoach Asia Limited is a direct wholly owned subsidiary of Stagecoach Group PLC.
- H Cheah Cheng Hye is deemed to be interested in the shares through his 32.2% interest in Value Partners Limited.
- \* As at 31 December 2003, the issued share capital of the Company is 584,136,566 shares. Accordingly, the percentage has been adjusted.

### Purchase, Sale or Redemption of the Company's Listed Securities and Secured Loans

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Details of the repurchase of certain secured loans are set out in note 29 to the financial statements.

### Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### Major Customers and Suppliers

The principal business of the Group is to invest in, develop, operate and manage toll roads and expressways in the PRC. There are no major customers and suppliers in view of the nature of the Group's business.

### Code of Best Practice

The Company has complied throughout the year ended 31 December 2003 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

### Audit Committee

Pursuant to the requirements of the Listing Rules, the Company had on 30 July 1998 established an Audit Committee comprising three members (two of them being independent non-executive directors) with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants. The Audit Committee meets twice a year to review and discuss with management and external auditors the accounting principles and policies adopted by the Group, the general scope of audit work conducted by the external auditors and the assessment of the Group's internal controls.

### Practice Note 19 to the Listing Rules

In compliance with Practice Note 19 to the Listing Rules, the following information is disclosed:

1. Pursuant to part 3.3 of the Practice Note 19:
  - (a) All the Group's investments in highway projects are structured in the form of Sino-foreign co-operative joint ventures. The 42 joint ventures are regarded as infrastructure joint ventures irrespective of whether the Group's interests exceed 50% or not. The investments are in the form of both registered capital and loans. The size of loans made by the Group and by the other joint venture partner(s) to each joint venture is in proportion to the respective interests in each joint venture.
  - (b) During the year, a guarantee of HK\$30 million provided by the Group to a bank in respect of bank facilities utilised by an infrastructure joint venture was released on 28 December 2003.
  - (c) The total amount of loans to the infrastructure joint ventures is HK\$3.34 billion which exceeds 70% of the Group's net assets as at 31 December 2003. The loans are actually part of the investments and are unsecured, interest free and have no definite repayment terms.
  - (d) The loans to the infrastructure joint ventures were funded by equities raised at the listing of the Company or by borrowings or internal resources of the Group.

## Practice Note 19 to the Listing Rules (Continued)

PRC Infrastructure Joint Ventures	% of interest held indirectly by the Company	Loan to joint venture	Outstanding loan to be injected
		HK\$'000	HK\$'000
Anhui Road Universe Hefei Highway Development Co., Ltd.	50%	124,677	–
Anhui Road Universe Hehuai Highway Dayang Section Development Company Limited	60%	75,663	–
Anhui Road Universe Hehuai Highway Yangjin Section Development Company Limited	60%	67,252	–
Anhui Road Universe Luan Highway Development Co., Ltd.	50%	64,705	–
Bengbu Road King Chaoyanglu Huaihe Highway Bridge Development Co., Ltd.	60%	65,277	–
Bengbu Road King Huaihe Bridge Highway Development Co., Ltd.	60%	78,083	–
Bengbu Road King Huaimeng Highway Development Co., Ltd.	60%	57,201	–
Foshan Guangsan Special-Use Automobile Highway Co., Ltd.	35%	198,144	–
Guangxi Hengjing Highway Development Co., Ltd.	70%	61,513	18,384
Guangxi Lutong Highway Development Co., Ltd.	70%	81,800	15,793
Handan Rongguang Highway Development Co., Ltd.	70%	79,223	–
Handan Xinguang Highway Development Co., Ltd.	70%	80,474	–
Hebei Baofa Expressway Co., Ltd.	40%	54,064	–
Hebei Baofeng Expressway Co., Ltd.	40%	54,111	–
Hebei Baohui Expressway Co., Ltd.	40%	53,907	–
Hebei Baojie Expressway Co., Ltd.	40%	54,994	–
Hebei Baojin Expressway Co., Ltd.	40%	61,846	–
Hebei Baoli Expressway Co., Ltd.	40%	55,049	–
Hebei Baoming Expressway Co., Ltd.	40%	50,550	–
Hebei Baosheng Expressway Co., Ltd.	40%	54,187	–
Hebei Baoyi Expressway Co., Ltd.	40%	54,445	–
Hebei Baoyu Expressway Co., Ltd.	40%	54,703	–
Hunan Changyi (Baining) Expressway Co., Ltd.	43.17%	58,635	–
Hunan Changyi (Cangyi) Expressway Co., Ltd.	43.17%	59,832	–
Hunan Changyi (Changbai) Expressway Co., Ltd.	43.17%	59,567	–
Hunan Changyi (Hengcang) Expressway Co., Ltd.	43.17%	61,465	–
Hunan Changyi (Ningheng) Expressway Co., Ltd.	43.17%	59,510	–
Hunan Changyi (Zijiang No. 2 Bridge) Expressway Co., Ltd.	43.17%	47,346	–
Liuan Road Universe Liuye Highway Development Co., Ltd.	50%	68,487	–
Liuan Road Universe Pihe Bridge Development Co., Ltd.	50%	63,286	–
Luodingshi Luochong Highway Company Limited	61%	124,705	–
Pingdingshan Road King Xuchang-Nanyang Highway (Xiangcheng Section) Development Co., Ltd.	50%	68,352	–
Pingdingshan Road King Xuchang-Nanyang Highway (Yexian Section) Development Co., Ltd.	50%	59,025	–
Shanxi Lutong Dongguan Highway Co., Ltd.	65%	99,693	–
Shanxi Lutong Taigu Highway Co., Ltd.	60%	76,080	–
Shanxi Lutong Taiyu Highway Co., Ltd.	65%	75,938	–
Shanxi Lutong Yuci Highway Co., Ltd.	65%	60,460	–
Shenzhen Airport-Heao Expressway (Eastern Section) Co., Ltd.	45%	377,028	–
Shijiazhuang Luhui Road & Bridge Development Co., Ltd.	60%	85,462	–
Shijiazhuang Luxin Road & Bridge Development Co., Ltd.	60%	48,443	–
Suzhou Road King Shanghai-Suzhou Airport Road Development Co., Ltd.	50%	120,874	–
Changzhou Wujin Road King Changcao Highway Development Co., Ltd.	60.24%	83,945	–
		3,340,001	34,177

## Practice Note 19 to the Listing Rules (Continued)

2. Pursuant to part 3.7.1 of Practice Note 19:

The Group has a transferable term loan facility for the amount of HK\$350 million. The facility will mature on 24 June 2007. Under the facility agreement, the single largest shareholder of the Company is required to maintain directly or indirectly not less than thirty-five per cent (35%) of each class of the issued voting share capital of the Company throughout the continuance of the facility.

3. Pursuant to part 3.10 of Practice Note 19:

The summary of aggregate financial information of the infrastructure joint ventures, based on the adjusted financial statements prepared under the accounting principles generally accepted in Hong Kong for the year ended 31 December 2003, is as follows:

<b>Balance sheet</b>	<b>2003</b>
	HK\$'000
Property, plant and equipment	9,331,019
Current assets	1,210,728
Current liabilities	(1,153,622)
Net current assets	57,106
Amounts due to joint venture partners	(3,600,299)
Net assets	5,787,826

Details of the Group's attributable interests in the infrastructure joint ventures are set out in note 18 to the financial statements.

4. Save as disclosed above, there is no other disclosure required to be made by the Company pursuant to Practice Note 19.

## Donations

During the year, the Group made charitable and other donations amounting to HK\$544,000.

## Auditors

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors.

On behalf of the Board  
**Zen Wei Pao, William**  
*Chairman*

Hong Kong  
 26 March 2004